

UNCLASSIFIED

PD-AAS-702

**AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT**



# **ANNUAL BUDGET SUBMISSION**

**FY 83**

**PARAGUAY**

**JUNE 1981**

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY  
WASHINGTON, D.C. 20523

UNCLASSIFIED

Paraguay - FY 1983 Annual Budget Submission

Table of Contents

	<u>Pg.</u>
Narrative	1
Long Range Plan by Appropriation Account (Table I)	4
Project Obligations by Appropriation Accounts (Table III)	5
Project Budget Data (Table 4) - ARDN	6
Project Budget Data (Table 4) - HE	7
Project Budget Data (Table 4) - EDU	8
Project Budget Data (Table 4) - SDA	9
Project Budget Data (Table 4) - Summary	10
Operating Expense Summary (Table VIII)	11
Operating Expense Summary (Table VIII)	12

PARAGUAY - FY 83 ANNUAL BUDGET SUBMISSION

TABLE I - NARRATIVE

1. The assigned workyear planning levels which are the basis of this ABS will be disruptive to the orderly phase out plans of the Mission. On the operational side, the manpower limitations will require the elimination of all project evaluations scheduled for FY 82 and FY 83 (unless the manpower needs of these activities can be provided from non-Mission sources) and reduce capacity for project implementation and monitoring at a crucial point of the two major projects, which because of protracted delays in contracting technical assistance are just getting into full swing. On the financial side, early termination of four additional FN employees in FY 81 will obligate the Mission to separation payments in FY 81 amounting to \$60,000 which are not contemplated in the Mission's FY 81 budget. Consequently, an additional allocation in the current budget year will be required to effectuate these terminations.

2. Evaluations. Adherence to the assigned workyear planning levels will require termination of the FN technician who, in addition to other duties, is the principal Mission evaluation officer. No other US or FN employee will be on board with ability to conduct project evaluations. Eleven evaluations are scheduled for the remainder of FY 81, but it is unlikely this schedule can be met. Six of these involve OPG's with local organizations which do not yet have adequate internal capacity for useful evaluations. Moreover, based on experience, obtaining the necessary data is usually a time consuming process. Six evaluations scheduled for FY 82 would have to be dropped unless the staffing and funding requirements can be provided by AID/W. If the full evaluation program is to be carried out, handling it with TDY staff is not likely to be as cost effective as maintaining the FN technician.

Looking toward the final evaluation of the Minifundia Crop Intensification project, the evaluation officer has compiled baseline data and collects current data on participating small farmer income. This will obviate the need to conduct a costly survey for evaluation purposes. If he is terminated the Mission will not be able to continue the data collection and much of the time and effort already expended will be lost.

The evaluation officer also monitors a large OPG which terminates in FY 82. Because of his technical knowledge of the project and proficiency in the language of the PVO (German), no one in the Mission can more effectively monitor and evaluate this project.

3. Project Implementation and Monitoring. We are committed by signed agreements to a given number of projects with stipulated termination dates. Our manpower requirements are based on the implementation

and evaluation requirements of a fixed program and, have been previously reviewed and approved by the LAC Bureau. The net effect of adjusting to the workyear levels proposed in STATE 123663 is to phase out personnel more rapidly than the program needs permit. Under those conditions the Mission cannot assure that the projects will be properly implemented and that activities contemplated in the projects can be carried out before the project termination dates.

The Mission approved phase out plan contemplates termination of the USDH Program Officer position by December 31, 1981. The incumbent has received assignment board approval for an extension of his tour through June 1982. While this six month extension was not contemplated in our phase out plan, it should be noted that the incumbent has had capital development office experience and would be able to supervise residual loan matters for the Mission. He is also thoroughly versed in Agency evaluation requirements and would continue to work with the FN technician described in paragraph two above to meet the FY 81/82 evaluation schedules.

4. Accounting and Secretarial Services. The FY 82 planning level will require an earlier than anticipated reduction of one and one-half workyears in the Controller's Office. This will leave two FSN accountants and one secretary who also performs accounting clerk functions to financially manage five active projects, five closing projects, the operating expense budget, property disposal, personnel departures (both US and FN), FAAS review and the myriad of related reporting requirements.

USAID secretarial services will also have to be reduced one-half workyear leaving one secretary to handle all correspondence, calls, appointments, filing and typing for five employees (two US employees, one of whom is the Director, and three FN technicians).

Clearly, the reduced accounting and secretarial staff will not be able to provide even the basic services the Mission will need during FY 1982.

5. Current Year Financial Implications. For FY 81, the Mission's operating expense budget is already \$40,000 short. Early termination of four additional FN's will require, under Paraguayan law and post policy, the payment of separation pay amounting to \$60,000. Thus, if the planning levels are imposed on us, AID/W must be prepared to provide \$100,000 in the current fiscal year to enable us to carry out normal operations and effect early termination of additional employees.

6. Relations with Host Country Nationals. In the Mission Director's discussions with the Administrator and Assistant Administrator, LAC, great emphasis was placed on conducting a phase out operation that would avoid problems experienced in other countries where a too rapid reduction of personnel reflected insensitivity to

human concerns and left important aspects of project implementation unattended. It is important to emphasize that the FN employees now on board are generally those with the longest record of faithful and dedicated service to the U.S. government. Since 1977 they have borne the burden of tension and uncertainty of employment caused by the U.S.'s failure to make up its mind about the Paraguay Mission. The definitive decision to phase out the Mission brought some clarity to the picture. The FN employees were informed about the phase out plans and thus given the time to plan their personal futures. The assigned planning levels now represent, in effect, a policy decision to speed up the phase out operation. The need to adjust to operating expense limitations should not be the sole determinant of policy. It is equally important to consider the human and political consequences of policy decisions. The image and prestige of AID, and of the USG generally, depend to a significant extent on sensitivity to these personnel considerations as well as on our ability to fulfill program commitments and operational responsibilities.

7. Alternatives. With the possible exception of increased use of contract personnel, none of the alternatives listed in para 5 of STATE 123663 is viable in this Mission. The program is fixed and no cutback is possible unless we propose unilaterally to abrogate or amend existing project agreements. The only thing we could pass to PVOs is the responsibility for evaluating their own projects. However, as indicated above, they do not yet have capability for evaluations that would be useful for AID. There are no projects on the drawing boards that can be deferred.

As for use of contract personnel, we could, of course, if so authorized by AID/W, shift some of the FN employees to contracts. While that procedure might give the appearance of adjusting to assigned workyear planning levels, it clearly would not represent an operational cost saving.

8. Conclusion. The manpower levels used as the basis of this submission do not appear to reflect realistic appraisal of this Mission's needs and special circumstances and do not represent an appropriate basis for budgetary estimates for FY 82.

As for FY 83, the USDH level offers no problem since it accords with phase out plan. However, the FNDH level required is 7.5 workyears. It should be noted that in FY 83 there will be no USDH on board with Program Office or Capital Development experience. Our plan contemplates three FNDH technicians who will have taken over these former USDH functions in addition to their project implementation responsibilities. A cutback here would leave the Mission short of personnel with sufficient knowledge of AID project implementation requirements and procedures at a time when there will still be significant implementation requirements for the \$5 million Small Farm Technology loan, and the Minifundia Crop Diversification project.

## FY 1983 ANNUAL BUDGET SUBMISSION

TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$ Thousands)

Country/Office USAID/Paraguay

DEVELOPMENT ASSISTANCE	FY 1981 EST	FY 1982 EST	FY 1983 REQUEST			PLANNING PERIOD			
			MIN	CURR	AAPL	1984	1985	1986	1987
<u>Agriculture, Rural Develop. &amp; Nutrition</u>	1673								
Grants	(1673)	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
<u>Population</u>									
Grants	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
<u>Health</u>									
Grants	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
<u>Education &amp; Human Resources</u>	205								
Grants	(205)	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
<u>Selected Development Activities</u>	78								
Grants	(78)	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
<u>Subtotal Functional Accounts</u>	1956								
Grants	(1956)	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Other DA Accounts (none)	-	-	-	-	-	-	-	-	-
TOTAL DA ACCOUNTS	1956	-	-	-	-	-	-	-	-
ECONOMIC SUPPORT FUND	-	-	-	-	-	-	-	-	-
TOTAL DA & ESF	1956	-	-	-	-	-	-	-	-
PL 480 (non-add)	-	-	-	-	-	-	-	-	-
PCGP (non-add)	-	-	-	-	-	-	-	-	-
Housing guaranties	8000	-	-	-	-	-	-	-	-
TOTAL PERSONNEL	19	10	9	9	9	7.5			
USDH (workyears)	5	3	3	3	3	3.0			
FNDH (workyears)	14	7	6	6	6	4.5			

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT  
 FY 1981 to FY 1983  
 (\$ thousands)

Country/Office USAID/Paraguay

<u>APPROPRIATION ACCOUNT</u>	<u>FY 1981</u>	<u>FY 1982</u>	<u>FISCAL YEAR 1983</u>		
			<u>MINIMUM</u>	<u>CURRENT</u>	<u>AAPL</u>
<u>Agriculture, Rural Development and Nutrition</u>	<u>1673</u>				
526-0109 Small Farm Technology (G)	(500)				
526-0118 Minifundia Crop Intensification (G)	(1173)				
<u>Population</u>	--				
<u>Health</u>	--				
<u>Education &amp; Human Resources</u>	<u>205</u>				
526-0503 Bilingual Education (G)	(205)				
<u>Selected Development Activities</u>	<u>78</u>				
526-0501 Legal Rights for Women (OPG)	(28)				
526-0601 Special Development Activities (G)	(50)				
SUBTOTAL FUNCTIONAL ACCOUNTS (G)	<u>1956</u>				
TOTAL ALL DA APPROPRIATION ACCOUNTS	<u>1956</u>				
ECONOMIC SUPPORT FUND	--				
TOTAL DA & ESF	<u>1956</u>				



526 - PARAGUAY

AID PROGRAM IN FY 1983  
ANNUAL BUDGET SUBMISSION  
TABLE IV - PROJECT BUDGET DATA

BUREAU FOR LATIN AMERICA AND CARIBBEAN 04/15/81

PROJECT NUMBER	TITLE	G L	OBLIG DATE		LOPCOST		ESTIMATED U.S. DOLLAR COST (\$000)											FUT YR	ITEM NO
			INIT	FIN	AUTH	PLAN	FY 80 PIPE- LINE	FY 1981 OBLIG- ATIONS	FY 1982 EXPEND- ITURES	FY 1983 OBLIG- ATIONS	FY 1984 EXPEND- ITURES	FY 83 AAPL	FY 84 OBLS	FY 85 OBLS	FY 86 OBLS	FY 87 OBLS	OBL		
HEALTH																			
5260306	HEALTH EDUCATION II - OPG	G	78	81	91	91	21	---	21	---	---	---	---	---	---	---	628		
APPROPRIATION	TOTAL			91	91	21	---	21	---	---	---	---	---	---	---	---			
	GRANT			91	91	21	---	21	---	---	---	---	---	---	---	---			
	LOAN			---	---	---	---	---	---	---	---	---	---	---	---	---			



526 - PARAGUAY

AID PROGRAM IN FY 1983  
ANNUAL BUDGET SUBMISSION  
TABLE IV - PROJECT BUDGET DATA

04/15/81  
BUREAU FOR LATIN AMERICA AND CARIBBEAN

		ESTIMATED U.S. DOLLAR COST (\$000)													
PROJECT NUMBER	TITLE	G L	ORLIG DATE INIT FIN	LOPCOST AUTH PLAN	FY 80	FY 1981	FY 1982	FY 83	FY 84	FY 85	FY 86	FY 87	FUT YR	ITEM	
					PIPE- LINE	ORLIG- ATIONS	EXPEND- ITURES	OBLIG- ATIONS	EXPEND- ITURES	AAPL	OBL	OBL	OBL	OBL	OBL
SELECTED DEVELOPMENT ACTIVITIES															
5260509	LEGAL RIGHTS FOR RURAL WOMEN - OPG														
		G	79 <sup>81</sup> <sub>82</sub>	135	135	55	28	60	---	23	---	---	---	---	625
5260510	LEGAL AID TO THE POOR														
		G	79 <sup>80</sup> <sub>81</sub>	130	130	113	---	113	---	---	---	---	---	---	624
5260601	SPECIAL DEVELOPMENT ACTIVITIES														
		G	64 81	648	648	3	50	53	---	---	---	---	---	---	623
APPROPRIATION	TOTAL			913	913	171	78	226	---	23	---	---	---	---	---
	GRANT			913	913	171	78	226	---	23	---	---	---	---	---
	LOAN			---	---	---	---	---	---	---	---	---	---	---	---
COUNTRY	TOTAL			13581	13581	7503	1956	2506	---	3438	---	---	---	---	---
	GRANT			8581	8581	2546	1956	2546	---	3395	---	---	---	---	---
	LOAN			5000	5000	4960	---	2000	---	2000	---	---	---	---	---

FY 1983 ANNUAL BUDGET SUBMISSION

TABLE IV PROJECT BUDGET DATA

Country/Office

USAID/Paraguay

PROJECT		Obligation Date		LOP Cost		ESTIMATED U.S. DOLLAR COST (\$000)										ITEM #	
						CUM PIPELINE AS OF 9/30/80	FY 1981		FY 1982		FY OBLIGATIONS						
							OBL	EXP	OBL	EXP	1983 AAPL	1984	1985	1986	1987		FUTURE YEAR
NUMBER	TITLE	G/L	Initial	Final	Auth.	Plan											
	<u>Agriculture, Rural Develop. and Nutrition</u>				11148	11148	6809	1673	3179		3043						
526-0100	Program Dev. and Support	G	FY76	FY80	514	514	9	0	9		--						634
526-0101	Credit Unions	G	FY78	FY80	1924	1924	90	0	90		--						633
526-0109	Small Farm Technology	L	FY79	FY79	5000	5000	4960	0	2000		2000						631
526-0109	" " "	G	FY79	FY81	1000	1000	500	500	400		400						632
526-0118	Minifundia Crop Intensif.	G	FY79	FY81	2250	2250	1077	1173	530		600						630
526-0120	ASCIM - Indian Settlement-OPG	G	FY78	FY80	460	460	173	--	130		43						629
	<u>Health</u>				91	91	21	--	21		--						
526-0306	Health Education II - OPG	G	FY78	FY80	91	91	21	--	21		--						628
	<u>Education</u>				1429	1429	502	205	335		372						
526-0500	Program Dev. and Support	G	FY74	FY80	433	433	15	0	15		--						627
526-0503	Bilingual Education	G	FY78	FY81	996	996	487	205	320		372						626
	<u>Selected Dev. Activities</u>				913	913	171	78	226		23						
526-0509	Legal Rights for Rural Women	G	FY79	FY81	135	135	55	28	60		23						625
526-0510	Legal Aid to the Poor	G	FY79	FY80	130	130	113	--	113		--						624
526-0601	Special Dev. Activities	G	FY64	FY81	648	648	3	50	53		--						623
	<u>TOTALS</u>				13581	13581	7503	1956	3761		3438						

**TABLE VIII**  
**OPERATING EXPENSE SUMMARY**

<u>COST SUMMARIES</u>	FY 1980			FY 1981			FY 1982		
	(\$000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost
US Direct Hire	364.1	8.1	45.0	302.3	5.0	60.5	186.4	3.0	62.1
FN Direct Hire	370.7	20.0	18.5	405.9	14.0	29.0	213.1	7.0	30.4
US Contract Pers.									
FN Contract Pers.									
Housing Expense	66.8	7.4	9.0	53.2	5.0	10.6	46.1	3.0	15.4
Office Operations	314.0	xx	xx	279.1	xx	xx	162.0	xx	xx
Total Budget	1,115.6	xxx	xxx	1,040.5	xx	xx	607.6	xx	xx
Mission Allotment	592.5	xxx	xxx	587.4	xx	xx	360.4	xx	xx
FAAS	208.8	xxx	xxx	211.4	xx	xx	100.0	xx	xx
Trust Fund		xxx	xxx		xx	xx		xx	xx

**TABLE VIII**

COST SUMMARIES	FY 1983			FY 1983			FY 1983		
	(\$000's)	Related Workyear	Unit Cost	(000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost
US Direct Hire	171.5	3.0	57.2	171.5	3.0	57.2	171.5	3.0	57.2
FN Direct Hire	192.1	6.0	32.0	192.1	6.0	32.0	192.1	6.0	32.0
US Contract Pers.									
FN Contract Pers.									
Housing Expense	47.2	3.0	15.7	47.2	3.0	15.7	47.2	3.0	15.7
Office Operations	134.6	xx	xx	134.6	xx	xx	134.6	xx	xx
Total Budget	545.4	xx	xx	545.4	xx	xx	545.4	xx	xx
Mission Allotment	319.1	xx	xx	319.1	xx	xx	319.1	xx	xx
FAAS	80.0	xx	xx	80.0	xx	xx	80.0	xx	xx
Trust Fund		xx	xx		xx	xx		xx	xx

AGENCY FOR INTERNATIONAL DEVELOPMENT  
OVERSEAS WORKFORCE REQUIREMENTS  
IN WORKMONTHS

BUREAU: BUREAU FOR LATIN AMERICA AND CARIBBEAN

04/15/81

DECISION UNIT: PARAGUAY

US/ FUNC ITEM FN TION SKILL	POSITION NUMBER AND TITLE	PERS LEVEL CAT	WORK SHC	FY 81	FY 82	-----FY 1983-----			FY 84	FY 85		
						AT MIN	AT CURR	AT AAPL				
109 U 10 011	61014 DIRECTOR	S	40	12	12	12	12	12	-	12	<del>12</del>	
U 10 050	61025 SECRETARY	E	40	3								
132 U 20 023	64013 PROGRAM OFFICER	H	40	12	<del>12</del>	<del>12</del>	<del>12</del>	<del>12</del>	<del>12</del>	<del>12</del>	<del>12</del>	
2086 F 20 050	SECRETARY	EN	40	12	12	12	12	12	-	<del>12</del>	<del>12</del>	
2085 F 20 071	PROFESSIONAL ASSISTANT-PROGRAM	P	40	12	<del>12</del>	<del>12</del>	<del>12</del>	<del>12</del>	<del>12</del>	<del>12</del>	<del>12</del>	
F 20 071	PROFESSIONAL ASSISTANT-PROGRAM	P	40	12								
F 20 071	PROFESSIONAL ASSISTANT-PROGRAM	P	40	6								
1439 U 30 103	65020 AGRICULTURAL PROJECT MANAGER	HM	40	12	12	12	12	12	-	12	<del>12</del>	
2089 F 30 050	SECRETARY	EN	40	12	<del>12</del>	<del>12</del>	<del>12</del>	<del>12</del>	<del>12</del>	<del>12</del>	<del>12</del>	
2088 F 40 100	PROFESSIONAL ASSISTANT-AGRICULTURE	P	40	12	12	12	12	12	-	12	<del>12</del>	
2090 F 40 600	PROFESSIONAL ASSISTANT-EDUCATION	P	40	12	12	<del>12</del>	<del>12</del>	<del>12</del>	<del>12</del>	<del>12</del>	<del>12</del>	
U 30 940	68013 CAP RESOURCES DEV OFFICER	H	40	9								
2087 F 30 940	PROFESSIONAL ASSISTANT-CAP DEVELOPMENT	P	40	12	12	12	12	12	-	<del>12</del>	<del>12</del>	
F 40 100	PROFESSIONAL ASSISTANT-AGRICULTURE	P	40	12								
214 U 50 043	63013 CONTROLLER	H	40	12	12	12	12	12	-	12	<del>12</del>	
2091 F 50 041	ACCOUNTANT (SENIOR)	P	40	12	12	12	12	12	-	12	<del>12</del>	
2092 F 50 041	ACCOUNTING SPECIALIST	P	40	12	<del>12</del>	<del>12</del>	<del>12</del>	<del>12</del>	<del>12</del>	<del>12</del>	<del>12</del>	
2093 F 50 050	SECRETARY	EN	40	12	12	12	12	12	-	12	<del>12</del>	
F 50 041	ACCOUNTING ASSISTANT	N	40	12								
4530 F 50041 990	OTHER ACCOUNTING SPECIALIST	P	40	12	12	12	12	12	-	12	<del>12</del>	
F 50 041	ACCOUNTING ASSISTANT	N	40	6								
				TOTAL FOR DECUNIT		<del>168</del>	<del>168</del>	<del>168</del>	<del>168</del>	<del>168</del>	<del>168</del>	<del>168</del>
						228	120	108	108	108	90	-