



PROJECT APPRAISAL REPORT (PAR)

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1. PROJECT NO. <b>526-22-810-092</b>	2. PAR FOR PERIOD: <b>Inception TO 31 Jan. 1975</b>	3. COUNTRY <b>PARAGUAY</b>	4. PAR. SERIAL NO. <b>73-7</b>
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5. PROJECT TITLE  
**MUNICIPAL DEVELOPMENT PROJECT - AID Loan No. 526-L-022**

6. PROJECT DURATION: Began FY <b>1972</b> Ends FY <b>1977</b>	7. DATE LATEST PROP	8. DATE LATEST PIP	9. DATE PRIOR PAR
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10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: <b>\$2,000,000</b>	b. Current FY Estimated Budget: \$ <b>-</b>	c. Estimated Budget to completion After Current FY: \$ <b>-</b>
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11. KEY ACTION AGENTS (Cont. <i>x</i> , Participating Agency or Voluntary Agency)	
a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.
<b>Instituto Brasileiro de Administracao Municipal (IBAM)</b>	
<b>Equipo Guarani Consultores Asociados</b>	
<b>Consorcio Monitor S.A. - Fretes Ventura y Asociados</b>	

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			1. Continue to press the Ministries of Finance and Interior for the timely release of funds to the IDM.	Open
X	X		2. Prepare a long range capitalization chart for the IDM.	31 December 1975
X	X		3. Identify the training needs of IDM and prepare a written training plan.	30 June 1975
X	X		4. Ensure that the IDM 1976 budget includes funds for the training unit and that this unit becomes adequately staffed.	31 December 1975
X			5. Request IDM to prepare a cash flow chart through December 1977.	31 April 1975
X			6. Monitor very closely <sup>the</sup> revision and adoption by IDM and Municipalities of the manuals prepared by GUARANI.	30 June 1975
X	X		7. Make a joint review of the IDM priorities for sub-projects and commit them to writing.	31 April 1975
X			8. Prepare an information chart describing the activities performed under the various Mission projects which could be coordinated with the project, and request IDM to distribute this chart to all Municipalities.	31 April 1975
X			9. Consider raising the limit of \$8,000 for sub-projects to be approved by the Mission.	30 June 1975
X			10. The USAID/P General Engineer should initiate field visits to the subprojects and prepare reports as required by M.O. 1064.1.	Open

D. REPLANNING REQUIRED	E. DATE OF MISSION REVIEW
REVISION 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	<b>10 February 1975</b>

PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE **William B. Flaherty**  
 MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE **O. Iyer L. Sauss**

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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			OUTSTANDING		LOW		MEDIUM		HIGH
	1	2	3	4	5	6	7	1	2	3	4	5
1. Instituto Brasileiro de Administracao Municipal (IBAM)					X						X	
2. Monitor - Fretes Ventre					X					X		
3. Equipo Guaraní - Consultores Asoc.			X							X		

Comment on key factors determining rating

The two first above listed contractors are performing as planned and everything appears to indicate that they will adequately comply with the work schedule of their respective contracts.

Although Equipo Guaraní has performed on a generally timely basis all of its contractual requirements, the product of some of its efforts, for example - procedural manuals - is not in a form readily usable by some of the interior municipalities.

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

Comment on key factors determining rating

A total of \$75,000 was allocated for a loan funded participant training program. The project has not yet started the training program mainly because the IDM did not want to send away their key staff members while they were working with the three consultants. IDM will be asked to identify their training needs and implement a training program as soon as possible.

5. COMMODITIES	1	2	3	4	5	6	7	1	2	3	4	5

Comment on key factors determining rating

No commodities were provided under this project.

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

Comment on key factors determining rating

The GOP has been late in providing the contributions for operating expenses and capitalization of IDM; however, the delay has not yet been a limiting factor to the normal growth of the project.

The technical skills available in the municipalities of the interior are weak and require improvement. The project is trying to overcome this difficulty through intensive on the job training programs.

7. OTHER DONORS	1	2	3	4	5	6	7	1	2	3	4	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

There are no other donors.

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount) <sup>1/</sup>					END OF PROJECT
		CUMULATIVE PRIOR FY	CURRENT FY 75		FY 76	FY 77	
			TO DATE	TO END			
IDM staff trained abroad <sup>2/</sup>	PLANNED						
	ACTUAL PERFORMANCE						
	REPLANNED						
Internal courses for IDM staff	PLANNED	4	-	3	3		10
	ACTUAL PERFORMANCE	4	-				
	REPLANNED						
Procedural manuals for IDM and Municipalities Prepared/used	PLANNED	20/0	-	20/0			20/0
	ACTUAL PERFORMANCE	16/0	-				
	REPLANNED						
Loan applications received Number/value (\$000)	PLANNED	25/500	-	75/1500	50/1000	50/1000	200/4000
	ACTUAL PERFORMANCE	31/750	-				
	REPLANNED						
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS		COMMENT:					
1.		<sup>1/</sup> All data are for calendar year. <sup>2/</sup> Not planned yet. See action No. 3.					
2.		COMMENT:					
3.		COMMENT:					

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**IV. PROJECT PURPOSE**

1. Statement of purpose as currently envisaged.

2. Same as in PROP?  YES  NO

To establish an Institute for Municipal Development capable of providing administrative, technical and financial assistance to the 163 municipalities throughout Paraguay.

<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>1. AID Loan funds fully disbursed and IDM effectively operating with roll over funds.</p> <p>Loans to Municipalities (\$000):</p> <table border="1"> <tr> <td>CYs</td> <td><u>74</u></td> <td><u>75</u></td> <td><u>76</u></td> <td><u>77</u></td> </tr> <tr> <td>AID</td> <td>238</td> <td>317</td> <td>437</td> <td>508</td> </tr> <tr> <td>GOP</td> <td>100</td> <td>100</td> <td>100</td> <td>100</td> </tr> </table> <p>2. IDM operating effectively without external technical assistance and continuously engaged in providing technical assistance in municipal administration.</p> <p>50 training seminars 1,400 people attended seminars 163 Municipalities received technical assistance</p>	CYs	<u>74</u>	<u>75</u>	<u>76</u>	<u>77</u>	AID	238	317	437	508	GOP	100	100	100	100	<p>1. A total of 31 subloan applications amounting to \$750,000 have already been received by the IDM. Lending operations started in late 1974. As of the date of this evaluation, three subloans totalling \$10,808 were made with GOP counterpart funds. One subloan amounting to \$35,000 to be financed with AID loan funds has been approved very recently.</p> <p>2. All technical assistance contracts expire in October 1975. It is believed that the IDM staff, if continuously monitored by the Mission, should be in a position to perform adequately under the project.</p> <p>To date, a total of 40 seminars were held with the assistance of the external consultants. These seminars were attended by 1,389 people from 160 Municipalities.</p>
CYs	<u>74</u>	<u>75</u>	<u>76</u>	<u>77</u>												
AID	238	317	437	508												
GOP	100	100	100	100												

**V. PROGRAMMING GOAL**

A. Statement of Programming Goal

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.

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**IV. PROJECT PURPOSE**

A. 1. Statement of purpose as currently envisaged.

2. Same as in PROP?  YES  NO

**There are no other donors.**

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
<p>3. An adequate function for rendering project technical assistance to municipalities will have been installed and working in IDM.</p> <p>4. IDM would have a solid financial base.</p> <p>a. Sufficient income to cover expenses</p> <p>b. Sufficient funds for a viable lending operation</p> <p>c. Adequate reserves to cover contingencies</p>	<p>3. A procedure for rendering this type of assistance is already established at IDM. However the function is inadequate to supply expected increases in technical assistance demands in the near future. At least one additional engineer and staff support should be added in the coming year.</p> <p>4. Final data on IDM financial position as of December 31, 1974 was not yet available during this evaluation. The Balance Sheet and related Profit and Loss Statement of IDM, now being audited by an independent accounting firm will be available at the end of March 1975.</p> <p>Preliminary data indicates that IDM will close its 1974 year with an excess of income over expenditures of about \$50,000. Lending operations are just starting.</p>

**V. PROGRAMMING GOAL**

A. Statement of Programming Goal

**Subgoals:** To strengthen the municipalities economically and politically and to modernize the administration of municipal governments.

**Goal:** To promote the socio economic development of local communities in Paraguay.

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.

During the first two years of operation, the project has mainly concentrated on organizing and preparing the IDM and Municipalities to adequately perform their functions and on developing a sound technical and administrative base for the future lending activities.

Since lending operations were initiated only shortly before the date of this evaluation, the contribution of the project purpose toward the subgoals and goal of the project has been minimal.

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**PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK**

Life of Project:  
From FY 1975 to FY 1977  
Total U. S. Funding \$2,000,000  
Date Prepared: February 1975

Project Title & Number: MUNICIPAL DEVELOPMENT - AID Loan 526-I-022

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS															
<p>Program or Sector Goal: The broader objective to which this project contributes: (A-1) To promote the socio-economic development of local communities in Paraguay.</p> <p><u>Sub Goal:</u> To strengthen the municipalities economically and politically and to modernize the administration of municipal governments.</p>	<p>Measures of Goal Achievement: (A-2) CY 75 <u>1/</u> Initiation of the following sub-projects: 23 street paving projects (160,000 sq.mts.); 12 market buildings; 7 slaughterhouses; 3 water supply systems. Increased revenues in at least 20% through instruction in municipal administration. General community development plans adopted by 3 municipalities.</p>	<p>(A-3) 1. Review of IDM records and reports. 2. Inspection of developing and completed projects. 3. Surveys of improved municipal administration procedures. 4. Reports from outside consulting firms.</p>	<p>Assumptions for achieving goal targets: (A-4) 1. Adequate political support. 2. Local Municipalities will be receptive to recommended changes.</p>															
<p>Project Purpose: (B-1) To establish an Institute for Municipal Development capable of providing administrative, technical and financial assistance to the 163 municipalities throughout Paraguay.</p>	<p>Conditions that will indicate purpose has been achieved: End-of-Project status. (B-2) 1. AID Loan fully disbursed and IDM is effectively operating with rollover funds. 2. IDM operates effectively without external technical assistance and continuously engaged in providing technical assistance to municipalities. 3. IDM would have a solid financial base.</p>	<p>(B-3) 1. Review of IDM financial records 2. IDM progress reports 3. IDM financial statements</p>	<p>Assumptions for achieving purpose: (B-4) 1. Capable manpower is available. 2. IDM able to enforce new policies developed by consultants. 3. IDM will adopt procedures for reinvesting income on sub-loans in new loans.</p>															
<p>Project Outputs: (C-1) 1. Personnel trained <u>2/</u> 2. Internal courses for IDM staff 3. Loan applications received (No./value) 4. Procedural Manuals (prepared/used)</p>	<p>Magnitude of Outputs: (C-2) CYs <u>74</u> <u>75</u> <u>76</u> <u>77</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td></td> <td>4</td> <td>3</td> <td>3</td> <td>-</td> </tr> <tr> <td>25/500</td> <td>75/1500</td> <td>50/1000</td> <td>50/1000</td> <td></td> </tr> <tr> <td>20/20</td> <td>-</td> <td>-</td> <td>-</td> <td></td> </tr> </table>		4	3	3	-	25/500	75/1500	50/1000	50/1000		20/20	-	-	-		<p>(C-3) 1 - 4. IDM records</p>	<p>Assumptions for achieving outputs: (C-4) 1. Qualified personnel available for training. 2. Adequate courses are available. 3. Incorporation of Training Unit in normal functions of IDM.</p>
	4	3	3	-														
25/500	75/1500	50/1000	50/1000															
20/20	-	-	-															
<p>Project Inputs: (D-1) 1. <u>AID</u> Technical Assistance Local training Sub loans <u>1,550,000</u> <u>\$2,000,000</u> 2. <u>GOP</u> Regular Budget a. Operating costs b. Sub loans <u>\$ 200,000</u> <u>400,000</u> <u>\$ 600,000</u> <u>Other</u> Real Estate Tax Alcoholic Beverages Tax</p>	<p>Implementation Target (Type and Quantity) (D-2) \$ 400,000 50,000 1,550,000 <u>\$2,000,000</u> \$ 200,000 400,000 <u>\$ 600,000</u></p>	<p>(D-3) 1. USAID records  2. Ministry of Finance and IDM budgets</p>	<p>Assumptions for providing inputs: (D-4) 1. GOP able to meet planned level of inputs on a timely basis. 2. Municipalities make timely legal contributions to IDM.</p>															

1/ Targets will be established annually by IDM and AID.

2/ Targets will be developed in June 1975.