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PROJECT APPRAISAL REPORT (PAR)

1. PROJECT NO.	2. PAR FOR PERIOD:	3. COUNTRY	4. PAR SERIAL NO.
526-11-790-018.3	6/69 TO 12/71	PARAGUAY	72-4

5. PROJECT TITLE

FINANCIAL MANAGEMENT

A.I.D. Reference Center Room 1656 NS

6p.

6. PROJECT DURATION: Began FY 67 Ends FY 72	7. DATE LATEST PROP	8. DATE LATEST PIP	9. DATE PRIOR PAR
	11/21/69	None	6/15/69

10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: $ 192,000	b. Current FY Estimated Budget: $ 0	c. Estimated Budget to completion After Current FY: $ 0

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

a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.
SECANE, CANEPA & CIA.	Contract
UNITED NATIONS	International Organization

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

A. ACTION (X) USAID	AID/W	HOST	B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
X			USAID and the new UN Resident Representative should meet to review this project and coordinate termination action.	March 31, 1972
X			USAID should notify the GOP that AID is terminating this project June 30, 1972 when the Secane, Canepa and Cia. contract expires, and complete AID termination requirements.	March 31, 1972
X			USAID should notify Secane, Canepa and Cia. that their contract will not be renewed because of the decision to terminate the project.	March 31, 1972

D. REPLANNING REQUIRES REVISED OR NEW: ☐ PROP ☐ PIP ☐ PRO AG ☐ PIO/T ☐ PIO/C ☐ PIO/P

E. DATE OF MISSION REVIEW: January 31, 1972

PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE	MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE
William R. Flaherty (in draft)	John R. Olsson

II. PERFORMANCE OF KEY INPUTS AND ACTION AGENTS

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

Comment on key factors determining rating

The contractor was successful in developing the accounting, audit, inventory and data processing systems. He also developed the regulations for the budget system, provided services in the tax administration section when requested and was effective in training Paraguayan staff. Throughout his service time he enjoyed a good relationship with AID and the UN Advisor.

This project has so far failed in implementation, because at the point of implementation the GOP refused to take necessary actions. The contractor did all he could to fulfill the tasks of his contract.

4. PARTICIPANT TRAINING	1	2	3	X	5	6	7	1	2	3	4	X

Comment on key factors determining rating There was no "participant training" under this project. Local training under the supervision of the USAID-UN Advisors, however, was very important in providing approximately 800 GOP employees to date with instruction in accounting, organization, administrative procedures, administration, financial management and auditing. This local training has resulted in skilled men to implement the project.

5. COMMODITIES Data Processing Equipment	1	2	X	4	5	6	7	1	2	X	4	5

Comment on key factors determining rating

The GOP has had EDP equipment since 1970, but it has not yet been adapted to tax office problems. However, mechanical (ADP) printouts and punch cards have helped considerably in the accounting and processing fields. But, in general, the Ministries have not provided the funds to support a modern data processing system.

6. COOPERATING COUNTRY	1	2	3	4	5	6	7	1	2	3	4	5
a. PERSONNEL		X										X
b. OTHER		X										X

Comment on key factors determining rating

This was essentially a two-pronged project- the establishment of controls on the national budget and the installation of accounting controls in the high cabinet and legislative offices. The GOP passed a law establishing the budget controls but the implementing regulations were never approved. The accounting controls were designed but, generally, not implemented for lack of budget support. Many key decisions rested with the Minister of Finance, who always appeared somewhat apathetic toward the project. Other key ministries likewise failed to give the accounting system proper reception and budget support. Failure to implement this project appears to rest squarely with the GOP. At this time implementation could take place quickly if the GOP would sign necessary budget regulations and appropriate the approximately $5,600 per Ministry needed to implement the accounting system. There is no evidence the GOP will take these steps.

7. OTHER DONORS United Nations	1	2	3	X	5	6	7	1	2	3	X	5

(See Next Page for Comments on Other Donors)

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

The UN Advisor has worked closely and effectively with the USAID contractor. Successes in the project have been the result of joint actions. USAID/UN objectives in this project are the same and have been pursued jointly. The UN Advisor, however, has had weak backstopping from his organization.

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					
		CUMULATIVE PRIOR FY	CURRENT FY TO DATE	CURRENT FY TO END	FY ___	FY ___	END OF PROJECT
Number of Ministries and Agencies with central accounting system	PLANNED	9	0	8			17
	ACTUAL PERFORMANCE	5	0				
	REPLANNED						
Number of Ministries and Agencies with new data processing systems	PLANNED	5		3			8
	ACTUAL PERFORMANCE	2	0				
	REPLANNED						
Number of Ministries and Agencies with organic budget system	PLANNED	1		1			1
	ACTUAL PERFORMANCE	0	0				
	REPLANNED						
A corps of 800 trained in accounting, administrative procedure, administration, financial management and auditing	PLANNED	800		100			900
	ACTUAL PERFORMANCE	800	0				
	REPLANNED						

B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS	COMMENT:
1. More efficient management of GOP accounts	There has not been sufficient implementation of the accounting and budget systems to indicate any overall impact on efficiency. In the Ministry of Finance, however, where the accounting system is functioning, the administrators are receiving accounting data they never before had.
2.	COMMENT:
3.	COMMENT:

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IV. PROJECT PURPOSE

A. 1. Statement of purpose as currently envisaged. 2. Same as in PROP? ☒ YES ☐ NO

To improve the efficiency of the GOP in the mobilization and use of financial revenues.

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
Implementation of organic budget system.	None. Proposed regulations were written but the GOP did not approve them.
Implementation of central accounting system.	The system is functioning in the Ministries of Agriculture, Labor and Justice, part of the Ministry of Finance and in the Judicial Systems and National University. Action is slow or non existent in other Ministries.
A corps of 800 trained staff.	800 have been trained to date, and 900 will have been trained by June, 1972.
An institutionalized in-service training course at the In-Service Training Center (CAES).	CAES has been the training organization for this project. They have prior courses and trained staff to form the base for continued training.
An institutionalized data processing system.	Some parts of the Ministry of Finance are using data processing as is National University.

V. PROGRAMMING GOAL

A. Statement of Programming Goal

Savings to the GOP through accounting and control of income and expenditures.

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.

In the GOP, money is managed in a decentralized fashion. Once the Ministry of Finance releases budgetary funds to the Ministries, they control all undisbursed balances. As a result of the existing accounting/budget procedures, MINFIN cannot rebudget undisbursed balances at the end of the fiscal year and use them to pay off unliquidated GOP debts.

If the complete new accounting/budget system is implemented, there will be a unified accounting/budget system. Funds will be apportioned monthly to Ministries by MINFIN. Authority for expenditures will terminate at the end of the fiscal year, with unexpended funds and uncollected revenues returned to MINFIN. MINFIN will thus have a rational means of reprogramming debts and assets as part of the regular budgetary process.

If only the accounting system is implemented, the GOP should see improvement, resulting from a more efficient and rational method of accounting for GOP income and expenditures, but the magnitude would be minor.

AID 1020-28 (7-71)
SUPPLEMENT I

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

(INSTRUCTION: THIS IS AN OPTIONAL FORM WHICH CAN BE USED AS AN AID TO ORGANIZING DATA FOR THE PAR REPORT. IT NEED NOT BE RETAINED OR SUBMITTED.)

Life of Project:
From FY 1967 to FY 1972
Total U.S. Funding $152,000
Date Prepared: December, 1971

Project Title & Number: FINANCIAL MANAGEMENT 526-11-790-018.3

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Program or Sector Goal: The broader objective to which this project contributes:	Measures of Goal Achievement:		Assumptions for achieving goal targets:
Savings to Central Government through improved accounting and control of GOP income and expenditures.	An annual budget that takes into account prior year unpaid obligations and uncollected revenues.	Analysis of Budget.	Support of high level GOP officials.
Project Purpose:	Conditions that will indicate purpose has been achieved: End of Project Status:		Assumptions for achieving purpose:
To improve the efficiency of the GOP in the mobilization and use of financial revenues.	1. Implementation of the new accounting system. 2. Implementation of organic budget system. 3. Reorganization of the administrative systems of each Ministry. 4. A corps of 800 trained in accounting, organization, administrative procedures, administration, financial management and auditing. 5. Institutionalized in-service training course at the In-Service Training Center (CAES). 6. Institutionalized data processing system.	1. GOP decrees and procedural manuals. 2. Consultation with AID system analyst advisor. 3. Consultation with UN advisor. 4. AID audit reports of the GOP. 5. Course offerings of CAES.	1. Making use of accounting/budget system once developed. 2. Sufficient Paraguayan accountants in the GOP to replace advisors. 3. Continued GOP budget support for the data processing services and manpower necessary to the system.

AID 1020-22 (7-71)
SUPPLEMENT I

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 1967 to FY 1972
Total U.S. Funding $152,000
Date Prepared: December, 1971

Project Title & Number: FINANCIAL MANAGEMENT 526-11-790-018.3

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Outputs:	Magnitude of Outputs:		Assumptions for achieving outputs:
1. Organic budget and accounting law. 2. Ongoing accounting system. 3. Ongoing organic budget system. 4. Trained personnel. 5. Data processing system.	1. Extension of new accounting system to all Ministries and Agencies (17) by the beginning of FY 1973. 2. Extension of new organic budget system to all Ministries and Agencies (17) by the beginning of FY 1973. 3. Training 800 GOP employees. 4. Publication of procedural manuals in GOP. 5. Increased use of automatic data processing in accounting/budgetting by the GOP.	1. Consultation with UN and AID advisors. 2. Periodic reports of advisors. 3. GOP decrees and procedural manuals. 4. Data processing budget of GOP. 5. Reports on training courses.	1. Support of GOP in implementation of legislation and regulations. 2. Coordination between GOP Ministries and Agencies. 3. Availability of qualified personnel for training.
Inputs:	Implementation Target (Type and Quantity):		Assumptions for providing inputs:
1. US Advisor Accountant (1966-69). 2. US Systems Analyst Advisor (1967-72) 3. UN Accounting and Organization and Management Advisor (1966-73). 4. GOP budget support for installation of accounting/budget system and backup to advisors. 5. GOP Counterparts.	1. $152,000 from AID through FY72 2. $ 58,000 from GOP through FY72 3. $155,000 from UN through FY73 4. See PROP (11/21/69) for implementation schedule.	1. AID: Project records 2. GOP: Budget of Ministry of Finance and other Ministries 3. UN : Project records	1. Competent counterparts. 2. Adequate and timely budget support.