

PROJECT APPRAISAL REPORT (PAR)

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1. PROJECT NO. 526-15-950-051.1	2. PAR FOR PERIOD: 9/21/70 TO 3/15/72	3. COUNTRY PARAGUAY	4. PAR SERIAL NO. 72-8
5. PROJECT TITLE			

DEVELOPMENT AND PRODUCTIVITY CENTER

6. PROJECT DURATION: Began FY <u>67</u> Ends FY <u>72</u>	7. DATE LATEST PROP 8/20/70	8. DATE LATEST P.P 3/30/70	9. DATE PRIOR PAR 9/21/70
10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$ <u>831,100</u>	b. Current FY Estimated Budget: \$ <u>126,100</u>	c. Estimated Budget to completion After Current FY: \$ <u>-0-</u>

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

a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.
Georgia Institute of Technology	ATD/526-238
Personal Services	ATD/526-260

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		
X		X	Two counterparts to be used for each training course given by a foreign national. State in FY 72 ProAg.	May 1972
X		X	Study on the types of training than can be successfully given in Paraguay. State in FY 72 ProAg.	October 1972
X		X	Investigate possible association of Center with a "name" foreign consulting firm or institution.	October 1972
X		X	Study on the demand for consulting work. State in FY 72 ProAg.	October 1972
X		X	List prospective private firms which would become members of the Center. Drive to obtain their membership. State in FY 72 ProAg.	June 1972
X		X	Board of Directors to ask sponsoring organizations to contribute the funds which were pledged under FY 71 ProAg. State in FY 72 ProAg.	June 1972
X		X	Deal directly with Board of Directors and not sponsoring organizations.	Continuing
X		X	Board of Directors to coordinate Center's work with other agencies. State in FY 72 ProAg.	Continuing

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	March 16, 1972	
PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE				MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE				
James B. Riley				John R. Oleson			6/16/72	

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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			OUT-STANDING		LOW	MEDIUM			HIGH	
	1	2	3	4	5	6	7	1	2	3	4	5	
1. Georgia Institute of Technology					X								X
2. Mr. Enrique Sanchez			X									X	
3.													

Comment on key factors determining rating

- The contractor (No. 1 above) has continued his highly satisfactory performance during the rating period.
- The contract with Mr. Sanchez was not renewed because of Mr. Sanchez's negative performance with host country counterparts. Mr. Sanchez preferred to work alone rather than work with the technicians at the Center. He did not feel, although he was told and it was stated in his contract, that his job was to train Paraguayans to assume his marketing activities.

4. PARTICIPANT TRAINING				X									X	
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Comment on key factors determining rating

Overall, training of CDP technician have been successful and the four technicians now in training are doing well. However, the Acting Director was to take a scholarship, but turned it down. The returned participant who was to take over as Director is now working elsewhere. These changes were the result of "political infighting".

5. COMMODITIES											X			
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Comment on key factors determining rating

Nine thousand dollars in commodities were allocated under the FY 71 ProAg. The funds have been held in abeyance until the problems with the Center have been worked out. Only a minor amount of FY 70 commodity funds were spent in the beginning of the rating period. Thus, no rating was made.

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

Comment on key factors determining rating

The CDP has a competent staff made up of bright, young university graduates. The problems of the Center stem mainly from the conflict between the presidents of FEPRINCO and UIP. The differences between FEPRINCO and UIP (merchants vs. industrialists) will always exist, however, this should not affect the operations of the Center. It is the personal feud between (two) men (one who is President of the Center's Board of Directors) that is the principal problem.

7. OTHER DONORS														
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(See Next Page for Comments on Other Donors)

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

FEPRINCO and UIP are more members of the CDP rather than donors. There are no other donors, therefore, no rating has been made.

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					END OF PROJECT
		CUMULATIVE PRIOR FY	CURRENT FY		FY 73	FY 74	
			TO DATE	TO END			
\$ Total revenue (000)	PLANNED	\$79		\$122	\$157	\$182	\$182
	ACTUAL PERFORMANCE	47.1*	48.9*		***	****	
	REPLANNED				\$ 55.4	\$ 60.6	\$ 60.6
No. of Training Courses	PLANNED	40		40	40	40	40
	ACTUAL PERFORMANCE	46*	39**				
	REPLANNED				48	50	
No. of persons trained at Center	PLANNED	1,500		1,500	1,500		1,500
	ACTUAL PERFORMANCE	1,138*	888**				
	REPLANNED				1,200	1,250	
No. of consulting jobs	PLANNED	30		38	62	65	65
	ACTUAL PERFORMANCE	17*	19**				
	REPLANNED				20	23	
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS		COMMENT:					
1.	* CY 1970 ** CY 1971 *** CY 1972 **** CY 1973						
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 create a locally managed and locally financed institution which is able to lead in modernizing private management in Paraguay.

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
1. A viable Center that can generate enough income to cover its operating expenses. Estimated level of self-sufficiency is \$60,000.	The Center could operate at various levels/depending on the activities undertaken. The Center could meet PROP targets and be self-sufficient at the end of CY 1973. Income in CY 1971 was \$50,000.
2. Trained staff of Center	Training of the staff has progressed. The local staff can handle most of the consulting work. (A special course is being set up to upgrade their writing skills). The weakest area is giving training courses. However, the Center is now trying to build up its teaching staff by including non-staff members as counterparts to foreign instructors.
3. An institution fully supported by the private sector. Two hundred member firms.	Total membership of the CDP is 51. A membership drive is being planned to increase the number of members and to obtain as members some of the larger private firms.

V. PROGRAMMING GOAL

A. Statement of Programming Goal

Minimum annual increase of 5% in private sector investment.

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

The CDP is attempting to change the conditions which have contributed to the stagnant rate of growth of private investment. Businessmen are timid and conservative in their outlook and satisfied with small-scale, inefficient operations which produce a narrow range of products. Management tends to be concentrated in one individual, the head of the family. If management can be modernized there is no doubt that investment will increase.

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AID 1020-20 (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: Obligations
From FY 67 to FY 72
Total U.S. Funding \$957,200
Date Prepared: MAY 25, 1972

Project Title & Number: DEVELOPMENT AND PRODUCTIVITY CENTER 526-15-950-051.1

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes: Minimum annual increase of 5% in private sector investment.</p>	<p>Measures of Goal Achievement: Dollar value of private sector gross fixed investment <u>CY-70</u> <u>CY-71</u> <u>CY-72</u> <u>CY-73</u> \$63 mil \$66 mil \$69 mil \$72 mil</p>	<p>IBRD private sector investment statistics.</p>	<p>Assumptions for achieving goal targets: Investment opportunities are available, especially for local entrepreneurs.</p>
<p>Project Purpose: To create a locally managed and locally financed institution which is able to lead in modernizing private management.</p>	<p>Conditions that will indicate purpose has been achieved. EOPS: 1. A viable Center that can generate enough income to cover its operating expenses- \$60,000 P.A. 2. Staff of Center trained. 3. A Center that is supported by the private sector - 200 members</p>	<p>1. CDP records 2. USAID training records 3. CDP records</p>	<p>Assumptions for achieving purpose: 1. CDP can provide courses that local businessmen are interested in taking. 2. The CDP staff will have the expertise to provide consulting services that can compete with other private consulting firms.</p>
<p>Outputs: 1. No. of training courses 2. No. of people trained at Center 3. No. of consulting jobs 4. No. of staff that return from long-term participant training 5. Total revenue (\$000) of Center</p>	<p>Magnitude of Outputs: <u>CY-72</u> <u>CY-73</u> 1. 48 50 2. 1,200 1,250 3. 20 23 4. 4 2 5. \$55.4 \$60.6</p>	<p>1. CDP records 2. " " 3. " " 4. " " 5. " "</p>	<p>Assumptions for achieving outputs: 1. Training courses can be restructured to increase enrollment levels. 2. Returned participants will stay with Center. 3. Break-even point with activities that achieve purpose is \$60,000.</p>
<p>Inputs: FY 1967 to FY 1972 USAID \$957,200</p>	<p>Implementation Target (Type and Quantity): (\$000) <u>FY 1972</u> DH 33.0 Contract 59.0 Local Personnel 3.0 Participants 11.6 Other 17.5 <u>126.1</u></p>		<p>Assumptions for providing inputs:</p>