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SUMMARY STRATEGY STATEMENT

ACTION PLAN
&
ANNUAL PORTFOLIO REPORT

FY 1990-91

PARAGUAY

May 1989

Agency for International Development
Washington, D.C. 20523

BEST AVAILABLE

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PARAGUAY

PART ONE: SUMMARY STRATEGY STATEMENT

I. Overview

In 1984, after winding down the Paraguay bilateral program that had existed for forty years, an ADC program was established. The ADC strategy emphasized working with private sector organizations and PVO's. It stressed human resource development as the number one priority. The country's first graduate level management training program was initiated at the Catholic University and assistance was provided to develop the Salesian Agricultural Institute. Post graduate academic and short-term technical training of Paraguayans in the U.S. was expanded. A highly successful microenterprise program was established and other enterprises received short-term technical assistance through the International Executive Service Corps. Assistance to the public sector was indirect and limited to training activities in rural health, child survival and family planning.

On February 3, 1989, the Stroessner regime was overthrown in a military coup d'etat. The provisional government of General Rodriguez promptly began to take political and economic liberalizing steps which have the potential of leading to a dramatic transformation of Paraguay. Closed media outlets have been reopened and an unprecedented freedom of speech has been permitted. Opposition parties were recognized and were freely permitted to campaign for the elections held on May 1, 1989. International election observers were welcomed and other restrictions on vote fraud were instituted, such as marking voters fingers with indelible ink.

The GOP has also taken important steps in the economic policy area. Led by an impressing team of technocrats and entrepreneurs, the GOP's new economic team has embarked Paraguay on a free market economic policy direction that replaces decades of a statist economic approach. The measures recently taken or planned include the adoption of a floating exchange rate system, as well as programmed complementary revenues measures aimed at easing fiscal deficit pressures. The GOP is currently studying the possibilities of implementing a privatization plan for a number of deficit plagued publicly owned industries, and comprehensive reform of the existing tax, investment, and banking codes.

How far and how fast Paraguay will go on the path toward democracy, and how far it will go with economic reforms that undermine the previous system of corruption and patronage is still uncertain. Also of considerable interest to the U.S.G. is the extent of cooperation in interdicting in transit shipments of cocaine from Bolivia and erradicating domestically produced marijuana. As with the political and economic reforms, initial pledges and actions have been encouraging, but the future course is as yet uncertain.

AID responded to the post-coup changes with an initiative to support democratization, particularly the fairness of the May 1 election, and a range of short-term technical assistance aimed at supporting economic reform initiatives. The strategy for the planning period is to build on these early reform initiatives, incorporate narcotics abuse awareness into the agenda, and continue certain PVO and private sector support elements of the earlier strategy.

II. Economic Setting

In 1988 the Paraguayan economy grew at a rate of approximately 4%, resulting in a 1.0% growth in per capita GDP. As in the previous year, agriculture was the leading sector, with cotton and soybeans making significant gains. Growth in the agriculture sector has led to significant rises in rural incomes, reductions in unemployment and underemployment, positive growth in the related processing, transportation and commercial sectors, and continual pressure on Paraguay's remaining forests.

Despite the positive real growth, the Paraguayan economy has been going through a period of serious fiscal disequilibrium. In 1988 the public sector deficit was estimated at 7% of GDP. Losses by public enterprises, a narrow tax base, and tax evasion all contributed to this deficit. Rapid expansion in the money supply (45.6%) contributed a 1988 inflation rate of 28.6%, which is high by historical standards. With a multiple system of preferential exchange rates and imports rising faster than exports, Central Bank foreign exchange reserves dropped from $405.7 million at the end of 1987 to approximately $160 million in the first quarter of 1989. Meanwhile external debt arrearages accumulated, resulting in an external debt of approximately $2.2 billion by the end of 1988.

Since the February 3 coup the new GOP economic team has moved rapidly towards implementing a series of bold free market measures aimed at dismantling the statist "Stronista" economic model. In the first two months of Rodriguez' reign the GOP has taken the following economic policy steps:

A) Adopted a floating free market exchange rate system to replace the old fixed multiple exchange rate regimen.

B) Adopted a modest tax schedule of 1-10 percent on export products.

C) Raised import duties by 36 percent, as an interim revenue raising measure prior to the formulation of a new customs tariff schedule in June.

D) Eliminated price controls on basic consumer commodities such as wheat products (flour, bread, crackers and noodle) and refined sugar.

E) Abolished the state owned alcohol monopoly (APAL).

F) Placed strict Central Bank money supply targets as an anti-inflationary measure.

G) Dismissed hundreds of bogus or phantom workers who were on the public payroll in the Ministries of Industry and Commerce, Education, Health and in the Social Security Institute.

H) Instituted a practice requiring all cabinet level officials to submit a statement of their net asset worth.

I) Negotiated, on extremely favorably terms, a debt rescheduling agreement with Brazil covering $436 million in official debt.

In addition to the measures already implemented, the GOP has committed itself to the following measures:

A) Adoption of complementary revenue raising measures, including major increases in public utility tariff rates on electricity, water, and telephone.

B) Adoption of tax reform legislation, possibly including a value added tax (VAT), and improvement in tax administration that will raise tax revenue from 8 percent of GDP to 16 percent of GDP.

C) Privatization of deficit ridden public sector enterprises including the National Cement Industry (INC), and the National Steel Plant (ACEPAR).

D) Modification of the investment code to stimulate private foreign and domestic investment.

E) Modification of the existing banking law to allow for market determined commercial bank lending and deposit interest rates, while reducing the existing commercial bank reserve requirement with the Central Bank.

F) Formulation of a new land reform act.

The future of the GOP's economic reform plan is uncertain. There are numerous sources of actual and potential opposition, including vested interests in the ruling Colorado Party and the military, as well as the newly enfranchised political opposition parties.

III. Democratization

No country in South America has less experience with democracy than Paraguay. In this decade all other countries in the Southern Cone have returned to democracy, or, in the case of Chile, are in the process of returning to democracy. In all cases there were traditions that could be

relied on and institutions that could be resurrected. The Paraguayans, however, are experimenting with something that is new for their country. The May 1, 1989 election, for example, was not a contest for political power. It was, in the view of the government, the opposition, and the public at large, an important symbol of change, an experiment and a practice run for future elections.

The more difficult stage of the process lies ahead -- building democratic institutions in an environment where certain traditions and vested interests strongly favor maintenance of the status quo. Central to this process is the constitutional reform and reform of the electoral system. In late 1989 electoral reform is planned, with municipal elections following in late 1990. In 1991, it is planned that a new constitution will be prepared. The new constitution will address the issues of civil liberties and the structure, powers and relationship of the different branches of government. Assuming the ideals that one might expect to be expressed in the constitution are to be put into practice, the democratization process will require institutional strengthening of the legislature and judiciary to enable these branches to effectively perform their constitutional role. Finally, there will be the issue of relations between civilian and military authorities. No significant change would be expected in civil military relations prior to 1993, but some ground work might be laid during this period.

The democratization process that began in February 1989 was initiated at the top of the power structure in Paraguay. Pro-democracy elements in the population and the power structure then responded to this initiative with mixtures of skepticism and enthusiasm. Any strategy to support democratization in Paraguay must acknowledge the fact that the process will remain, at least for some time to come, dependent on initiative, or at least tolerance, from the top.

IV. Narcotics Trafficking and Drug Abuse Awareness

In 1985 the United Nations Fund for Drug Abuse Control (UNFDAC) sponsored a sample study of drug abuse among Paraguayan high school and college-age youth. Twenty percent of those interviewed admitted to having used drugs, with the vast majority admitting to the abuse of pharmaceuticals and inhalants. Anecdotal evidence suggests that abuse levels have risen since then, particularly with regard to marijuana and cocaine. The UNFDAC has provided funding for additional studies to confirm present patterns.

Even if the UNFDAC studies do not establish that hard drug abuse is presently a significant problem in Paraguay, the ingredients are present for drug abuse to become a serious problem. Paraguay is a major transit country for cocaine produced in Bolivia, and an estimated 300 metric tons of marijuana are produced along the frontier with Brazil.

Recently the GOP tightened penalties on drug trafficking and cooperated with the U.S. on a marijuana erradication activity. The GOP also formally established a National Council for Prevention and Drug Abuse which is to develop and execute drug abuse prevention programs as well as support the efforts of private and public institutions in preventive education, treatment and rehabilitation. However, the Council exists only on paper. Several small private sector preventive education programs have been carried out, and the Ministry of Education has undertaken a number of activities to promote awareness among students and the general public.

V. Goals and objectives

The goal of the ADC program in Paraguay is the achievement of democracy with sustained growth.

The highest priority of the program strategy is providing well targetted support to the economic and political reform process initiated since the February 1989 coup. The nature, extent and timing of this assistance is naturally dependent on a transition process which is likely to be characterized by unpredictable opportunities and reverses. In addition to this opportunistic reform-support side of the strategy, USAID will continue to maintain in its strategy attention to development issues which transcend the current transition process.

The following matrix shows the objectives in the strategy and characterizes the elements of the program which are most dependent on the course of the economic and political transition.

	Dependent	Independent
1. Strengthen the Private Sector	Economic Reform Technical Assistance and Training for the GOP.	Technical Assistance and Training for the Private Sector.
2. Preserve and Manage Natural Resources	--	Support to PVOs for Environmental Protection
3. Increase Access to Family Planning	--	Initiatives to promote service by PVO, GOP and commercial channels.
4. Strengthen Democratic Institutions	Support for Government reforms	Support for private groups
5. Drug Abuse Prevention	--	Joint GOP/Private Sector program.

PARAGUAY

PART TWO: FY 1990/91 ACTION PLAN

I. Program Description

A. Strengthening the Private Sector

In 1986 USAID began a project to develop an MBA program at the Catholic University of Paraguay. Assistance is provided through a cooperative agreement with NASPAA, under which technical assistance is provided by INCAE (the Central American Institute for Business Administration). The $600,000 in AID assistance was to have terminated in late 1989, after graduation of the first class of 49 MBAs, based on the assumption that other donor support would be available for the program. As other donor support had not been confirmed by mid-1989, an additional $200,000 fifteen-month extension was provided. The MBA program, as well as the associated program of short executive seminars, has exceeded expectations in terms of quality and demand, and is generally viewed as a critical asset for the future economic development of Paraguay.

The International Executive Service Corps (IESC) project was started in 1985 and has provided technical assistance to 12 firms to improve management and productivity. Problems in management and marketing of the project resulted in practically no activity under the project for the last year. A new IESC Representative has now been hired. With this change and the present more optimistic business outlook in Paraguay, an extension and funding increase is planned.

Probably the most successful activity to date in the Paraguay ADC program is the Fundación Paraguaya de Cooperación y Desarrollo, a microenterprise foundation established with AID assistance in 1985. In December 1988, two evaluations (one by PPC and one by PRE) rated the Paraguay microenterprise program as one of the most successful in the LAC region. In FY88 a second grant for $150,000 was provided to Accion International to assist the Fundacion establish an operation in a second city. Political problems in the selected city held up expansion there, and after the coup expansion options were reassessed. A unique opportunity was found to have the Fundación take over management of a planned public sector credit and training program for 2,500 market vendors. The AID grant is now being reprogrammed to help strengthen the Fundación's administrative systems, while the government will provide the credit funds and a building for use by the Fundación.

In March 1989, roughly a month and a half after the coup, USAID developed a short-term technical assistance program to support the new regime's free-market economic reform program. The PRE Bureau is providing the technical support and approximately $80,000 in funds, while

USAID contributed its $20,000 in PD&S funds. The program includes tax consultancies for the Ministry of Finance, privatization, investment code and investment promotion consultancies for the Ministry of Industry and Commerce, and banking law consultancies for the Central Bank. The assistance is aimed at policy formulation and helping policy makers determine what long term technical assistance and training may be needed from donors. An A.I.D. plan of assistance for FY 90-91 will also emerge from this process.

B. Preserve and Manage National Resources

The Salesian Agricultural Institute (IAS) has received $400,000 in AID assistance since FY86 to improve its agriculture vocational curriculum, its administration and its revenue generating agribusiness operations. The school has made satisfactory progress towards completing all objectives. A new IAS proposal has been submitted, which will be financed in FY89 with $200,000 in deob-reob funds. Under this project, IAS will establish a teaching and demonstration center dedicated to inculcating producers in conservation practices.

A $15,000 FY88 grant to the Nature Conservancy has helped a local conservation PVO, the Bertoni Foundation, establish the basic financial and administrative capability needed for it to be able to manage project assistance. Small amounts of other donor assistance have now been received and both the Bertoni Foundation and the Nature Conservancy are negotiating with the IFC and the IBRD to convert a large tract of IFC-owned forest land into a nature trust. A proposal for $396,563 has been submitted to USAID by the Nature Conservancy to provide the Bertoni Foundation with the capability to manage this and other resource conservation projects throughout Paraguay. The project will be financed with deob-reob funds in FY89.

C. Health and Child Survival

A project to promote oral rehydration therapy in Paraguay has been carried out through the HEALTHCOM project. The $330,000 project began in FY 86 and will terminate by the end of CY89. Promotional programs were developed, MOH staff trained and ORT centers equipped. Assistance from Project SUPPORT was provided to establish the local capability to produce, package and promote oral rehydration salts. Other important accomplishments of this activity include the following: ORT has been officially instituted as a country wide program by an MOH decree which authorizes the creation of Oral Rehydration Units in all Paraguayan health care institutions; health educators are including the HEALTHCOM methodology in other health related training and materials development; links with the secondary schools have been initiated. Students are being taught to mix ORS and to teach their families; the private sector contributed funds to print materials. This opened the doors to request their contribution in the future. Special mention should be made of the fact that basically as a result of this project, UNICEF is planning to

provide a substantial support to the diahrrea control program of the MOH during 1989-1993. No further USAID support for child survival activities is planned.

D. Family Planning

A 1987 contraceptive prevalence study showed that the rate of contraception among women in union in Paraguay is a low 38 percent. This compares with a Latin American regional average of 55%. The result is a population growth rate of approximately 3.0%. Official opposition to public sector family planning services began to soften in the last couple of years. AID-financed training activities sponsored by Development associates reportedly contributed to this shift of attitude. The UNFPA now has a sizeable program with the Ministry of Health. However, officially, the Ministry of Health will only provide family planning service in cases where pregnancy would endanger the health of the mother.

The USAID/Paraguay family planning program has consisted of small scale activities implemented through S&T buy-ins or S&T centrally-funded activities. Support has been provided through IPPF to its local affiliate CEPEP, and the Population Council has provided operations research assistance to CEPEP. Development Associates provided training to nurses, midwives and community leaders, and the Association for Voluntary Surgical Contraception has provided equipment and technical assistance to both the MOH and CEPEP.

In late FY 89 two new activities will be initiated. The first is a Demographic and Health Survey to help evaluate recent family planning and demographic trends. The second is a training program aimed at the pharmacy workers who provide 51% of all contraceptives in Paraguay.

E. Participant Training and Partners Support

The $300,000 in FY88 LAC II training funds have provided short and long-term training to 30 participants in a broad range of subjects. The $100,000 in FY89 LAC II funds are programmed for U.S. MBA or PhD training for future professors for the Catholic University MBA program. The draft ADC Training Project Paper shows an annual level of $250,000 a year for participant training to support the Paraguay ADC strategy.

In FY 88 a $350,000 project was initiated with the Paraguay/Kansas Partners to establish an Information and Resources Center for Development (IRCD) in Paraguay. The Center serves to increase the Partners' ability to service the information and technology needs of PVOs and others in Paraguay and to generally bolster the Partners operational ability to implement developmental linkage activities between Kansas and Paraguay. A portion of the ADC Training Project may be handled by Partners, using the IRCD as its base of operations.

F. Democracy Initiatives

In FY 88 the National Endowment for Democracy (NED) channeled $209,000 to private groups in Paraguay to promote civic education, to support an independent radio station and to assist other groups promoting democracy in Paraguay.

In April 1989, AID provided a $500,000 grant to NED to support the democratic opening in Paraguay following the February coup. The grant financed international election observers, training for poll watchers, pre-vote polling, indellible ink for the May 1 election, assistance to a previously restricted newspaper and radio station, and assistance to labor and other civic groups. The high profile planning and project development process, that involved extensive discussions with scores of top government, ruling party and opposition party leaders two weeks after the coup, probably contributed as much or more to setting the tone of the election process than the actual assistance itself.

Additional democracy initiatives are planned for FY90-91.

G. Narcotics Awareness

This part of the ADC program will be initiated in FY 90. AID will support a national drug abuse prevention program presently being designed by UNFDAC as a multi-donor effort. AID Assistance will be provided through the S&T DRUGCOM project.

H. Other

Up through FY 88 the Peace Corps has been receiving roughly $40,000 a year for small projects in agriculture and rural development. No funds were programmed in FY 89, due to a slack in activity.

In 1988, $107,000 in OFDA funds were provided to assist victims of flooding of the Paraguay river. In May 1989 the river level began to rise again, displacing thousands of families. An OFDA assessment in late May 1989 will determine whether additional disaster assistance is warranted.

STANDARD FORM FOR PROVIDING INFORMATION ON OBJECTIVES

1. SUMMARY FUNDING TABLE

Objective # 1 - Strengthen the Private Sector.

Activity	LOP Funding	FY 89	FY 90	FY 91
1. Graduate Management Training (NASPAA)	800,000	200,000	-	-
2. Microenterprise Employment Generation (AITEC)	150,000	70,000	-	-
3. T.A. for Private Enterprise	600,000	-	150,000	150,000
4. PD&S	-	45,000	30,000	30,000
5. Economic Reform Support (N)	1,500,000	-	800,000	700,000
6. PRE Support for Economic	(80,000)	(80,000)	-	-
*7. Information Resource Center	350,000	115,000	100,000	-
*8. LAC II Training	1,344,953	100,000	-	-
*9. ADC Training (N)	1,000,000	-	250,000	250,000

* Also supports other objectives

2. ACCOMPLISHMENTS - Objective No. 1: Strengthen the Private Sector

a. Actual for FY 1988 and Early 1989

- The MBA program at the Catholic University has been very successful in instituting the first post-graduate MBA program in the country. The program graduates its first class of 49 MBA's in early June. About 95% of the students are top level executives from the private sector. A total of approximately 180 persons attended four executive seminars.

- Under the IESC program, cases included T.A. to the biggest metal working operation in the country for the production of non-motorized farm implements, improvements in the sugar industry, management assistance to three major hotels, improvements in cotton ginning operation, etc. However, no new cases were handled since July, 1988.

- Following a very successful experience in establishing a micro-enterprise credit and technical assistance program in the capital city by the local PVO Fundación Paraguaya de Cooperacion y Desarrollo (Foundation), this activity set out to replicate the program in Encarnación, one of the major cities in the country. The Foundation took all the necessary steps to start the new organization, but due to unfavorable political influence excerpted by the local authorities, plus the fact that other needs of higher priorities emerged after the February coup, USAID and the Fundación decided to begin exploring strategies for expanding Foundation operations in Asuncion and its neighborhood. Based on a request from the Municipality of Asuncion to the Fundacion, USAID has agreed to reprogram the funds to help the Fundacion establish a credit and training program for 2,500 market vendors. AID funds will be used for administrative expenses and the GOP will provide credit funds and a suitable building at the market place.

- A cooperative agreement was signed with the Paraguay/Kansas Committee (PKC) for the establishment of an Information and Resources Center for Development (IRCD) for increasing PKD's capability to access to development information and consolidating voluntary participation in local development efforts by the people of Paraguay and Kansas. Initial activities included setting up office facilities, training of technical and administrative staff, and developing a comprehensive library of directories and reference materials on U.S. and international foundations and PVO's, as well as catalogs of Kansas universities.

2. ACCOMPLISHMENTS - Objective No. 1: Strengthen the Private Sector

a. Actual for FY 1988 and Early 1989 (Continued)

- A substantial amount of the FY88 LAC II training funds was used to train participants from the private sector. The areas of training and number of participants are as follows: one DBA candidate, one Master in agriculture, and a six-week teaching methodologytraining for 13 english teachers from top private english teaching institutions. FY89 funds ($100,000) will be used exclusively to finance MBA/DBA programs. All the MBA/DBAs will be teaching at the MBA program of the Catholic University upon completion of their training in the US.

b. Key Activity/Program Accomplishments Planned for Action Plan Period (FY 1989-FY 1991)

• Obligation of additional follow-on funding for MBA program	Third/FY 89
• Complete reprogramming of Microenterprise program	Third/FY 89
• Hiring of a full-time Director and establishment of National Committee to broaden support and lobby for funding	Fourth/FY 89
• Obligate remaining incremental funding of Microenterprise program	Fourth/FY 89
• Obligation of last incremental funding under LAC II	Fourth/FY 89
• FY 89 short-term T.A. to support economic reforms completed, Ministry of Finance, has incorporated AID financed tax advice in his plans, privatization strategy completed and privatization of National Cement Industry initiated.	Fourth/FY 89
• Obligation of additional incremental funding for IESC program	First/FY 90
• Join donor planning exercise initiated for development of AID FY 90-91 assistance for economic reform support	First/FY 90
• Obligation of FY 90 ADC training funds	Third/FY 90

3. NARRATIVE Objective No. 1 - Strengthen the Private Sector

The free-market technocrats that General Rodriguez appointed to the GOP's principal economic policy-making positions have established an ambitious agenda of economic reforms. By scrapping the multiple exchange rate system in one sudden move, free market pressures and incentives were immediately created that have provided momentum for change in other policy areas. The AID strategy for strengthening the private sector is to support the GOP's economic reform efforts through technical assistance and training for the public sector and to support the private sector to take advantage of the improved business climate by providing training and technical assistance to the private sector.

In FY 89, AID programmed the following short-term technical assistance to support the GOP's economic reform plans:

- One tax policy advisor, one customs advisor and one internal tax administration advisor for the Ministry of Finance.

- Two advisors to assist the Ministry of Industry and Commerce in the privatization of the National Cement Industry and two advisors to assist in the preparation of a general privatization strategy.

- An advisor for the Ministry of Industry and Commerce to examine and propose revisions in the investment code and another to develop proposals for an accelerated investment approval process.

- An advisor for the Central Bank to recommend changes in the banking laws to increase competition, efficiency and services in the banking sector.

The Tax reform and privatization initiatives are likely to lead to requests for further assistance. The Ministry of Finance will need extensive assistance in the areas of policy direction, organization and management and tax administration. While the IDB is planning to provide assistance in the tax administration area, the Minister has expressed a desire for AID support in the first two areas. The UNDP is in the early planning stages of a public management program. In addition, the UNDP Representative has made a call for closer donor coordination in the area of public policy and management, which AID has strongly endorsed. AID assistance will be planned in this context. The prospects for further AID assistance in privatization are less clear at the moment. These will depend on how the cement company privatization proceeds and the reaction it creates.

3. NARRATIVE - Objective No. 1: Strengthen the Private Sector (Continued)

Neither the Graduate Management Training (NASPAA) project nor the Microenterprise Employment Generation projects are programmed for additional AID funding beyond FY 89. Efforts are underway to obtain other funding for the former, and the latter has successfully demonstrated its ability to obtain new funding. However, the IESC project, which provides technical assistance to firms, will be amended and extended. Practically dormant for a year, the project was reactivated in May 1989 with a pipeline of approximately $80,000. An additional $300,000 is planned for FY 90-91. Authority to extend the project to seven years is requested. The new IESC Representative reports considerable demand for the project as a result of the present optimism of the business community.

In FY 89, the last $100,000 in LAC II Training funds were allocated to faculty development for the MBA program at the Catholic University. If USAID/Paraguay decides to participate in the ADC Training Project, most of the planned $250,000 a year in funds would be used to support the objective of strengthening the private sector. A portion of the training would be targetted to supporting GOP economic reform efforts, and a portion would be targetted at providing technology transfer for the private sector.

STANDARD FORM FOR PROVIDING INFORMATION ON OBJECTIVES

1. SUMMARY FUNDING TABLE

Objective # 2 - Preserve and manage natural resources.

Activity	LOP Funding	FY 89	FY 90	FY 91
1. Nature Conservancy* (Fundacion Bertoni) (N)	396,563	396,563	-	-
2. Center for Natural Resource Conservation * (N) (IAS)	200,000	200,000	-	-

* To be financed with deob/reob funds of unutilized balance of Small Farm Technology Loan (526-T-029)

2. ACCOMPLISHMENTS - Objective No. 2: Preserve and Manage Natural Resources

a. Actual for FY 1988 and Early 1989

- A $15,000 grant to The Nature Conservancy has helped the Fundación Bertoni install a financial management system and become eligible as a PVO. The small AID grant has also helped generate about $70,000 in additional contributions from other donors thereby increasing the Foundation's capacity to eventually become self-sufficient. The Foundation is negotiating with the World Bank the acquisition of an extensive IFC-owned tract of the last remaining humid subtropical forest in Eastern Paraguay for conversion into a natural reserve.

- Under the AID grant, the Salesian Agricultural Institute (IAS) has made substantial progress in meeting most of the proposed objectives under the AID grant. Fulltime faculty members were hired and a new curriculum developed; an Employment and Training Opportunity Bank has been organized to facilitate the exchange of information on job and training opportunities between IAS and the alumni and a bi-monthly Alummni Association's bulletin has been published on a regular basis. IAS has successfully switched from a net loss of approximately $23,000 in its agroindustrial operations in 1987 to a net income of approximately $33,000 in 1988. Also, the comprehensive computerized accounting system being developed under the project is now in the final stages of adjustment.

b. Key Activity/Program Accomplishments Planned for Action Plan Period (FY 1989-FY 1991)

- Obligation of deob/reob funded environmental activities — Fourth/FY 89

3. NARRATIVE - Objective No. 2: Preserve and Manage Natural Resources

To promote conservation of biological diversity and promotion of sustainable natural resource development in the country two complementary grants are planned. They will be financed with deob/reob funds, that will be channeled to Paraguay through U.S.-registered PVO's.

A $396,563 grant to The Nature Conservancy (TNC) will provide support to the continuing program activities of the Fundación Bertoni. The Foundation's efforts will concentrate in establishing and managing national parks and equivalent reserves, and in developing resource use in buffer zones compatible with the conservation of the natural resource base of the country. Initially, the efforts of the Foundation will focus mainly in the acquisition of an IFC-owned tract of land, known as the Mbaracayú park, to establish a managed natural reserve. The project will also include the sustainable development of the headwaters of the Jejui River basin that surrounds the park.

A $200,000 grant to the Salesian Missions will support the establishment of a Natural Resource Conservation Center within the "Carlos Pfannl" Institute (IAS), an agricultural vocational school run by the Salesian Fathers. The Center will train all of IAS's graduates, as well as graduates of other agricultural schools, in the principles and techniques of conservation. The Center will also serve the needs of the entire agricultural community of the country through the adaptation, development, and diffusion of improved conservation techniques and a variety of production practices, such as irrigation, adapted to the needs of the average small producer in Paraguay.

STANDARD FORM FOR PROVIDING INFORMATION ON OBJECTIVES

1. SUMMARY FUNDING TABLE

Objective # 3 - Increase access to voluntary family planning services.

Activity		LOP Funding	FY 89	FY 90	FY 91
Promote Policy Change					
1. Demographic Household Survey IRD/Westinghouse				-	-
	ITT	75,000	75,000	-	-
	S&T	(60,000)	(10,000)	(50,000)	-
2. Futures Group/Options with CPES		50,000	--	25,000	25,000
3. IPPF/WHE Matching Grant with CEPEP		(145,000)	(45,000)	(50,000)	(50,000)
Increase Role Commercial/Private Sectors & Technology Transfer					
4. Pharmacy Program SOMARC	ITT	100,000	50,000	--	50,000
	S&T	(60,000)	(30,000)		(30,000)
5. IPPF/WHR with CEPEP		100,000	--	50,000	50,000
6. Association for Voluntary Surgical Contraception		(180,000)	(60,000)	(60,000)	(60,000)
7. Population Council Research with CEPEP		(129,000)	(79,000)	(25,000)	(25,000)
	TOTAL ITT	325,000	125,000	75,000	125,000
	TOTAL S&T	(574,000)	(224,000)	(185,000)	(165,000)

2. ACCOMPLISHMENTS - Objective No. 3: Increase Access to Voluntary Family Planning

a. Actual for FY 1988 and early 1989

- Together with the Operations Research project supported by INOPAL, the program has allowed CEPEP to establish a new and more positive public image, and to improve its delivery of family planning services. CEPEP exceeded family planning activity targets for new patients and number of patient visits. Another important accomplishment is the completion of the Health and Family Planning survey which has provided specific information about the number of people practicing family planning, how, and why. This survey will influence discussions about family planning in Paraguay. The official GOP position on family planning has become more liberal, and this change may be attributed to the AID financed training activities of Development Associates. Also, partly as a result of this program, UNFPA started a four-year family planning project with the MOH.

b. Key Activity/Program Accomplishments Planned for Action Plan Period CY 1989 - FY 1991

• Obligation of funds to carry out Pharmacy program by SOMARC	Fourth/FY89
• Obligation of funds to carry out Demographic Household Survey	Fourth/FY89
• Obligation of initial funding for Future Groups/option with CPES	Third/FY90
• Obligation of initial funding for IPPF/WHR program with CEPEP	Third/FY90
• Obligation of remaining funding for Future Groups/options with CPES	Second/FY91
• Obligation of remaining funding for IPPF/WHR program with CEPEP	Second/FY91

3. NARRATIVE - Objective No. 3 Increase Access to Voluntary Family Planning Services

Indications are that the new leadership will be more positive toward provision of widespread access to voluntary family planning information and services and will place fewer barriers in the way of private and commercial pharmaceutical programs. Dialogue is needed based on the latest data to help national groups evaluate recent family planning and demographic trends and to improve program performance. Therefore a national demographic and health survey is proposed for completion in FY 90 and follow-up dissemination in FY 91. This survey under a buy-in to the S&T/POP IRD Westinghouse project will generate data for policymakers and program administrators and may increase resource transfers from other donors once the need is documented. Other policy dialogue will be based on studies on the impact of population in such areas as natural resources.

The second action plan focus is on improving the role of commercial and private sector programs by transferring the best in U.S. technology. The key input will be a pharmacist training program and improvement in the information for clients under a buy-in to the S&T/POP Futures Group SOMARC II project in order to improve the quality of services of the leading contraceptive delivery source in Paraguay--pharmacies. Opportunity may develop to initiate a mass media radio program in response to the consumer demand for more information about contraception. This would require more funding in FY 91.

Private sector programs such as the IPPF affiliate (CEPEP) and an internationally recognized private research institute (CPES) will receive assistance in order to access the latest in contraceptive and management technology and to learn how to strive toward institutional self sufficiency. Part of this technology transfer depends on the availability of the proposed training grants for population personnel to learn from other LAC countries and the U.S. about ways to improve Paraguay's population program.

Assistance from S&T/POP intermediaries is requested for private and commercial sector groups to supplement proposed buy-ins under the LAC Regional Intercountry Technology Transfer project during the action plan period.

STANDARD FORM FOR PROVIDING INFORMATION ON OBJECTIVES

1. **SUMMARY FUNDING TABLE**

Objective # Project and objective terminated FY 89

Activity	LOP Funding	FY 89	FY 90	FY 91
1. Child Survival Enhancement (HEALTHCOM)	330,000	50,000	-	-

STANDARD FORM FOR PROVIDING INFORMATION ON OBJECTIVES

1. **SUMMARY FUNDING TABLE**

Objective # 4 - Strengthen Democratic Institutions.

Activity	LOP Funding	FY 89	FY 90	FY 91
1. National Endowment for Democracy	500,000	500,000	-	-
2. Democracy Initiatives (N)	1,400,000	-	500,000	500,000

All Funds are AJDD

2. ACCOMPLISHMENTS - Objective No. 4: Strengthen Democratic institutions

a. Actual for FY 1988 and early 1989

- NED Grant of $500,000 significantly contributed to making the May 1, 1989 elections a successful early event on the road to democratization. Irregularities occured, as expected, but the elections were perceived both internally and externally as a major step forward. In addition, the problems that did occur provided valuable experience and stimulus for reforming the electoral law system.

b Key activity/Program Accomplishments Planned for Action Plan Period (FY 1989-1991)

• Design Electoral Reform Assistance	Fourth/89
• Design Legislature Assistance Activity	First/90
• Design Administration of Justice Activity	Second/90
• Design Civil-Military Relations Activity	Third/90

3. NARRATIVE - Objective No. 4: Strengthen Democratic Institutions

The National Endowment for Democracy grant that was signed in April 1989 has an implementation period of fifteen months. While a portion of the project focussed on the May 1 elections (i.e., indelible ink, civic and voter education, training for poll watchers, international observers and public opinion polls), other activities relating to human and trade union rights will continue for the duration of the project.

At least at present, there is a surprising degree of concensus in Paraguay regarding the major democratization issues and the schedule of major events leading up to the presidential and legislative elections in 1993. The notable exception is the question of whether the new constitution, which is scheduled to be prepared in 1991, would be drafted by the recently elected legislature or by a constituent assembly that would be elected after revision of the electoral law and registries.

The issue of reform of the electoral law has already been established as an early priority concern of the legislature. Through the LAC regionally funded project with CAPEL, it is proposed that AID provide technical and related assistance to aid with the revision of the electoral law and the establishment of an electoral system that can eliminate or minimize some of the problems encountered in the May 1, 1989 election.

The legislature has traditionally been little more than an instrument of the ruling colorado party, and even now two-thirds of the seats are held by the Colorado party. Nonetheless, there is a general determination by the opposition as well as the ruling party to use the legislature as a primary instrument of democratic change. However, the majority of the opposition legislators have never served in the legislature before, and even the veteran deputies and senators have little familiarity with operating models for a legislature in a democracy. Consequently, it is proposed that in-country training, observational visits and technical assistance be provided through the LAC regional legislature assistance project.

In Paraguay, the judicial system has always been subordinate to the executive, with judges being appointed by the executive for the term of the executive. The opposition clearly sees the establishment of an independent judiciary as a necessary part of democratization. While the extent of commitment to this objective within the ruling party is unclear, General Rodriguez' first new appointment to the Paraguayan Supreme Court was widely viewed as a significant departure from the past. The appointee was a highly respected legal scholar of Christian Democrat affiliation.

3. NARRATIVE - Objective No. 4: Strengthen Democratic Institutions (Continued)

Beyond the question of degree of independence of the judiciary is the general concern voiced these days of the ability of the judiciary to dispense justice. There is even discussion, for example, of the possibility of moving away from the system of fiscales and developing a system more like the U.S. system, where the role of prosecutor and judge is separated. To better diagnose the situation, a visit by an administration of justice (AOJ) expert is required. This would define the scope for a proposed AOJ activity in Paraguay.

The final element under the strenthening democratic institutions objective will be an activity to encourage government officials, legislators and military officers to examine issues of civil-military relations as they relate to the overall process of democratization.

In July 1989, the National Democratic Institute is sponsoring a regional civil-military relations conference in Uruguay, which will have Paraguayan participation. During FY 90-91, AID will continue this initiative through the LAC regional project with American University.

STANDARD FORM FOR PROVIDING INFORMATION ON OBJECTIVES

1. **SUMMARY FUNDING TABLE**

Objective # 5 - Drug Abuse Prevention

Activity	LOP Funding	FY 89	FY 90	FY 91
1. Drug Abuse Prevention (N)	400,000	-	200,000	200,000

2. ACCOMPLISHMENTS - Objective No. 5: Drug Abuse Prevention

a. Actual for FY 1988 and Early 1989

N/A

b. Key Activity/Program Accomplishments Planned for Action Plan Period (FY 1989-1991)

- S&T DRUGCOM Project provides advisor to develop USAID component of national drug abuse prevention plan prepared by UNFDAC — Second/ FY 90

3. NARRATIVE - Objective No. 5: Drug Abuse Prevention

U.S. Activities in the narcotics area in Paraguay have concentrated on repression of drug trafficking. While the interdiction of in transit shipments of cocaine has been the top priority, in 1989 the GOP authorized aerial spraying to erradicate marijuana cultivations. In the area of drug abuse prevention, USIS has provided modest assistance to a private organization, PREVER, to help it produce a drug abuse prevention video. In 1989, INM will provide $50,000 in grants for drug abuse prevention.

The donor with the lead role in the prevention area is the United Nations Fund for Drug Abuse Control (UNFDAC). A 1985 UNFDAC study of drug abuse among students is the only completed study of drug abuse in Paraguay. In June 1989, a UNFDAC survey of 1500 leaders in 30 cities and towns will be completed, and two additional surveys are to be initiated in July 1989. In May 1989, the UNFDAC began work on developing a three year plan for the GOP convering both prevention and repression. The Italian Government has provided $1.0 million through UNFDAC to support the plan, the majority of which will be focussed on prevention. Bilateral assistance from the Federal Republic of Germany and Japan is expected to be targetted toward control and repression.

In late 1988, the National Council for Drug Abuse Prevention was legally established to coordinate and promote drug abuse efforts by public and private institutions. The Council is to include representatives of the Ministry of Education, Ministry of Health, Ministry of Justice and Labor, the Judiciary, the National University, the Catholic University and the Chamber of Industry. No representatives were actually appointed to the Council prior to the February 1989 coup (which may be fortunate), and the new GOP has not yet gotten around to appointing the Council. However, the present planning efforts of the GOP and UNFDAC endorse the original concept of the Council and identify its establishment as the first step in implementing a national plan.

USAID assistance in drug abuse prevention will be provided in the context of the overall plan now being prepared. The planners have been advised that assistance will be provided throguh a central contract (S&T DRUGCOM project) and that USAID's advantage and interest is primarily in the areas of technical assistance to support development of the national coordination institution (the Council), technical assistance for the development of prevention promotion campaigns and messages, in-country training and observational travel for familiarization with prevention programs in the U.S. and other Latin American countries.

III. Management

Most of the activities in the present Paraguay ADC program were initiated prior to the transfer of the Paraguay AID Representative to Uruguay in July 1986. From that time until February 1989, the ADC program could be satisfactorily managed without a resident USDH due to the relatively static condition of the environment in which the program was operating and the strong implementation experience of the veteran FSN staff. The environment in Paraguay is no longer static. The present strategy calls for a high degree of AID responsiveness to a dynamic situation and careful coordination with the rest of the Embassy country team and other donors. At present the AID Representative spends one-third of his time in Paraguay and approximately one-half of his total time on the Paraguay program.

The local staff consists of three FSNs (a program specialist, a project specialist and a secretary) and two PSCs (a financial specialist and a driver). At least one additional long-term PSC is required, both to handle present work load and to begin the process of developing replacement for the two FSN professionals who are eligible for retirement within the next few years. A small amount of FY 89 program funds have been reserved for this purpose, assuming recruitment could be done in FY 89. In FY 90 the PSC would be shifted to OE funding. The original plan was to hire, for a training officer position, someone who has the background and potential to make significant substantive contributions to the ADC program. A recent recruitment effort suggests that that formula may not be feasible.

In view of the fact that participation in the ADC Training Project would involve heavy management and staff demands relative to the value of the project in terms of present program priorities, no commitment can be made at this time regarding USAID/Paraguay participation. The PSC position mentioned above will be reformulated in order to recruit a suitable candidate to handle democracy initiatives. If a full-time resident USDH is assigned to Paraguay, them USAID/Paraguay participation in the ADC training project may be feasible.

Increases in operating expenses for FY 90 and FY 91 are projected, due to the addition of one OE-funded PSC, FSN wage scale adjustments, and replacement of a vehicle. No costs associated with a resident USDH are included in the projections.

No problems have been encountered regarding regional contracting and controller support services, and the new strategy is not expected to cause a significant impact on the extent of services required. The shift of focus toward bilateral technical assistance activities (i.e., economic and democratic reforms and drug abuse awareness) may lead to a situation where a bilateral HB 3 assistance agreement may be appropriate. However, subobligation through buy-ins to central contracts would continue to be an option under bilateral agreements. Authority to execute a bilateral agreement would be requested if and when the situation warrants it.

SUMMARY PROGRAM FUNDING TABLE

		FY 89	FY 90	FY 91
ARDN				
1.	ITT *	596	--	--
POP				
1.	ITT	125	75	125
HE				
1.	ITT	50	200	200
EHR				
1.	ITT	330	100	--
2.	Training	100	250	250
PSEE				
1.	ITT	100	780	680
ESF				
1.	AJDD	500	500	500
TOTAL				
1.	ITT	1,201	1,355	1,205
2.	Training	100	250	250
3.	AJDD	500	500	500

* Deob-Reob

FY 1990-1991 ACTION PLAN
PARAGUAY (25526)

EXPENSE CATEGORY	FUNCTION	OBJ CLASS	FY 1988 ACT. ($ 000) DOLLARS	TRUST FUNDS	TOTAL	UNITS	UNIT COST	FY 1989 EST. ($ 000) DOLLARS	TRUST FUNDS	TOTAL	UNITS	UNIT COST	FY 1990 REQUEST ($ 000) DOLLARS	TRUST FUNDS	TOTAL BUD	UNITS	UNIT COST	FY 1991 REQUEST ($ 000) DOLLARS	TRUST FUNDS	TOTAL BUD	UNITS	UNIT COST
U.S. DIRECT HIRE	U100		0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
U.S. CITIZENS BASIC PAY	U101*	110	0.0	0.0	0.0			0.0		0.0	0.0	ERR	0.0		0.0	0.0	ERR	0.0		0.0	0.0	ERR
PT/TEMP U.S. BASIC PAY	U102*	112	0.0	0.0	0.0			0.0		0.0			0.0		0.0			0.0		0.0		
DIFFERENTIAL PAY	U103*	116	0.0	0.0	0.0			0.0		0.0			0.0		0.0			0.0		0.0		
OTHER AID/W FUNDED CODE 11	U104*	119	0.0	0.0	0.0			0.0		0.0			0.0		0.0			0.0		0.0		
OTHER MISSION FUNDED CODE 11	U105	117	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0		0.0		
EDUCATION ALLOWANCES	U106	126	0.0	0.0	0.0			0.0	0.0	0.0	0.0	ERR	0.0	0.0	0.0	0.0	ERR	0.0		0.0	0.0	ERR
RETIREMENT-U.S. DIRECT HIRE	U107*	120	0.0	0.0	0.0			0.0		0.0			0.0		0.0			0.0		0.0		
LIVING ALLOWANCES	U108	428	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0		0.0		
OTHER AID/W FUNDED CODE 12	U109*	129	0.0	0.0	0.0			0.0		0.0			0.0		0.0			0.0		0.0		
OTHER MISSION FUNDED CODE 12	U110	129	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0		0.0		
POST ASSIGNMENT - TRAVEL	U111	212	0.0	0.0	0.0			0.0	0.0	0.0	0.0	ERR	0.0	0.0	0.0	0.0	ERR	0.0		0.0	0.0	ERR
POST ASSIGNMENT - FREIGHT	U112	220	0.0	0.0	0.0			0.0	0.0	0.0	0.0	ERR	0.0	0.0	0.0	0.0	ERR	0.0		0.0	0.0	ERR
HOME LEAVE - TRAVEL	U113	212	0.0	0.0	0.0			0.0	0.0	0.0	0.0	ERR	0.0	0.0	0.0	0.0	ERR	0.0		0.0	0.0	ERR
HOME LEAVE - FREIGHT	U114	220	0.0	0.0	0.0			0.0	0.0	0.0	0.0	ERR	0.0	0.0	0.0	0.0	ERR	0.0		0.0	0.0	ERR
EDUCATION TRAVEL	U115	215	0.0	0.0	0.0			0.0	0.0	0.0	0.0	ERR	0.0	0.0	0.0	0.0	ERR	0.0		0.0	0.0	ERR
R AND R TRAVEL	U116	215	0.0	0.0	0.0			0.0	0.0	0.0	0.0	ERR	0.0	0.0	0.0	0.0	ERR	0.0		0.0	0.0	ERR
OTHER CODE 215 TRAVEL	U117	215	0.0	0.0	0.0			0.0	0.0	0.0	0.0	ERR	0.0	0.0	0.0	0.0	ERR	0.0		0.0	0.0	ERR
F. N. DIRECT HIRE	U200		47.1	0.0	47.1			49.5	0.0	49.5			66.3	0.0	66.3			72.6	0.0	72.6		
BASIC PAY	U201	114	37.7	0.0	37.7	3.0	12.6	42.5	0.0	42.5	3.0	14.2	49.9	0.0	49.9	3.0	16.6	54.9	0.0	54.9	3.0	18.3
OVERTIME, HOLIDAY PAY	U202	115	5.5	0.0	5.5	0.4	13.8	2.2	0.0	2.2	0.2	11.0	3.0	0.0	3.0	0.4	7.5	3.0	0.0	3.0	0.4	7.5
ALL OTHER CODE 11 - FN	U203	119	0.0	0.0	0.0			0.6	0.0	0.6			8.7	0.0	8.7			9.6	0.0	9.6		
ALL OTHER CODE 12 - FN	U204	129	3.9	0.0	3.9			4.2	0.0	4.2			4.7	0.0	4.7			5.1	0.0	5.1		
BENEFITS FORMER FN PERSONNEL	U205	130	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0					0.0		
CONTRACT PERSONNEL	U300		10.0	0.0	10.0			2.3	0.0	2.3			35.5	0.0	35.5			47.7	0.0	47.7		
PASA TECHNICIANS	U301	258	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
U.S. PSC - SALARY/BENEFITS	U302	113	0.0	0.0	0.0			0.0	0.0	0.0	0.0	ERR	0.0	0.0	0.0	0.0	ERR	0.0	0.0	0.0	0.0	ERR
ALL OTHER U.S. PSC COSTS	U303	255	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
F.N. PSC - SALARY/BENEFITS	U304	113	10.0	0.0	10.0	1.0	10.0	2.3	0.0	2.3	0.5	4.6	35.5	0.0	35.5	2.2	16.1	47.7	0.0	47.7	2.7	17.7
ALL OTHER F.N. PSC COSTS	U305	255	0.0	0.0	0.0	0.0	ERR	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
MANPOWER CONTRACTS	U306	259	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
JCC COSTS PAID BY AID/W	U307*	113	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
HOUSING	U400		0.2	0.0	0.2			0.2	0.0	0.2			0.2	0.0	0.2			0.2	0.0	0.2		
RESIDENTIAL RENT	U401	235	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
RESIDENTIAL UTILITIES	U402	235	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
MAINTENANCE AND RESERVATION	U403	259	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
QUARTERS ALLOWANCE	U404	127	0.0	0.0	0.0			0.0	0.0	0.0	0.0	ERR	0.0	0.0	0.0	0.0	ERR	0.0	0.0	0.0	0.0	ERR
RESIDENTIAL FURNITURE/EQUIP	U405	311	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
TRANS./FREIGHT - CODE 311	U406	220	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
SECURITY GUARD SERVICES	U407	259	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
OFFICIAL RESIDENCE ALLOWANCE	U408	254	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
REPRESENTATION ALLOWANCES	U409	252	0.2	0.0	0.2			0.2	0.0	0.2			0.2	0.0	0.2			0.2	0.0	0.2		

FY 1990-1991 ACTION PLAN
PARAGUAY (25526)

EXPENSE CATEGORY	FUNCTION	OBJ CLASS	FY 1988 ACT. ($ 000) DOLLARS	TRUST FUNDS	TOTAL	UNITS	UNIT COST	FY 1989 EST. ($ 000) DOLLARS	TRUST FUNDS	TOTAL	UNITS	UNIT COST	FY 1990 REQUEST ($ 000) DOLLARS	TRUST FUNDS	TOTAL BUD	UNITS	UNIT COST	FY 1991 REQUEST ($ 000) DOLLARS	TRUST FUNDS	TOTAL BUD	UNITS	UNIT COST
OFFICE OPERATIONS	U500		45.6	0.0	45.6			46.4	0.0	46.4			56.5	0.0	56.5			102.5	0.0	102.5		
OFFICE RENT	U501	234	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
OFFICE UTILITIES	U502	234	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
BUILDING MAINT./RENOVATION	U503	259	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
OFFICE FURNITURE/EQUIPMENT	U504	310	4.1	0.0	4.1			0.8	0.0	0.8			0.0	0.0	0.0			2.0	0.0	2.0		
VEHICLES	U505	312	0.0	0.0	0.0			0.0	0.0	0.0	0.0	ERR	0.0	0.0	0.0	0.0	ERR	20.0	0.0	20.0	0.0	ERR
OTHER EQUIPMENT	U506	319	1.1	0.0	1.1			0.0	0.0	0.0			3.0	0.0	3.0			10.0	0.0	10.0		
TRANSPORTATION / FREIGHT	U507	220	0.0	0.0	0.0			0.0	0.0	0.0			1.2	0.0	1.2			10.0	0.0	10.0		
FURN/EQUIP/VEH REPAIR/MAINT.	U508	259	0.4	0.0	0.4			0.5	0.0	0.5			0.6	0.0	0.6			0.8	0.0	0.8		
COMMUNICATIONS	U509	230	8.7	0.0	8.7			7.3	0.0	7.3			9.5	0.0	9.5			11.8	0.0	11.8		
SECURITY GUARD SERVICES	U510	259	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
PRINTING	U511	240	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
SITE VISIT-MISSION PERSONNEL	U513	210	0.9	0.0	0.9	13.0	0.1	0.7	0.0	0.7	23.0	0.0	0.6	0.0	0.6	20.0	0.0	0.8	0.0	0.8	20.0	0.0
SITE VISIT-AID/ PERSONNEL	U514	210	1.4	0.0	1.4	1.0	1.4	4.4	0.0	4.4	2.0	2.2	1.8	0.0	1.8	1.0	1.8	2.0	0.0	2.0	1.0	2.0
INFORMATION MEETINGS	U515	210	0.0	0.0	0.0	0.0	ERR	0.0	0.0	0.0	0.0	ERR	0.0	0.0	0.0	0.0	ERR	0.0	0.0	0.0	0.0	ERR
TRAINING ATTENDANCE	U516	210	0.0	0.0	0.0	0.0	ERR	0.0	0.0	0.0	0.0	ERR	0.0	0.0	0.0	0.0	ERR	0.0	0.0	0.0	0.0	ERR
CONFERENCE ATTENDENCE	U517	210	0.0	0.0	0.0	0.0	ERR	2.5	0.0	2.5	1.0	2.5	2.5	0.0	2.5	1.0	2.5	2.5	0.0	2.5	1.0	2.5
OTHER OPERATIONAL TRAVEL	U518	210	8.4	0.0	8.4	11.0	0.8	12.9	0.0	12.9	15.0	0.9	15.9	0.0	15.9	19.0	0.8	17.8	0.0	17.8	19.0	0.9
SUPPLIES AND MATERIALS	U519	260	5.6	0.0	5.6			2.5	0.0	2.5			4.9	0.0	4.9			5.8	0.0	5.8		
FAAS	U520*	257	11.9	0.0	11.9			13.4	0.0	13.4			15.0	0.0	15.0			17.0	0.0	17.0		
CONSULTING SVCS. - CONTRACTS	U521	259	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
MGT./PROF. SVCS. - CONTRACTS	U522	259	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
SPEC STUDIES/ANALYSES - CONT.	U523	259	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
ALL OTHER CODE 25	U524	259	3.1	0.0	3.1			1.4	0.0	1.4	0.2	7.0	1.5	0.0	1.5	0.2	7.5	2.0	0.0	2.0	0.2	10.0
TOTAL O.E. EXPENSE BUDGET			102.9	0.0	102.9			98.4	0.0	98.4			158.5	0.0	158.5			223.0	0.0	223.0		
RECONCILIATION			11.9	0.0	11.9			13.4	0.0	13.4			15.0	0.0	15.0			17.0	0.0	17.0		
SECTION 636(c) (Non-add)	U600	320	0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0			0.0	0.0	0.0		
OPERATING EXPENSE REQUIREMENTS	U000		91.0	0.0	91.0			85.0	0.0	85.0			143.5	0.0	143.5			206.0	0.0	206.0		
			TOTAL NO. ADP WORK STATIONS				1	TOTAL NO. ADP WORK STATIONS				1	TOTAL NO. ADP WORK STATIONS				1	TOTAL NO. ADP WORK STATIONS				1
			TOTAL NUMBER OF PC'S				1	TOTAL NUMBER OF PC'S				1	TOTAL NUMBER OF PC'S				1	TOTAL NUMBER OF PC'S				2
OBJECT CLASS 210 TRAVEL			10.7	0.0	10.7			20.5	0.0	20.5			20.8	0.0	20.8			23.1	0.0	23.1		
Dollars Required for Local Currency Expenses			71.0					62.4					116.0					147.0				

Exchange Rate Used (April 12, 1989) G$.997

NON EXPENDABLE PROCUREMENT PLAN FY-1989

FUNC CODE	D E S C R I P T I O N	
U504	OFFICE FURNITURE/EQUIPMENT	0.8
	OFFICE FURNITURE	0.8

04/13/89

NON EXPENDABLE PROCUREMENT PLAN FY-1990

FUNC CODE	D E S C R I P T I O N	
U506	OTHER EQUIPMENT	3.0
	WANG EQUIPMENT	3.0

04/13/89

NON EXPENDABLE PROCUREMENT PLAN FY-1991

FUNC CODE	D E S C R I P T I O N	
U504	OFFICE FURNITURE/EQUIPMENT	2.0
	OFFICE MACHINES	1.0
	OFFICE FURNITURE	1.0
U505	VEHICLES	20.0
	1 CARRYALL	20.0
U506	OTHER EQUIPMENT	10.0
	WANG EQUIPMENT	10.0

04/13/89

FY 87

OPERATING EXPENSE
DOLLAR AND TRUST FUND
STAFFING LEVEL

	USDH	FNDH	IDI	Res.H	USPSC	FNPSC	MANPOWER PROF.	MANPOWER CLER.	CONT. D/C	TOTAL
OFFICE										
PARAGUAY		3				2				5
TOTAL	0	3	0	0	0	2	0	0	0	5

PD&S FY 87
STAFFING LEVEL

	FNDH	RES HIRE	USPSC	FNPSC	MANPOWER PROF.	MANPOWER CLER.	CONT.	TOTAL
OFFICE								
TOTAL								

*Two pages each for FY87-90

OPERATING EXPENSE
DOLLAR AND TRUST FUND
STAFFING LEVEL

	USDH	FNDH	IDI	Res.H	USPSC	FNPSC	MANPOWER PROF.	CLER.	CONT. D/C	TOTAL
OFFICE										
PARAGUAY		3				2				5
TOTAL	0	3	0	0	0	2	0	0	0	5

PD&S FY 87
STAFFING LEVEL

	FNDH	RES HIRE	USPSC	FNPSC	MANPOWER PROF.	CLER.	CONT.	TOTAL
OFFICE								
TOTAL								

*Two pages each for FY87-90

FY 89

OPERATING EXPENSE
DOLLAR AND TRUST FUND
STAFFING LEVEL

	USDH	FNDH	IDI	Res.H	USPSC	FNPSC	MANPOWER PROF.	CLER.	CONT. D/C	TOTAL
OFFICE										
PARAGUAY		3				2				5
TOTAL	0	3	0	0	0	2	0	0	0	5

PD&S FY 87
STAFFING LEVEL

	FNDH	RES HIRE	USPSC	FNPSC	MANPOWER PROF.	CLER.	CONT.	TOTAL
OFFICE								
TOTAL								

*Two pages each for FY87-90

FY 90

OPERATING EXPENSE
DOLLAR AND TRUST FUND
STAFFING LEVEL

	USDH	FNDH	IDI	Res.H	USPSC	FNPSC	MANPOWER CONT. PROF.	CLER.	D/C	TOTAL
OFFICE										
PARAGUAY		3				3				6
TOTAL	0	3	0	0	0	3	0	0	0	6

PD&S FY 87
STAFFING LEVEL

	FNDH	RES HIRE	USPSC	FNPSC	MANPOWER CONT. PROF.	CLER.	TOTAL
OFFICE							
TOTAL							

*Two pages each for FY87-90

OPERATING EXPENSE
DOLLAR AND TRUST FUND
STAFFING LEVEL

OFFICE	USDH	FNDH	IDI	Res.H	USPSC	FNPSC	MANPOWER PROF.	MANPOWER CLER.	CONT. D/C	TOTAL
PARAGUAY		3				3				6
TOTAL	0	3	0	0	0	3	0	0	0	6

PD&S
STAFFING LEVEL

FY

OFFICE	FNDH	RES HIRE	USPSC	FNPSC	MANPOWER PROF.	MANPOWER CLER.	CONT. D/C	TOTAL
TOTAL								

*Two pages each for FY87-90

USAID/PARAGUAY

ANNUAL PORTFOLIO REPORT

1988

(Narrative thru 3/89)

I. Overview

For the most part the projects in the Paraguay portfolio are achieving their objectives and are on schedule. Exception will be noted below.

While the February 1989 coup created opportunities for new directions in the program, it did not create any significant need to reprogram already obligated projects. The more significant accomplishments and problems are provided below.

A. Agriculture and Natural Resource Conservation

1. The Salesian Agricultural Institute has made marked progress in its administration, training program and in its revenue generation from agroindustrial operations. The institute is not as advanced in obtaining other donor financing as had been expected. However, the planned $200,000 amendment (from deob-reob funds) to develop resource conservation training and demonstration activities is being used by the Salesian Society to firm up commitments from other donors.

2. The $15,000 start up grant through the Nature Conservancy to the Bertoni Foundation was a particular success. Besides having received $70,000 in donations from other donors, the Foundation has established a dialogue with the highest levels of the IBRD and IFC with the aim of converting a large tract of IFC forest property into a nature preserve. The proposed new AID grant (from deob-reob funds) will help the Foundation achieve this goal as well as promote conservation of other designated areas in Paraguay.

B. Private Sector Development

1. The International Executive Service Corps project, after providing valuable assistance to ten firms, fell into an inactive state. This was due to project management problems and perhaps diminished demand given the general low levels of private investment in Paraguay during the final period of the Stroessner regime. Given the present optimistic attitude of the private sector, we plan to reactivate the project and increase funding.

2. The MBA program and series of executive seminars that A.I.D. has funded are receiving high marks from students and businessmen. Quality and demand are both high. Unfortunately, little effort was dedicated to pursuing alternative funding sources for the further development of the program. An eighteen month funded extension was provided in order to allow time to obtain other funding commitments.

3. A PPC-sponsored cross-cutting evaluation and a PRE evaluation both were extremely favorable regarding the performance of the microenterprise program run by the Fundacion Paraguaya de Cooperacion y Desarrollo. The Fundación is one of the few microenterprise programs that has successfully used the PRE guarantee fund with private banks. The specific plan to establish an offshoot Foundation in a secondary city is now being reexamined. Other strategies are being considered including the possible assumption by the Foundation of responsibility for present programs run by the government.

C. Family Planning

CEPEP, the local IPPF affiliate, went through disruptive internal turmoil, but has recuperated. The official GOP position on family planning has become more liberal. Some observers attribute the change in part to AID-financed activities, particularly the training work of Development Associates. In any case, the climate has impproved, and both CEPEP and Ministry of Health programs are now better positioned to expand coverage.

D. Child Survival

AID-financed activities to promote local production and use of oral rehydration salts have been successful. Although the Healthcom project personnel proposed expanding the communications campaign into the area of breast feeding (with further funding), USAID concluded that Child Survival would not be a priority area for the Paraguay program in FY90-91.

E. LAC II Training Initiatives

The LAC II ADC program will sponsor an estimated 150 Paraguayans for training in technical and academic programs between FY 1985 and FY 1990. The primary areas of emphasis have been human resource development and technology transfer in management training, math and basic sciences, English language teaching methodology, agriculture, and public health. Most of the short term participants were exposed to cultural and community events as part of the Experience America component. Formal follow-on activities have not yet been fully implemented, but AID/P has informal contacts with many of the returned participants and includes them in pre-departure orientation for new participants.

With the recent change of government in Paraguay, many of the institutions and policies which defined the boundaries of economic and political life in the country for forty years are changing. While it is too early to predict the eventual outcome or impact of these changes, they hold the potential for opening up new opportunities in business, commerce, and political participation. More broadly, they offer the hope of introducing new outside influences into a country which has long been isolated by geography, politics, and economic policy. The USG and A.I.D. are committed to working closely with the new government to support efforts in economic and trade liberalization and democratic reform. Therefore, one of the major themes of the new country strategy will be to assist the GOP in democratic reform, and economic policy analysis and implementation and to assist the private sector to take full advantage of the new economic and political environment. A.I.D. plans to assist the GOP through training and technical assistance in such areas as investment policy and promotion, tax policy and administration, and privatization. The USAID program also plans to assist the private sector in responding to these changes and to initiate-mutually beneficial commercial arrangements with U.S. firms.

F. Banco de Desarrollo (COMDESA)

Two AID loans dating from the early seventies are now over two years delinquent. The borrower, COMDESA, is a private bank that suffered serious losses as a result of rapid devaluation. The USAID undertook, with the assistance of a consultant, to develop a solution to the problem. A proposal was forwarded to LAC/DR for review in February 1989.

USAID/PARAGUAY
INTERCOUNTRY TECHNOLOGY TRANSFER PROJECT ACTIVITY (598-0616.06)
SUMMARY LAC FINANCIAL TABLE THRU 12/31/88

SCHEDULE A

Project Title	Initial/Final Obligation	Total Project Cost	Counterpart Contribution	Current Year Obligations Planned	Cumulative Obligations To Date	Estimated Completion Date	Cumulative Accrued Expenditures	Accrued Expenditures This Year	Pipeline
AGRICULTURE									
1. Agricultural Training	1986/88	448,000.00	235,000.00		448,000.00	12/31/89	301,047.70	134,049.99	146,952.30
(IAS) Agmt LAC-0616-A-00-6076-00 $210,000 (FY86)		210,000.00			210,000.00		210,000.00	59,738.58	
Amendment No.2 $190,000 (FY87)		190,000.00			190,000.00		52,250.00	52,250.00	
(Arturo Urrutia) Contract 526-0616-S-00-6002-00 $ 24,000 (FY86)		24,000.00			24,000.00		24,000.00	13,934.29	
(Arturo Urrutia) Contract 526-0616-S-00-8001-00 $ 15,000 (FY 88)		15,000.00			15,000.00		5,797.70	5,797.70	
(IAS) Agmt 526-0616-G-IR-6003-00 $ 9,000 (FY 86)		9,000.00			9,000.00		9,000.00	2,329.42	
2. Nature Conservancy Agmt. 526-0616-G-IR-8001-00	1988	15,000.00	20,000.00		15,000.00	03/31/89	10,000.00	10,000.00	5,000.00
3. Small Projects Assistance Amendment No. 6 to Country Agmt. dated 8/29/88 (FY 88)	1988	35,000.00			35,000.00	08/23/90			35,000.00
TOTAL AGRICULTURE		498,000.00	255,000.00		498,000.00		311,047.70	144,049.99	186,952.30

USAID/PARAGUAY
INTERCOUNTRY TECHNOLOGY TRANSFER PROJECT ACTIVITY (598-0616.06)
SUMMARY LAC FINANCIAL TABLE THRU 12/31/88

Project Title	Initial/Final Obligation	Total Project Cost	Counterpart Contribution	Current Year Obligations Planned	Cumulative Obligations To Date	Estimated Completion Date	Cumulative Accrued Expenditures	Accrued Expenditures This Year	Pipeline
SELECTED DEVELOPMENT ACTIVITIES									
1. Technical Assistance for Private Enterprises	1985	300,000.00	233,628.00		300,000.00	12/31/89	230,000.00	78,473.00	70,000.00
International Executive Service Corps, Agm't LAC-0616-A-00-5089-00 $ 300,000 (FY85)									
2. Micro Enterprise Employment Gener.	1988	150,000.00	150,000.00	70,000.00	80,000.00	09/30/90	2,110.00	2,110.00	77,890.00
Fundacion Paraguaya de Desarrollo Grant No. 526-0616-G-SS-8005-00 (FY 88) $ 80,000		150,000.00	150,000.00	70,000.00	80.000.00		2,110.00	2,110.00	
TOTAL SELECTED DEVELOPMENT ACTIVITIES		450,000.00	383,628.00	70,000.00	380,000.00		232,110.00	80,583.00	147,890.00

USAID/PARAGUAY
INTERCOUNTRY TECHNOLOGY TRANSFER PROJECT ACTIVITY (598-0616.06)
SUMMARY LAC FINANCIAL TABLE THRU 12/31/88

Project Title	Initial/Final Obligation	Total Project Cost	Counterpart Contribution	Current Year Obligations Planned	Cumulative Obligations To Date	Estimated Completion Date	Cumulative Accrued Expenditures	Accrued Expenditures This Year	Pipeline
EDUCATION									
a) Management Training	1985/89	813,100.00	183,200.00	200,000.00	613,100.00	09/30/90	419,286.00	100,000.00	193,814.00
NASPAA Agmt DAN-5317-A-00									
5028-00 $ 13,100 (FY 85)							13,100.00		
Amend. No. 9 $200,000 (FY 86)							200,000.00		
Amend. No. 15 $300,000 (FY 87)							206,186.00	100,000.00	
Amend. No. 24 $ 50,000 (FY 88)									
Amend. No. 29 $ 50,000 (FY 88)									
b) Information Resource Center	1988/90	350,000.00	53,900.00	105,000.00	135,000.00	08/31/91	20,000.00	20,000.00	115,000.00
Agmt. 526-0616-A-00-8004-00 (FY 88)									
TOTAL EDUCATION		1,163,100.00	237,100.00	305,000.00	748,100.00		439,286.00	120,000.00	308,814.00
POPULATION									
Family Planning Initiatives									
Private Sector Strengthening	1986	100,000.00			100,000.00	08/31/89	77,891.00	27,792.76	22,109.00
a) IPPF Western Hemisphere Region									
Agm't 526-0616-A-00-6001-00									
$100,000 (FY 86)									
b) Microcomputer applications									
Population & Health Analysis	1988	14,000.00	9,300.00		14,000.00	07/31/89	14,000.00	14,000.00	
AGMT 526-0616-G-IR-8002									
(CPES) $14,000.00 (FY 88)									
TOTAL FAMILY PLANNING INITIATIVES		114,000.00	9,300.00		114,000.00		91,891.00	41,792.76	22,109.00

USAID/PARAGUAY
INTERCOUNTRY TECHNOLOGY TRANSFER PROJECT ACTIVITY (598-0616.06)
SUMMARY LAC FINANCIAL TABLE FROM INCEPTION THRU 12/31/88

Project Title	Initial/Final Obligation	Total Project Cost	Counterpart Contribution	Current Year Obligations Planned	Cumulative Obligations To Date	Estimated Completion Date	Cumulative Accrued Expenditures	Accrued Expenditures This Year	Pipeline
HEALTH									
Child Survival Enhancement	1986/89	330,000.00		50,000.00	280,000.00	10/31/89	217,735.00	162,976.00	62.265.00
Academy for Educational Dev.		330,000.00		50,000.00	280,000.00		217,735.00	162,976.00	
Modif. to Contract No. DPE-1018-C-00-5063 Dtd. 8/30/85 $ 80,000 (FY 86)									
Amend. No. 8 dated 5/13/87 $100,000 (FY 87)									
Amend. dtd.8/12/88 $100,000 (FY 88)									

USAID/PARAGUAY

OTHER NON-LAC ACTIVITIES FINANCIAL TABLE THRU 12/31/88

SCHEDULE B

Project Title	Initial/Final Obligation	Total Project Cost	Counterpart Contribution	Current Year Obligations Planned	Cumulative Obligations To Date	Estimated Completion Date	Cumulative Accrued Expenditures	Accrued Expenditures This Year	Pipeline
SMALL PROJECT ASSISTANCE	1985/87	130,000.00			130,000.00		108,822.00	8,822.00	21,178.00
LAC TRAINING ACTIVITIES	1985/88	1,244,953.00		100,000.00	1,244,953.00	9/30/91	773,177.77	200,000.00	471,775.23

DOC. 0048A

USAID/PARAGUAY

OTHER NON-LAC ACTIVITIES FINANCIAL TABLE THRU 12/31/88

SCHEDULE C

Project Title	Initial/Final Obligation	Total Project Cost	Counterpart Contribution	Current Year Obligations Planned	Cumulative Obligations To Date	Estimated Completion Date	Cumulative Accrued Expenditures	Accrued Expenditures This Year	Pipeline
EMERGENCY RELIEF ASSISTANCE	1988	25,000.00			25,000.00	10/31/88	25,000.00	25,000.00	

DOC. 0048A

III. ITT ACTIVITY NARRATIVES BY OBJECTIVES

A. PROJECT TITLE/NO.: ITT - 598-0616.06 - T.A. for Private Enterprise

-Estimated Completion Date: December 31, 1989

-Implementing Agency: International Executive Service Corps (IESC)

B. PROJECT/ACTIVITY PURPOSE: Provide support to IESC for the establishment of a local office in Asunción, Paraguay.

C. PROJECT STATUS:

Major Outputs Expected:

-Establishment of a self-sufficient, continuing IESC operation in Paraguay.

-30 T.A. cases provided to local private enterprises and private sector service organizations.

Brief Overall Assessment of Activity:

The number of firms contracting T.A. has been lower than originally estimated. However, the 12 cases completed were very successful and had a positive impact on a number of key business activities, such as T.A. to the biggest metal working operation in Paraguay for the production of non-motorized farm implement, improvement of the sugar industry, management assistance to three major hotels, cotton ginning operation, etc.

In an effort to lower operating costs, and thus improve the prospects for a self-sufficient continuing operation in Paraguay, in December 1987 AID/IESC made the decision to change Paraguay's full-time resident country director to a part-time local representative paid on a case-by-case fee basis. The poor performance of the new representative, who has not been able to develop new cases, has brought the program to an almost complete halt and, therefore, IESC terminated his contract. IESC/AID have decided to put the project on hold while assessing the local situation prior to making a final decision on the continuation of the program in Paraguay. Also, through a direct arrangement between USAID/Paraguay and IESC's headquarters, in a departure from the prior policy not to work with the public sector, AID is arranging a TA to the Paraguayan Ministry of Industry & Commerce for developing a new law to promote national and foreign investments in Paraguay.

Category of Activity: B

Corrective Actions Planned: A new local representative has been tentatively identified. But given the relatively small pipeline remaining, the project will not be restarted until FY90 funds are assured. Until that time, USAID may use these funds as a passive resource for T.A. as needed.

A. PROJECT TITLE/NO.: ITT - 598-0616.06 - Nature Conservancy

-Estimated Completion Date: March 31, 1989

-Implementing Agency: The Nature Conservancy (TNC)

B. PROJECT/ACTIVITY PURPOSE: Provide support for the installation of a financial management system and the development of a self-sustaining funding capability for the Moises Bertoni Foundation for Nature Conservation.

C. PROJECT STATUS:

Major Outputs Expected:

By the end of the activity, with the assistance of The Nature Conservancy, the Foundation will have:

1. A financial management system in place including, at least: two staff members trained in accounting, record keeping, and capable of making rapid and accurate projections of cash flow and using an automated system on an appropriate PC computer.

2. An improved project design and development capability and will have:

a. Designed at least six major project proposals to be financed by other donors.

b. At least one staff member trained in the design and presentation techniques of project proposals.

3. Registration as a PVO

As as additional proof of institutional capability, by the end of this activity the Foundation should meet all the requirements to qualify with A.I.D. as a PVO to finance operations and conservation actions in Paraguay.

Brief Overall Assessment of Activity

The accounting and administrative system developed for the Foundation by Coopers & Lybrand is now in the final process of trial and revision. They include a) a computerized accounting system, b) accounting manuals, c) administrative procedures manual including an organization chart, position and job descriptions, procedures for hiring and firing of personnel, etc. Under the same contract, the Foundation's personnel were trained in the use of the accounting system. Also, an important accomplishment was the approval of the Foundation's charters by the GOP thereby giving the Foundation a legal entity status. This is a big step forward in its objective to qualify for registry with USAID as an indigenous PVO.

The small AID seed money has helped generate about five times as much additional outside contribution for the Foundation in less than a year. This was the result of the several proposals that had been sent to various donors that have materialized in five different grants totalling more than $ 70,000. This is a clear indication of the Foundation's capacity to raise financial assistance and, eventually, become self-sufficient.

In pursuing its mission of conserving biological diversity and promoting sustainable development, the Foundation is focusing on the acquisition of the Mbaracayú natural reserve area, a tract of 60,000 hectares of the last remaining humid subtropical forest in Eastern Paraguay. Title to this area is held by the International Finance Corporation (IFC) of the World Bank. If the Foundation is successful in this deal, this property will become part of the national wildland reserve system of the country.

Category of Activity: A

Corrective Actions Planned: None

A. PROJECT TITLE/NO.: ITT - 598-0616.06 - Information Resources Center for Development (IRCD)

-Estimated Completion Date: August 31, 1991

-Implementing Agency: Paraguay/Kansas Committee (PKC)

B. PROJECT/ACTIVITY PURPOSE: To establish within the Paraguay/Kansas Committee (PKC) of the National Association of the Partners of the Americas (NAPA) an Information and Resources Center for Development (IRCD) to increase the capability of the PKC to access development information, to promote and improve the effectiveness of the voluntary participation in local development efforts by the people of Paraguay and Kansas.

C. PROJECT STATUS:

Major Outputs Expected:

1. A significant increase in the number of project proposals developed by the Partnership.

2. An increased number of local and international institutions and organizations collaborating with the Committee in project development.

3. A larger number of donor agencies will have been involved in Partnership projects.

4. The PKC will have developed revenue-generating programs that contribute to its financial sustainability.

Brief Overall Assessment of Activity

For the first time the PKC has opened an office that will provide critical technical information inputs and logistical support to its numerous sub-committees and volunteers. A full-time director for the IRDC has been appointed by the PKC and accepted by AID. AID has also approved the operating procedures, organization, and administrative & accounting manuals of the IRCD prepared by Coopers & Lybrand and officially adopted by PKC, and personnel hired and trained in the use of the accounting system.

The IRCD has been instrumental in assisting the leaders of various PKC sub-committees in the design of at least nine community development projects with local non-profit organizations.

As an initial step to establish an efficient information network, the IRCD has been conducting a survey of various sources of information locally available and developing a list potential users of development information. It is also developing a comprehensive library of directories and reference materials on U.S. and international foundations and PVO's, development resources, catalogs of the Kansas university system, etc. and is arranging for access to computerized information management systems through an international electronic mail network using the facilities of the Catholic University.

Regarding the development of revenue-generating programs that will contribute to its financial sustainability, the IRCD is exploring different alternatives within the major areas identified as potential sources of revenues, i.e. organization of workshops and seminars to promote institutional development of local PVO's and magazines & publications to disseminate news on PKC activities and news on the work of other PVO's, i.e., a sort of trade magazine of Paraguayan PVO's.

The proposed IRCD office in Kansas, which was supposed to operate under the supervision of the Kansas partnership, will not be established mainly due to budget restrictions. However, the Kansas Partners has expressed its full support to and will assist the IRCD in facilitating communication and information transfer from Kansas to Paraguay.

Category of Activity: B

Corrective Actions Planned

While the project has considerable potential for supporting PVO activities, transferring technology and strengthening U.S.-Paraguay linkages, it lacks clarity regarding its market and strategy. We will allow the IRCD to explore these issues for another nine months, before intervening with explicit directions.

A. PROJECT TITLE/NO.: ITT - 598-0616.06 - Agricultural Training

-Estimated Completion Date: August 30, 1989

-Implementing Agency: U.S. - Salesian Society, Inc.
Paraguay - Salesian Agricultural Institute (IAS) Carlos Pfannl

B. PROJECT/ACTIVITY PURPOSE: Provide support to institute within IAS a permanent capacity to: plan and implement curriculum improvements, prepare, execute, and evaluate investment and operational plans for its commercial revenue producing programs; and administer its educational and commercial operations based on full information regarding costs and other management criteria. At the same time, the School's commercial agricultural operations will be upgraded and expanded.

C. PROJECT STATUS:

Major Outputs Expected:

1. Improvement in Education Quality: By the end of the activity, IAS will have developed:

a) A core faculty of approx. 7 fulltime trained instructors. The faculty will prepare annual detailed course plans with feedback and inputs from alumni as well as actual and potential employers; and

b) an employment and training opportunity bank designed to help graduates and alumni get appropriate jobs and post-graduate training.

2. Improvements in Agro-Enterprises: By the end of the activity, IAS will:

   a) At least have doubled its income from its agriculture, livestock, and agroindustrial operations.

   b) Be demonstrating a series of technologies and practices that help protect its land base from environmental degradation.

3. Improvements in Administration: By the end of the activity, IAS will:

   a) Have established an internal information system capable of applying accounting controls and maintaining cost accounting on all aspect of IAS's operations; formulating and monitoring operating plans and financial management information, and monitoring performance progress in meeting annual plans; and

   b) Have an improved capacity to mobilize additional resources from domestic and external sources.

Brief Overall Assessment of Activity

The total of eight fulltime instructors in IAS present faculty actually exceeds the expected output (7). This has been a big step forward in upgrading not only the quality of IAS faculty but has positively reflected on the quality of the education at IAS. Also, the instructors have developed a strong sense of identity with the school. As a result of the new curriculum developed under the project, IAS is evaluating the need for an increased number of fulltime teachers. New curriculum has been redesigned and annual detailed course plans prepared and gradually implemented, i.e., the 3rd. year plan will be implemented next year. Plans were designed to be revised and upgraded based on feedback from actual classroom experience.

Regarding the Employment and Training Opportunity Bank, the updated personal records of about 60% of the alumni are on file and ready to be transferred to IAS computer and six regional alumni associations were organized to facilitate the exchange of information between IAS and the alumni. Also, bi-monthly issues of the Alummni Association's bulletin have been published on a regular basis.

As a result of the T.A. and operating and investment capital provided under the project, IAS has completly switched from a net loss of approximately $23,000 in its agriculture, livestock, and agroindustrial operations in 1987 to an approximately net income of $33,000 in 1988. The new cost accounting system has provided IAS with a reliable tool to start programming for the first time the optimun use of its production resources. In the process of initating value-added activities to enhance its income generating capacity, IAS is well underway in the implementation of a small dairy and a sausage plant. This is one of the first steps toward vertical integration in its production complex.

Experimental trials using improved production and conservation management practices are being conducted on the school's farm plot (i.e. not on the bigger commercial farm plot) as part of the routine production practice of the students . All of the recommended technologies and practices thus generated will be applied on the commercial farm plot as additional cleared land become available at IAS. About 60 hectares of the total of 100 hectares planned have already been cleared and planted with corn and pasture.

IAS is in the final stages of adjustment of a very effective computerized accounting system capable of providing reliable information on operating costs and the results of its production activities. The comprehensive new system has permitted IAS to produce the 1987 balance sheet, its first one ever. The balance sheet for 1988 was completed in February. The school is also well underway in the design and implementation of a new institutional organization. Final organization charts and job descriptions are being completed as well as internal organization and operating manuals. IAS is also well advanced in developing a much needed comprehensive human resources development policy.

Mainly due to limitations in personnel, both in its Salesian and its lay staff, IAS has not been able to advance in the mobilization of additional resources. However, IAS is in the process of approaching foreign donors organizations with grant proposals for establishing a scholarship and student loan funds as well as a training program in natural conservation management.

Category of Activity: A

Corrective Actions Planned: None.

A. PROJECT TITLE NO.: ITT - 598-0616.06 - Management Training

Estimated Completion Date: September 30, 1990 (Will be extended by 18 months with additional funding)

Implementing Agency: National Association of School of Public Affairs and Administration

B. PROJECT/ACTIVITY PURPOSE: Assist the Catholic University of Asunción in the development of its program in Business Administration and Management.

C. PROJECT STATUS

Major Outputs Expected

1. A group of 40-50 Master's level students will have completed an 18-month MBA program based on a series of 4 two-week modular courses and 4 two-month, part time, intermodular courses.

2. Six executive seminars for top managers

3. The training of faculty at various levels

4. Two PhD or DBA candidates and one Master's level person trained to join the Faculty along with a full-time Administrator.

5. Key teaching faculty and top management of the School will have made visits to other management schools in the U.S. and L.A. and will have received short courses and third country training.

6. Between ten and twenty teaching cases will have been written by students and faculty

7. A viable financial structure for the Master's program will have been developed.

8. The private sector community will have demonstrated financial support for the program.

Brief Overall Assessment of Activity

The first MBA program at the Catholic University of Asuncion (UCA) financed under the project contemplates subjects to be taught in four full time 18 day modules, and four part time intermodules. The program started in November 1987 and will finish in May 1989. As of December 31, 1988 three of the four modular courses and three of the intermodular courses have been completed. One more modular and one more intermodular courses will be taught in 1989. A graduation ceremony is planned for June 9, 1989.

Out of the 51 students originally registered for the program, only 2 dropped out. It is expected that the remaining 49 students will graduate in June 1989.

Four Catholic University professors completed a two-year MBA in INCAE/Costa Rica. Three of them are now teaching at the undergraduate level and have taught one of the intermodular courses in the MBA program in 1988. One of the INCAE graduates is studying for a DPA in the U.S. Considering that Paraguayan DBAs will be needed to teach in the MBA program, the Mission is looking for at least two more candidates to do DBA programs in the U.S.

Several other professors have completed short term training in teaching methodology and Management programs for Excutives at INCAE/Costa Rica.

So far, four executive seminars have been held with great success. Two more are planned for 1989.

So far, two case studies have been written by two professors of the Catholic University. They were trained to write cases at INCAE/Costa Rica and Harvard University. They are planning to write more cases during 1989.

Category of Activity: C, based on the fact that financial resources other than AID have not been secured yet to consolidate the future of the program.

Corrective Actions Planned: Both the Catholic University and USAID are holding conversations with IDB regarding possibilities for financial support. So far, IDB has not provided assurance that they will support the program. NASPAA will also explore possibilities of obtaining support from U.S. foundation. The FY 89 amendment of $200,000 (transferred from LAC II funds to ITT) is intended to keep the program going until other support is available. In addition, the remaining FY 89 LAC II funds are being reserved for DBA candidates to teach in the MBA program.

A. PROJECT TITLE/NO.: ITT - 598-0616.06 - Micro Enterprise Employment Generation

Estimated Completion Date: September 30, 1990

Implementing Agency: Accion International/AITEC

B. PROJECT/ACTIVITY PURPOSE: To develop a capacity in the Fundación Paraguaya de Cooperacion y Desarrollo (Fundación) to replicate its micro- enterprise credit and technical assistance program in a secondary city of Paraguay.

C. PROJECT STATUS:

Major Outputs Expected:

The Fundación Paraguaya will have:

- prepared a diagnosis about the feasibility of a locally supported program capable of obtaining self-supporting status;
- identified and obtained commitment of potential board members;
- assisted and advised with all aspects of obtaining legal status of the new foundation;
- assisted and advised in staff selection;
- supervised all operations during the first two years.

In carrying out these tasks, the Fundación Paraguaya will have trained or arranged for training of the Board and staff of this new local foundation as necessary to create an operational capacity, and it will have provided all technical assistance necessary to bring about a fully functioning micro-enterprise foundation.

Brief Overall Assessment of Activity

During the reporting period the Fundación was active trying to organize the Board of Directors of the new Fundacion Encarnación as well as to hire a Director for the new entity. Even though the Fundacion identified suitable candidates for the Board of Directors, a few of them were replaced by others suggested by local authorities with political influence. Subsequently, a strategy was developed for running the Encarnación operation out of Asuncion. However, after the February coup, USAID and the Fundación decided to begin exploring strategies for expanding Fundación operations.

Category of Activity: B

Correction Actions Planned

As privatization is a hot theme now in Paraguay, USAID has asked the Fundación to explore with GOP officials the possibility of having the Fundación take over credit programs now run by government institutions. This and other opportunities will be explored before the specific use of these funds is fixed.

A. PROJECT/TITLE NO.: ITT - 598-0616.06 - Family Planning Initiative
Private Sector Strenghtening
Coop Ag. 526-0616-A-00-6001-00

Estimated Completion Date: August 31, 1989

Implementing Agency: International Planned parenthood Federation Western Hemisphere Region (IPPF/WHR)

B. PROJECT ACTIVITY/PURPOSE: To provide support for the IPPF/WHR program to assist the institutional development of the Paraguay Center for Population Studies (CEPEP)

C. PROJECT STATUS:

Major Output Expected

The following activities will have been completed:

1. A health and family planning survey based on approximately 2,000 interviews;

2. Procurement, installation, and operation of a computerized management information system capable of providing cost accounting data, service statistics, commodity flows and accountability, and other analyses requested by the donor community;

3. Testing and evaluation of the effectiveness of increasing revenue through expanded services at a specific CEPEP clinic;

4. Improved capacity to increase utilization of CEPEP clinics through more effective communications.

CEPEP today is a rather different Family Planning Association (FPA) than it was in mid-1986, due mainly to the significant contribution of the program to the evolution of CEPEP. Together with the Operations Research project supported by INOPAL, the Agreement has allowed CEPEP to establish a new and more positive public image, and to improve its delivery of family planning (fp) services in a nation where no other

institution subsidizes such services (See table below summarizing CEPEP's main fp target accomplishments up to the end of CY 1989. CEPEP has also benefitted from a somewhat more liberal political environment, but without the new AID support through IPPF/Western Hemisphere Region (WHR) and from INOPAL it would not have been in a position to take much advantage of these changes.

The most important accomplishment was the successful completion of the Health and Family Planning Survey. Prior to this survey, nobody in Paraguay could do more than guess about how many people were practicing fp, or how, or why, because the data from the 1977 survey was clearly obsolete. The HFPS establishes an important benchmark, destined to influence discussions about fp in Paraguay for many years to come.

The second most important component of the Agreement, in terms of its long-term potential, was the provision of an IBM XT-286 computer, complete with peripheral equipment, multi-purpose software, installation, and training. This computer, originally intended for general administrative and financial purposes, is also being used to monitor the Operations Research (OR) project that CEPEP is now carrying out with INOPAL support, extending the reach of CEPEP clinics through satellite posts which are manned every two weeks.

In short, CEPEP has gone rapidly from manual systems in all areas to increasing use of its 2 micro-computers for everything from administration to research.

With respect to outputs 3 and 4, although IPPF has not yet fully evaluated progress made to date, some activities took place in relation to these objectives. For example, with the help of a Computer Specialist hired through the INOPAL project, and consultants from WHR, CDC, and INOPAL, CEPEP is gradually building a computer-literate staff. Instead of adding a Communications Specialist, CEPEP recently appointed an Information and Education Director, to the permanent staff. An Assistant to the Executive Director, was also hired, and has contributed to better use of CEPEP's senior staff.

With respect to clinical equipment, CEPEP is in the process of purchasing those budgeted under the program.

Accomplishments of main fp activity targets up to end of CY 1988

Activities	Target	Accomplished	% Accomplished
New Patients	16,970	17,592	104
Visits for medical control	45,000	47,542	106
Visits to pediatrician	32,000	37,100	116
Results of Pap	8,000	8,037	100

Category of Activity: A

Corrective Action Planned for the Coming Period: None

A. PROJECT/TITLE NO.: ITT - 598-0616.06 - Family Planning Initiatives, Training and Policy Promotion

Estimated Completion Date: June 30, 1988

Implementing Agency: U.S.: Development Associates, Inc.
Paraguay: DEPROFA/MOH and Liga Paraguaya de los Derechos de la Mujer (LPDM)

B. PROJECT/ACTIVITY PURPOSE: To continue family planning training programs with Ministry of Health and the private sector Paraguayan League of Women's Rights (LPDM), developed and tested during 1986

C. PROJECT STATUS:

Major Outputs Expected

DEPROFA will have trained a total of 300 paramedical and auxiliary service providers working in 280 health centers and health posts in 12 rural health regions, and the LPDM will have trained a total of 120 community leaders as family planning motivators.

Part of the funds will have been used by Post to support the Paraguayan Center for Sociological Studies to carry out an in-country training program of minicomputer applications for demographic analysis.

Brief Overall Assessment of Activity

The project under which 300 nurse-midwives, nurses, auxiliary nurses and rural midwives each received a three-day training and subsequent followup, was successfully completed. The Development Associates' consultant reviewed the project's meticulously maintained financial files and found them in order with expenditures well documented and supported by receipts.

In the 12 courses under the Contract, a total a 298 paramedical and auxiliary health workers from 105 health centers and 133 health posts received three days of training. These 298 health workers, in turn, gave about 2,000 presentations on family planning topics to a total of 54,940 potential users. According to DEPROFA's statistics, they also interviewed 6,077 potential users and referred 1,493 potential users to CEPEP, and 3,061 to pharmacies.

Due to the continual increase in the value of the dollar, the project ended with an unspent amount of $4,590. The DEPROFA's Director requested to be permitted to use this amount for the implementation of three additional refresher courses. Based on a mini-proposal prepared by DEPROFA, DA approved the request.

The refresher training gave more emphasis to IUD use, since it was expected that this method would be promoted under the forthcoming program funded by UNFPA (with WHO/PAHO as the executing agency). This new project had three components: Family Planning, MCH and Health Education (with emphasis on family planning). DEPROFA offered all methods, except sterilization. Besides emphasizing IUD use, the three refresher courses also discussed AIDS.

LPDM (Paraguayan League for Women's Rights)

All training and follow-up activities under the Contract have been implemented with remarkable success. The participants in the six courses, in turn, held several short presentations for a total of 10,327 other community leaders for a total of 3,594 hours. Sixty-five percent of the presentations covered family planning and related topics. The contract had required only 2,400 second generation trainees.

LPDM contract was amended to enable its staff to prepare and offer a two-day evaluation/follow-up workshop in Asunción with 54 participants. This workshop was announced under the title "Primer Seminario Nacional sobre la Mujer, la Salud, y el Desarrollo" (First National Seminar on Women, Health, and Development). Its inauguration was attended by the President of Paraguay and various other high dignataries, representatives from five ministries, military officers, foreign diplomats (including the U.S. Ambassador), and the DA consultant. Consequently, the seminar received prime time media coverage and publicity.

CEPEP's (the Paraguayan IPPF-affiliate's) role in the two projects (PA-01 and PA-02) consisted in the provision of one free consultation and Pap test for each woman presenting a chit (bono) given to her by one of the trainees in the DEPROFA and LPDM courses. The chits for the two organizations were color coded so that they could be counted to determine the number of new patients generated by the two courses.

Statistics obtained from CEPEP's Evaluation Department indicated the following:

- As a result of the DEPROFA courses, 962 new patients showed up at CEPEP facilities. Of these, 480 received a Pap test, 247 unspecified family planning services, and 615 maternal care. 131 were fitted with IUDs. In addition, 210 cycles of OCs and 144 condoms were distributed.

- o As a result of the LPDM courses, 161 new patients visited a CEPEP facility. Of these, 87 received a Pap test, 49 unspecified family planning services, and 112 maternal care. Twenty patients were fitted with IUD's, and 48 cycles of OCs and 90 condoms were distributed.

Thus, as a direct result of the two course, 1,023 potential users had visited a CEPEP facility by April 28, 1988.

The Mission is convinced that the accomplishments of this project has caused the MOH to more openly promote family planning in the country. At the same time, and as result of all this the project has also opened the doors for other donors to provide support to the MOH family planning campaign. For example, the UNFPA started a four-year project with DEPROFA in May 1988 which includes, among other things, training staff of health centers in the interior of the country, supply of contraceptives, equipment, a vehicle, etc.

Category of Activity: A

Corrective Actions Planned: None

A. PROJECT/TITLE NO.: ITT - 598-0616.06 - Child Survival Enhancement

Estimated Completion Date: October 31, 1989

Implementation Agency: Communication for Child Survival (HEALTHCOM)

B. PROJECT/ACTIVITY PURPOSE: To provide technical assistance, training, and other support to MOH to help promote the widespread adoption of oral rehydration therapy in Paraguay.

C. PROJECT STATUS

Major Outputs Expected

The HEALTHCOM program in Paraguay focuses on control of diarrheal diseases and consist basically of the following elements:

1. Establishment of 9 oral rehydration units (ORU's) in key medical centers, including the Teaching Hospital at the National Medical School.

2. Training ORU staff.

3. Training community leaders.

4. Supporting local efforts by the production of graphic materials and mass media campaigns with the use of local research and advertising companies.

5. Local production of ORS.

6. Assistance in the distribution of materials and ORS.

7. Impact evaluation.

Brief Overall Assessment of Activity

Some of the specific activities implemented by the project include the following:

1. Conducting 12 seminars for 120 health care personnel and 240 community leaders in 8 health care regions.

2. Equipping 8 oral rehydration units (URO's) in 8 regional health centers with cribs, scales, sheets, etc.

3. Remodeling the URO in the children's clinic at the National Medical School Teaching Hospital (Hospital de Clinicas)

4. Implementing ORT knowledge, attitude and practice study of 50 physicians.

5. Conducting 12 focus groups to understand mothers' underlying attitudes about treatment of diarrheal diseases.

6. Conduct 8 focus groups to pretest materials.

7. Production of mass media materials such as: radio and TV spots and 1 jingle in Spanish and Guarani logo, 1,000 calendars, 2,000 control sheets for clinic personnel, 5,000 pamphlets, 3,000 posters, 5,000 diplomas for course graduation, 2,000 stickers to identify community ORT distributors, as well as for buses, 500 comic books

8. Mounting a saturation radio and TV campaign for 6 weeks in February and March 88, and in December 88 and January 89.

One of the goals of the institutionalization plan was to involve key MOH decision makers, from the Minister and down, in health communication activities, including training of health workers and community leaders, establishment of oral rehydration units (UROs) at the National Medical School and at eight strategically located regional medical centers, production and distribution of ORS, and production and distribution of print and broadcast materials. This was accomplished by including key leaders in decision-making in most

of the activities carried out under the program. The Paraguayan resident advisor managed to put the Ministry of Health (MOH) health educators into the limelight. He also established relationships between the health Education and Maternal/Child Health Departments, involved the national Medical School in the project; and coordinate with private sector agencies, such as an advertising agency, a research agency, and a pharmaceutical company that has begun to produce ORS under a contract with Project SUPPORT. Since he is Paraguayan, his knowledge and skills will remain in the country when the project ends.

At the central level HEALTHCOM provided health educators with opportunities to incorporate new ideas into an already firm foundation of health education principles and to apply skills learned in training or in on-the-job situation. For example, in July 1988, they trained community leaders from the nine URO areas to train their local peers, and went to the field to supervise the training, they also adopted the HEALTHCOM methodology for the national AIDS health communication plan. The ability to absorb ideas, transfer them to other health interventions, train colleagues and community leaders, and diffuse the ideas in international arenas is evidence that the health educators can widely apply the HEALTHCOM methodology.

One important way to ensure the ORT services be provided on an ongoing basis was accomplished by having reknowned medical school professors and leaders in the Paraguayan Pediatric Association train and supervise medical students and nurses who intern at the newly established ORU in the teaching hospital. Spin-offs included that the Medical School curriculum was expanded to include ORT.

Cribs, scales, mixing utensils, and so forth, were provided to enable eight regional health centers, in addition to the Medical School, to establish UROs. During the HEALTHCOM Project, the clinic chief, URO coordinator, and nurses were trained in ORT and precedures for running the UROs.

Various private sector firms were engaged to teach aspects of the HEALTHCOM methodology. The local advertising agency subcontracted by the project was most open to the HEALTHCOM methodology. They supported the program by frequently attending meetings at the MOH and in the field; by organizing a workshop at the ad agency to teach MOH staff to conceptualize media campaigns and produce materials; and by revising materials as many times as necessary to incorporate the results of pretest focus groups and the comments of MOH and HEALTHCOM staff. The result was attractive materials containing information consistent with MOH and WHO norms. They found local companies to donate funds to print materials and obtained free radio and TV time when the limited broadcast budget could no longer cover these costs. They produced a documentary about ORT program--at their expense--which has been shown in international arenas.

Other efforts to extend the methodology in the private sector involved working with a Paraguayan pharmaceutical company under contract with Project SUPPORT to produce, package, and promote ORS. Logistical issues--importing the machine, redesigning the laboratory to accommodate it, quality assurance tests, and so forth-delayed local production and distribution of ORS during the 1987-88 diarrhea season. It is expected that ORS production and marketing, approved by the MOH and PATH will start by May 1989.

Evidence that use of the HEALTHCOM approach and metholodoly will be sustained include:

- In July 1988, the MOH decreed that it is creating UROs in all Paraguayan health care institutions. The budget was increased to enable the MOH to do this.
- The health educators include the HEALTHCOM methodology in other health related training and materials development.
- A good relationship between the MOH and the advertising agency has developed.
- Links with the secondary schools have been initiated--students are being taught to mix ORS and to teach their families. Elementary schools could be targeted as well.
- The private sector contributed funds to print materials. Their continued support will be sought.

Special mention should be made of the fact that basically as a result of this project, UNICEF is planning to provide a substantial support to the diahrrea control program of the MOH during 1989-1993.

Category of Activity: A

Corrective Actions Planned for the Coming Period: None

IV. PARTICIPANT TRAINING

A. Budgeted Amount: $300,000

B. Training Activities and Cost

	Proposed in CTP		Actual	
	Number of Participants	Costs	Number of Participants	Costs*
Training Foundations				
Basic Sciences				
Short Term	1	16,000	-	-
Masters	2	50,000		
English				
Short-term	6	100,000	8	75,300
Masters	1	30,000	-	-
Private Sector Initiatives				
Management Training				
Short-Term	3	13,000	3	11,000
Masters/PhD	1	60,000	1	52,000
Technology Transfer				
Short-term	6	9,000	3	20,200
Masters	1	40,000		
Export Promotion	6	24,000	1	5,000
Rural Development, Natural Resources & Environment				
Short-term	10	80,000	11	53,000
Masters	-	-	2	55,000
Development Policy Issues & Leadership Opportunities				
Short-term	4	16,000	1	14,000
Masters	-	-	-	-
Additional T.A. (Development of Interface & Future Screening)		40,000		-
Inflation & Contingency		23,000		14,200
TOTAL	42	500,000	30	300,000

* Final costs will be reported when contractor LASPAU provides them to the Mission.

C. Total Number of Trainees 30

Academic		Technical	
M	F	M	F
2	1	20	7

D. Status of Participant Selection, Placement, Follow-on

With the exception of one Master's candidate and a group of rural healthworkers, all the others participants have travelled to the U.S. As of the date of this report, most of the technical participants have finished their program and returned home.

COMPLIANCE WITH CLASP POLICY GUIDANCE
Based on Section 4 of Action Plan Guidance for ADCs FY90-91

USAID sent 105 Paraguayans for training under the LAC II Program with FY 85-88 funds.

1. The target of 40 percent women will have been fully met during the above period, with an average of 47 percent.

2. 15 rural nurses (44 percent of total) received technical training at a HBCU in FY 86. With FY 88 funds, 11 participants, equivalent to 36 percent of the total will have attended technical training at a HBCU.

3. Percentage of long term participants for the period is 15 percent. We will reach the 20 percent target for long-term training in 1990.

4. Percentage of short term training (14-28 days) for the period is less than 50 percent.

The Mission started applying the new guidelines in FY 86, when 24 participants (9 primary and secondary school teachers and 15 rural nurses), about 71 percent, out of a total 34, came from socially and economically disadvantaged sectors. The average percentage for FY 86-88 for disadvantaged participants will be about 34 percent of the total.

5. The Experience America objectives have been applied starting in FY 86 for the majority of the short-term candidates, through participation of the students in community and social events, as well as visits to historical sites and attendance to cultural events. Starting with FY 87 participants, homestays with American families were included as part of the Experience America program.

6. Follow on activities for both short and long term participants by the contractor start during the training program of the students in the U.S., and during TDYs to the U.S. of the Training Officer. This type of follow on consists of visits to students at their training institutions and thru periodic phone calls and correspondence.

Although the Mission is still not implementing a formal follow on procedure for returned participants, the Mission has frequent contacts with returnees through visit by Mission officials to returnees' working places (groups of math and basic sciences teachers, group of rural nurses, group of English teachers, etc.). Thru this type of follow on activities, the Mission has confirmed that most of the group participants are multiplying the benefits of their training in the U.S. by giving training of the type they received in the U.S., to their colleagues in Paraguay.

Another important follow on activity is the participation of returnees in pre departure orientations for new participants, and attendance of meetings with potential candidates to inform on specific training programs related to the returnees' area of study in the U.S.

The next step to establish gradually a more formal follow on procedure is to develop a mailing list and simple questionnaires to obtain views from returnees on the results of their training in the U.S. and on their work plan or present activities after their return to Paraguay. Another questionnaire would be sent approximately one year later to obtain the participants view regarding the utility of the training with respect to career advancement. Subsequently, the returned participants would be canvassed from time to time to obtain their views on potential follow up training needs.

Due to the still relatively small number of returned participants, the Mission believes that the creation of a self-sustaining alumni association is still not feasible at this time. This situation will be reconsidered in a few more years.

7. The following are examples of measures taken to reduce costs:

-- For short-term training, the Mission is using group approaches (10-15 persons) and training that can be provided in Spanish. This not only avoids high cost of English training in the U.S. but also produces economy of scale since fixed training cost per capita is lower than for a single participant or for a few participants.

-- Four month training programs for two different groups of short term participants were carried out at a Community College with an excellent program and with relatively lower cost as compared with universities from which proposals were also requested.

-- Tuition waiver obtained by contractors for long term academic training.

-- Cost sharing (about 50 percent each) with UNDP for one long term academic participant in FY 86 and 50 percent of training cost for another long term academic participant for FY 88 with Rotary International.

-- With the exception of a few participants, the average time for intensive English studies in the U.S. to reach the minimum required TOEFL level for all our academic participants has not been more than three months, prior to the beginning of their academic programs. They have all been encouraged, with excellent results, to study English intensively in Paraguay before their trip to the U.S.

Although short-term participants, whose programs are in English, are not usually required to reach the minimun TOEFL level, the Mission also encourages these participants to study as much English as possible in

Paraguay which is then complemented with about two months of English in the U.S. to reach a satisfactory level to begin their training.

The approach mentioned above has resulted in important reductions in cost of english studies with AID funds. The amount spent by participants to learn english in Paraguay has been computed as counterpart contribution.

-- Homestays with American families for groups of short term participants.

8. A special mention is made of the excellent results of the collaborative effort with the Peace Corps in carrying out the selection, and follow on of socially and economically disadvantaged participants from rural areas.

9. All FY 88 participants have been managed by Contractor LASPAU who had no problem with lead time.

10. Training for the elite has not been funded by Post.

FY 89 $100,000 funds for training will be used to finance two DBA candidates who, upon completion of their training in the U.S. will be teaching at the MBA program financed by AID (Management Training Program) at the Catholic University of Asuncion.

V. OTHER LAC ACTIVITIES/PROGRAMS

A. PROJECT TITLE/NO.: Small Project Assistance - 598-0625.06 and ITT - 598-0616.06

-Estimated Completion Date: August 23, 1990

-Implementing Agency: Peace Corps/Paraguay

B. PROJECT/ACTIVITY PURPOSE: AID agrees to finance and PC agrees to develop and manage small village level activities, thereby encouraging and supporting self-help efforts by local communities.

C. PROJECT STATUS:

Brief Overall Assessment of Activity

1988 was a year of adjustments for the SPA program due to the implementation of the new manual developed as an atempt to standardize and improve the procedures for the development of SPA proposals and the management of grants. Although PC has made considerable efforts in familiarizing incoming volunteers with the project and the new procedures, the number of projects has considerably decreased. Currently, PC is spending well below the $40,000 per year available for ARDN activities and $15,000 (alloted directly to PC/OTAPS) available for health related projects. An agreement was reached between USAID/P and Peace Corps/Paraguay not to request additional FY'89 funds to reduce the current SPA funds balance. However, it is anticipated that with the increase in PCV numbers to approximately 200 during FY'89 there will be an increased demand for SPA grant funds.

Category of Activity: B

Corrective Actions Planned: PC will be informed that, unless remaining FY 87 funds are expended before the aproaching PACD, funds will be deobligated by AID.

VI. OTHER NON-LAC ACTIVITIES

A. PROJECT TITLE/NO.: Disaster Relief Assistance - OFDA

-Estimated Completion Date: October 31, 1988

-Implementing Agency: Paraguayan Red Cross

B. PROJECT/ACTIVITY PURPOSE: To provide support for an emergency relief program for victims of current flood conditions in Paraguay.

C. PROJECT STATUS:

Brief Overall Assessment of Activity

During the 1988 flood of the Paraguay River, following a request from the GOP and local humanitarian organizations, and an assessment made by OFDA's Regional Disaster Advisor, the Ambassador declared an emergency situation in the country. The $25,000 grant made to the Paraguayan Red Cross was used mainly for the purchase and distribution of blankets and emergency housing. In addition, a total of 180 rolls of plastic sheeting from OFDA stockpile were donated to the Red Cross for delivery to flood victims. The total cost of this material plus freight amounted to approximately $82,000.

Category of Activity: B

Corrective Actions Planned: Some minor problems related to rendering of accounts are still pending. The Regional Disaster Assistance Advisor is inquiring with OFDA regarding resolution.

Organization USAID/Paraguay (Dollars in Thousands) Table VIII - 1988/1989

Expense Category	Func. Code	FY 1988 ACTUAL Dollars	Trust Funds	Total	$ Oblig. For LC	Units	FY 1989 ESTIMATE Dollars	Trust Funds	Total	$ Oblig. For LC	Units
U.S. Direct Hire	U100										
Other Mission Funded Code 11	105										
* Education Allowances	106										
Cost of Living Allowances	108										
Other Mission Funded Code 12	110										
* Post Assignment Travel	111										
* Post Assignment Freight	112										
* Home Leave Travel	113										
* Home Leave Freight	114										
* Education Travel	115										
* R & R Travel	116										
* Other Code 215 Travel	117										
Foreign National Direct Hire	U200	47.1		47.1	43.2		49.5		49.5	46.7	
* F.N. Basic Pay	201	37.7		37.7	37.7	3.0	42.5		42.5	42.5	3.0
* Overtime/Holiday Pay	202	5.5		5.5	5.5	0.4	2.2		2.2	2.2	0.2
All Other Code 11 - F.N.	203						0.6		0.6	0.6	
All Other Code 12 - F.N.	204	3.9		3.9			4.2		4.2	1.4	
Benefits - Former F.N. Pers.	205										
Contract Personnel	U300	13.1		13.1	13.1		3.7		3.7	3.7	
* U.S. PSC Salaries/Benefits	302										
All Other U.S. PSC Costs	303										
* F.N. PSC Salaries/Benefits	304	10.0		10.0	10.0	1.0	2.3		2.3	2.3	0.5
All Other F.N. PSC Costs	305										
* Manpower Contracts	306	3.1		3.1	3.1	0.5	1.4		1.4	1.4	0.2
Housing	U400	0.2		0.2	0.2		0.2		0.2	0.2	
* Residential Rent	401										
Residential Utilities	402										
Maintenance & Renovation	403										
* Quarters Allowances	404										
* Security Guard Services	407										
Official Residence Allowance	408										
Representation Allowance	409	0.2		0.2	0.2		0.2		0.2	0.2	
Office Operations	U500	37.3		37.3	10.4		44.2		44.2	11.0	
Office Rent	501										
Office Utilities	502										
Building Maint/Renovation	503										
Furn/Equip/Veh Repair/Maint	508	0.4		0.4	0.4		0.5		0.5	0.5	

Organization USAID/Paraguay (Dollars in Thousands) Table VIII - 1988/1989

Expense Category	Func. Code	FY 1988 ACTUAL Dollars	Trust Funds	Total	$ Oblig. For LC	Units	FY 1989 ESTIMATE Dollars	Trust Funds	Total	$ Oblig. For LC	Units
Communications	509	8.7		8.7	8.7		7.3		7.3	7.3	
• Security Guard Services	510										
Printing	511										
• Site Visits - Mission	513	0.9		0.9	0.9	13.0	0.7		0.7	0.7	23.0
• Site Visits - AID/W	514	1.4		1.4		1.0	4.4		4.4		2.0
• Information Meetings	515										
• Training Attendance	516										
• Conference Attendance	517						2.5		2.5		1.0
• Other Operational Travel	518	8.4		8.4		11.0	12.9		12.9		15.0
Supplies and Materials	519	5.6		5.6	0.4		2.5		2.5	2.5	
FAAS	520	11.9		11.9			13.4		13.4		
• Contract Consulting Svcs.	521										
• Contract Mgt/Prof. Services	522										
• Special Studies/Analyses	523										
ADP Hardware Leases/Maint.	525										
ADP Software Leases/Maint.	526										
Trans/Freight - All U500	598										
All Other Code 25	599										
ADP Procurement	U600	5.2		5.2	4.1		0.8		0.8	0.8	
• Vehicles	601										
Residential Furniture	602										
Residential Equipment	603										
Office Furniture	604	4.1		4.1	4.1		0.8		0.8	0.8	
Office Equipment	605										
Other Equipment	606										
ADP Hardware Purchases	607	1.1		1.1							
ADP Software Purchases	608										
Trans/Freight - All U600	698										
TOTAL OPERATING EXPENSE BUDGET		102.9		102.9	71.0		98.4		98.4	62.4	
RECONCILIATION (FAAS)		(11.9)	( )	(11.9)			(13.4)	( )	(13.4)		
MISSION OPERATING REQUIREMENTS		91.0		91.0	71.0		85.0		85.0	62.4	
636(C) REQUIREMENTS	U999										
TOTAL ALLOWANCE REQUIREMENTS	U000	91.0		91.0	71.00		85.0		85.0	62.4	
Exchange Rate Used in Calculations					Gs. 997					Gs.997	
Estimated Inflation Rate					23 %					20 %	

Organization USAID/Paraguay

(Dollars in Thousands)

Table VIII - FY 1990

Expense Category	Func. Code	FY 1990 ENHANCED Dollars	Trust Funds	Total	$ Oblig. For LC	Units	ADJUSTED AMOUNTS FOR MINIMUM LEVEL Dollars	Trust Funds	Total	$ Oblig. For LC	Units
U.S. Direct Hire	U100	38.0		38.0			0		0		
Other Mission Funded Code 11	105										
* Education Allowances	106	5.3		5.3		2.0	0		0		0
Cost of Living Allowances	108						0		0		
Other Mission Funded Code 12	110	3.7		3.7			0		0		
* Post Assignment Travel	111	4.0		4.0		1.0	0		0		0
* Post Assignment Freight	112	25.0		25.0		1.0	0		0		0
* Home Leave Travel	113										
* Home Leave Freight	114										
* Education Travel	115										
* R & R Travel	116										
* Other Code 215 Travel	117										
Foreign National Direct Hire	U200	66.3		66.3	63.2						
* F.N. Basic Pay	201	49.9		49.9	49.9	3.0	42.5		42.5	42.5	3.0
* Overtime/Holiday Pay	202	3.0		3.0	3.0	0.4	0.8		0.8	0.8	0.1
All Other Code 11 - F.N.	203	8.7		8.7	7.7		6.6		6.6	6.6	
All Other Code 12 - F.N.	204	4.7		4.7	2.6						
Benefits - Former F.N. Pers.	205										
Contract Personnel	U300	37.0		37.0	37.0						
* U.S. PSC Salaries/Benefits	302										
All Other U.S. PSC Costs	303										
* F.N. PSC Salaries/Benefits	304	35.5		35.5	35.5	2.2	25.0		25.0	25.0	1.6
All Other F.N. PSC Costs	305										
* Manpower Contracts	306	1.5		1.5	1.5	0.2	0		0	0	0
Housing	U400	11.0		11.0	0.2		0		0	0	
* Residential Rent	401										
Residential Utilities	402										
Maintenance & Renovation	403										
* Quarters Allowances	404	10.8		10.8		1.0	0		0	0	
* Security Guard Services	407										
Official Residence Allowance	408										
Representation Allowance	409	0.2		0.2	0.2		0		0	0	
Office Operations	U500	50.8		50.8	15.6						
Office Rent	501										
Office Utilities	502										
Building Maint/Renovation	503										
Furn/Equip/Veh Repair/Maint	508	0.6		0.6	0.6						

Organization USAID/Paraguay (Dollars in Thousands) Table VIII - FY 1990

Expense Category	Func. Code	FY 1990 ENHANCED Dollars	Trust Funds	Total	$ Oblig. For LC	Units	ADJUSTED AMOUNTS FOR MINIMUM LEVEL Dollars	Trust Funds	Total	$ Oblig. For LC	Units
Communications	509	9.5		9.5	9.5		7.8		7.8	7.8	
* Security Guard Services	510										
Printing	511										
* Site Visits - Mission	513	0.6		0.6	0.6	20.0					
* Site Visits - AID/W	514	1.8		1.8		1.0	0		0		0
* Information Meetings	515										
* Training Attendance	516										
* Conference Attendance	517	2.5		2.5		1.0	0		0		0
* Other Operational Travel	518	15.9		15.9		19.0	5.3		5.3		6.0
Supplies and Materials	519	4.9		4.9	4.9		1.9		1.9	1.9	
FAAS	520	15.0		15.0							
* Contract Consulting Svcs.	521										
* Contract Mgt/Prof. Services	522										
* Special Studies/Analyses	523										
ADP Hardware Leases/Maint.	525										
ADP Software Leases/Maint.	526										
Trans/Freight - All U500	598										
All Other Code 25	599										
NXP Procurement	U600	4.2		4.2							
* Vehicles	601										
Residential Furniture	602										
Residential Equipment	603										
Office Furniture	604										
Office Equipment	605										
Other Equipment	606										
ADP Hardware Purchases	607	3.0		3.0							
ADP Software Purchases	608										
Trans/Freight - U600	698	1.2		1.2							
TOTAL OPERATING EXPENSE BUDGET		207.3		207.3	116.0		115.0		115.0	88.4	
RECONCILIATION (FAAS)		(15.0)	( )	(15.0)			(15.0)	( )	(15.0)		
MISSION OPERATING REQUIREMENTS		192.3		192.3	116.0		100.0		100.0	88.4	
Exchange Rate Used in Calculations					Gs.997					Gs.997	
Estimated Inflation Rate					15 %					15 %	

* Unit Data must be provided.

Organization USAID/Paraguay

(Dollars in Thousands)

Table VIII - FY 1991

Expense Category	Func. Code	FY 1991 ENHANCED Dollars	Trust Funds	Total	$ Oblig. For LC	Units	ADJUSTED AMOUNTS FOR MINIMUM LEVEL Dollars	Trust Funds	Total	$ Oblig. For LC	Units
U.S. Direct Hire	U100	18.1		18.1			0		0		
Other Mission Funded Code 11	105										
* Education Allowances	106	6.0		6.0		2.0	0		0		0
Cost of Living Allowances	108										
Other Mission Funded Code 12	110										
* Post Assignment Travel	111										
* Post Assignment Freight	112										
* Home Leave Travel	113	4.5		4.5		3.0	0		0		0
* Home Leave Freight	114	2.0		2.0		3.0	0		0		0
* Education Travel	115										
* R & R Travel	116	4.5		4.5		3.0	0		0		0
* Other Code 215 Travel	117	1.1		1.1		1.0	0		0		0
Foreign National Direct Hire	U200	72.6		72.6	72.6						
* F.N. Basic Pay	201	54.9		54.9	54.9	3.0	49.9		49.9	49.9	3.0
* Overtime/Holiday Pay	202	3.0		3.0	3.0	0.4	1.0		1.0	1.0	0.2
All Other Code 11 - F.N.	203	9.6		9.6	9.6		8.6		8.6	8.6	
All Other Code 12 - F.N.	204	5.1		5.1	5.1		4.7		4.7	4.7	
Benefits - Former F.N. Pers.	205										
Contract Personnel	U300	49.7		49.7	49.7						
* U.S. PSC Salaries/Benefits	302										
All Other U.S. PSC Costs	303										
* F.N. PSC Salaries/Benefits	304	47.7		47.7	47.7	2.7	30.0		30.0	30.0	1.6
All Other F.N. PSC Costs	305										
* Manpower Contracts	306	2.0		2.0	2.0	0.2	0		0	0	0
Housing	U400	11.0		11.0	0.2						
* Residential Rent	401										
Residential Utilities	402										
Maintenance & Renovation	403										
* Quarters Allowances	404	10.8		10.8		1.0	0		0		0
* Security Guard Services	407										
Official Residence Allowance	408										
Representation Allowance	409	0.2		0.2	0.2		0		0		
Office Operations	U500	58.5		58.5	19.2						
Office Rent	501										
Office Utilities	502										
Building Maint/Renovation	503										
Furn/Equip/Veh Repair/Maint	508	0.8		0.8	0.8						

Organization USAID/Paraguay

(Dollars in Thousands)

Table VIII - FY 1991

Expense Category	Func. Code	FY 1991 ENHANCED Dollars	Trust Funds	Total	$ Oblig. For LC	Units	ADJUSTED AMOUNTS FOR MINIMUM LEVEL Dollars	Trust Funds	Total	$ Oblig. For LC	Units
Communications	509	11.8		11.8	11.8		9.0		9.0	9.0	
* Security Guard Services	510										
Printing	511										
* Site Visits - Mission	513	0.8		0.8	0.8	20.0					
* Site Visits - AID/W	514	2.0		2.0		1.0	0		0		0
* Information Meetings	515										
* Training Attendance	516										
* Conference Attendance	517	2.5		2.5		1.0	0		0		0
* Other Operational Travel	518	17.8		17.8		19.0	5.4		5.4		6.0
Supplies and Materials	519	5.8		5.8	5.8		1.8		1.8	1.8	
FAAS	520	17.0		17.0							
* Contract Consulting Svcs.	521										
* Contract Mgt/Prof. Services	522										
* Special Studies/Analyses	523										
ADP Hardware Leases/Maint.	525										
ADP Software Leases/Maint.	526										
Trans/Freight - All U500	598										
All Other Code 25	599										
NXP Procurement	U600	42.0		42.0	5.3						
* Vehicles	601	20.0		20.0		1.0	0		0		0
Residential Furniture	602										
Residential Equipment	603										
Office Furniture	604	2.0		2.0	2.0		0		0	0	
Office Equipment	605										
Other Equipment	606										
ADP Hardware Purchases	607	10.0		10.0			0		0	0	
ADP Software Purchases	608										
Trans/Freight - U600	698	10.0		10.0	3.3		0		0	0	
TOTAL OPERATING EXPENSE BUDGET		251.9		251.9	147.0		129.0		129.0	106.6	
RECONCILIATION (FAAS)		(17.0)	( )	(17.0)			(17.0)	( )	(17.0)		
MISSION OPERATING REQUIREMENTS		234.9		234.9	147.0		112.0		112.0	106.6	
Exchange Rate Used in Calculations					Gs.997					Gs.997	
Estimated Inflation Rate					15 %					15 %	

* Unit Data must be provided.

Organization_____

TABLE VIII(a)
Narrative

Most of the activities in the present Paraguay ADC program were initiated prior to the transfer of the Paraguay AID Representative to Uruguay in July 1986. From that time until February 1989, date of the military coup d' etat, the ADC program could be satisfactorily managed without a resident USDH due to the relatively static condition of the environment in which the program was operating,and the strong implementation experience of the veteran FSN staff.

The environment in Paraguay is no longer static. The present AID strategy calls for a high degree of responsiveness to a dynamic situation and careful coordination with the rest of the Embassy country team and other donors. At present the AID Representative spends one-third of his time in Paraguay and approximately one-half of his total time on the Paraguay program.

The local staff consists of three FSNs(a program specialist, a project specialist, and a secretary) and two PSCs(a part time financial specialist and a driver). At least one additional long-term PSC is required, both to handle present workload and to begin the process of developing replacement for the two FSN professionals who are eligible for retirement within the next few years.

A small amount of FY 89 program funds have been reserved for this purpose, assuming recruitment could be done in FY 89. In FY 90 the PSC will be shifted to OE funding.

Overview of FY 1990/1 estimates

Increases in Operating Expenses Budgets for FY 90 and FY 91 are projected due to the increases in personnel cited above, estimated pay raises, public utilities increases, and travel requirements.

The enhanced O.E. level reflects assignment of a full time resident USDH to Paraguay.

As you will notice our budgets are based on necessary costs to support the established workforce level and project implementation.

The total amount allocated to this Mission at both enhanced and minimum levels is Dols 100,000.00 for FY 90. This amount is insufficient to cover Mission requirements even operating at the minimum level, and will adversely impact on program management and project implementation.

The Fys 90/1 Tables show the areas where this Mission will be most vulnerable if our level is not increased.

Detailed below are the items which will be reduced, unfunded, or deferred, if our funding level is not changed.

U.S.Direct Hire. Assignment of a full time resident USDH will be canceled.

Foreign National Direct Hire.Estimated across the board pay raises will be unfunded. Please note that the established levels does not allow for automatic funding increase to cover pay raises.

Overtime Pay was decreased and Cash Awards will be unfunded.

Contract Personnel. Hiring of a new long term PSC will be deferred beyond FY 90. Overtime Pay and Site Visits will be decreased.Estimated pay raises will be unfunded if they ocurred.

In addition to this, Manpower Contracts (secretarial services)will be unfunded.

Housing. Quarters Allowances for new USDH resident and Representation Allowance for AID Representative will be unfunded.

Office Operations.Considerable reductions that may affect the efficient operation of the office were made to the following items.

1.Communications
2.Supplies and materials
3.Site visits(AID/W Personnel)
4.Conference Attendance
5.Other Operational Travel

In connection with items 3 to 6, please note that the AID Representative, normally stationed in Uruguay,splits his time between the USAID Office in that country and the USAID Office in Paraguay. Due to service requirements he travels frequently (at least once a month)to Asuncion to review program implementation and provide routine oversight over Paraguay activities.

USAID/PARAGUAY accounting station is located in USAID La Paz. Regional Controller and his staff provide us adequate backstopping services on controller matters,and need to travel to Asuncion from time to time,to ensure adequate coverage of this post

For FY 89 approximately Dols 20,000.00 were budgeted for Site Visits,Conference Attendance, and Operational Travels,which are now decreased to Dols 6,000.00 (=6 trips)due to budget restrictions.

NXP Procurement. Procurements of one new vehicle, office furniture, and ADP Equipment,are deferred beyond FY 91. Our vehicles were purchased in 1983 and must be disposed of.

Our PC was purchased in FY 1986 and at present is considered obsolete.

TRUST FUNDS. This Mission does not administer Trust Funds.

Organization USAID/Paraguay

TABLE VIII(b)
Information on F.N. PSC Costs

DOLLARS FUNDS

Job Title/Description	FY 1988	FY 1989	FY 1990	FY 1991
PART-TIME Financial Specialist (*) (Financial Management)	10.0		19.0	22.0
Driver (**) (Office Operations Support)		2.3	6.0	8.0

REMARKS: (*) Forward funded thru 9/30/89 with FY 88 funds.

(**) Forward funded thru 5/31/89 with FY 86 funds.

Forward funding for PSCs eliminated in FY 89.

Amounts budgeted for FYs 90/91 correspond to the period 10/1 - 9/30 of each Fiscal Year.

Organization USAID/Paraguay

TABLE VIII(b)
Information on U.S. PSC Costs

Job Title/Description	FY 1988	FY 1989	FY 1990	FY 1991

N O N E

Organization USAID/Paraguay

TABLE VIII(c)
Manpower Contract Detail

Description	FY 1988	FY 1989	FY 1990	FY 1991
1. Secretarial help	1.0 0.2 WY	0.6 0.1 WY	0.6 0.1 WY	0.8 0.1 WY
2. Miscellaneous (Laborers, Printers, Photographers, etc.)	2.1 0.3 WY	0.8 0.1 WY	0.9 0.1 WY	1.2 0.1 WY

Organization USAID/Paraguay

TABLE VIII(d)
Contractual Services/Special Studies/All Other Code 25 Detail

Description	FY 1988	FY 1989	FY 1990	FY 1991
		NONE		

Organization USAID/Paraguay

TABLE VIII(e)
ADP Hardware Purchases

Description	Quantity	FY 1988	FY 1989	FY 1990	FY 1991
1. 30 Megabites Hard Disk	1	1.1			
2. PC Printer	1			3.0	
3. New Mini-Computer	1				10.0

ORGANIZATION USAID/Paraguay

Table VIII(f)

HUMAN RESOURCE TABLE
RELATION OF WORKYEARS TO ACTIVITIES
FY 89 OE LEVEL (Estimated)

ACTIVITIES	DIRECT HIRE U.S. OE	DIRECT HIRE F.N. OE/TF	NON-DIRECT HIRE U.S. NATIONAL OE/TF	NON-DIRECT HIRE U.S. NATIONAL PROG	NON-DIRECT HIRE FOREIGN NATIONAL OE/TF	NON-DIRECT HIRE FOREIGN NATIONAL PROG	TOTALS OE/TF	TOTALS PROG	GRAND TOTAL
MISSION MANAGEMENT									
EXEC DIRECTION									
PROG PLANNING		0.6					0.6		0.6
FINANCIAL MGT					0.4		0.4		0.4
ADMINISTRATIVE MGT		0.3			0.2		0.5		0.5
CONTRACT MGT									
CLERICAL SUPPORT		1.0					1.0		1.0
OFF OPS SUPPORT					1.0		1.0		1.0
RESIDENTIAL OPS SUPPORT									
ALL OTHER					0.5		0.5		0.5
SUB-TOTAL		1.9			2.1		4.0		4.0
PROG/PROJECT MANAGEMENT									
ESF COMMODITY IMPORT PROG									
ESF-PROJECTS									
ESF-NON-PROJECT									
AG/RD NUTRITION		0.2					0.2		0.2
POPULATION		0.1					0.1		0.1
AIDS									
HEALTH		0.1					0.1		0.1
CHILD SURVIVAL		0.1					0.1		0.1
EDUC HUMAN RESOURCES		0.3					0.3		0.3
PRVSCTR/ENERGY/ENVRMNT		0.1					0.1		0.1
SUB-SAHARAN AF DEV ASST									
SO AF DEV ASST									
SAHEL DEV PROG									
PVT SCTR DEV LOAN FUNDS									
ASHA									
HOUSING GUARANTEE									
HOUSING-NON GUARANTEE									
PL-480 TITLE II									
PL-480 ALL OTHER									
DISASTER ASSISTANCE		0.1					0.1		0.1
CENTRALLY FUNDED PROJECTS		0.1					0.1		0.1
REGIONALLY FUNDED PROJECTS									
OTHER									
SUB-TOTAL		1.1					1.1		1.1
		3.0			2.1		5.1		5.1

ORGANIZATION USAID/Paraguay

Table VIII(f)

HUMAN RESOURCE TABLE
RELATION OF WORKYEARS TO ACTIVITIES
FY 90 OE LEVEL ENHANCED

ACTIVITIES	DIRECT HIRE U.S. OE	DIRECT HIRE F.N. OE/TF	NON-DIRECT HIRE U.S. NATIONAL OE/TF	NON-DIRECT HIRE U.S. NATIONAL PROG	NON-DIRECT HIRE FOREIGN NATIONAL OE/TF	NON-DIRECT HIRE FOREIGN NATIONAL PROG	TOTALS OE/TF	TOTALS PROG	GRAND TOTAL
MISSION MANAGEMENT									
EXEC DIRECTION	1.0						1.0		1.0
PROG PLANNING		0.6					0.6		0.6
FINANCIAL MGT					0.4		0.4		0.4
ADMINISTRATIVE MGT		0.3			0.2		0.5		0.5
CONTRACT MGT									
CLERICAL SUPPORT		1.0					1.0		1.0
OFF OPS SUPPORT					1.0		1.0		1.0
RESIDENTIAL OPS SUPPORT									
ALL OTHER					0.2		0.2		0.2
SUB-TOTAL	1.0	1.9			1.8		4.7		4.7
PROG/PROJECT MANAGEMENT									
ESF COMMODITY IMPORT PROG									
ESF-PROJECTS					1.0		1.0		1.0
ESF-NON-PROJECT									
AG/RD NUTRITION		0.2					0.2		0.2
POPULATION		0.1					0.1		0.1
AIDS									
HEALTH		0.1					0.1		0.1
CHILD SURVIVAL		0.1					0.1		0.1
EDUC HUMAN RESOURCES		0.3					0.3		0.3
PRVSCTR/ENERGY/ENVRMNT		0.1					0.1		0.1
SUB-SAHARAN AF DEV ASST									
SO AF DEV ASST									
SAHEL DEV PROG									
PVT SCTR DEV LOAN FUNDS									
ASHA									
HOUSING GUARANTEE									
HOUSING-NON GUARANTEE									
PL-480 TITLE II									
PL-480 ALL OTHER									
DISASTER ASSISTANCE		0.1					0.1		0.1
CENTRALLY FUNDED PROJECTS		0.1					0.1		0.1
REGIONALLY FUNDED PROJECTS									
OTHER									
SUB-TOTAL		1.1			1.0		2.1		2.1
									6.8

ORGANIZATION USAID/Paraguay

Table VIII(f)

HUMAN RESOURCE TABLE
RELATION OF WORKYEARS TO ACTIVITIES
FY 90 OE LEVEL MINIMUM

ACTIVITIES	DIRECT HIRE U.S. OE	DIRECT HIRE F.N. OE/TF	NON-DIRECT HIRE U.S. NATIONAL OE/TF	NON-DIRECT HIRE U.S. NATIONAL PROG	NON-DIRECT HIRE FOREIGN NATIONAL OE/TF	NON-DIRECT HIRE FOREIGN NATIONAL PROG	TOTALS OE/TF	TOTALS PROG	GRAND TOTAL
MISSION MANAGEMENT									
EXEC DIRECTION	1.0						1.0		1.0
PROG PLANNING		0.6					0.6		0.6
FINANCIAL MGT					0.4		0.4		0.4
ADMINISTRATIVE MGT		0.3			0.2		0.5		0.5
CONTRACT MGT									
CLERICAL SUPPORT		1.0					1.0		1.0
OFF OPS SUPPORT					1.0		1.0		1.0
RESIDENTIAL OPS SUPPORT									
ALL OTHER									
SUB-TOTAL	1.0	1.9			1.6		4.5		4.5
PROG/PROJECT MANAGEMENT									
ESF COMMODITY IMPORT PROG									
ESF-PROJECTS		0.2					0.2		0.2
ESF-NON-PROJECT									
AG/RD NUTRITION									
POPULATION		0.1					0.1		0.1
AIDS									
HEALTH		0.1					0.1		0.1
CHILD SURVIVAL		0.1					0.1		0.1
EDUC HUMAN RESOURCES		0.3					0.3		0.3
PRVSCTR/ENERGY/ENVRMNT		0.1					0.1		0.1
SUB-SAHARAN AF DEV ASST									
SO AF DEV ASST									
SAHEL DEV PROG									
PVT SCTR DEV LOAN FUNDS									
ASHA									
HOUSING GUARANTEE									
HOUSING-NON GUARANTEE									
PL-480 TITLE II									
PL-480 ALL OTHER									
DISASTER ASSISTANCE		0.1					0.1		0.1
CENTRALLY FUNDED PROJECTS		0.1					0.1		0.1
REGIONALLY FUNDED PROJECTS									
OTHER									
SUB-TOTAL		1.1					1.1		1.1

ORGANIZATION USAID/Paraguay

Table VIII(f)

HUMAN RESOURCE TABLE
RELATION OF WORKYEARS TO ACTIVITIES
FY 91 OE LEVEL APPL

ACTIVITIES	DIRECT HIRE U.S. OE	DIRECT HIRE F.N. OE/TF	NON-DIRECT HIRE U.S. NATIONAL OE/TF	NON-DIRECT HIRE U.S. NATIONAL PROG	NON-DIRECT HIRE FOREIGN NATIONAL OE/TF	NON-DIRECT HIRE FOREIGN NATIONAL PROG	TOTALS OE/TF	TOTALS PROG	GRAND TOTAL
MISSION MANAGEMENT									
EXEC DIRECTION	1.0						1.0		1.0
PROG PLANNING		0.6					0.6		0.6
FINANCIAL MGT					0.4		0.4		0.4
ADMINISTRATIVE MGT		0.3			0.2		0.5		0.5
CONTRACT MGT									
CLERICAL SUPPORT		1.0					1.0		1.0
OFF OPS SUPPORT					1.0		1.0		1.0
RESIDENTIAL OPS SUPPORT									
ALL OTHER					0.2		0.2		0.2
SUB-TOTAL	1.0	1.9			1.8		4.7		4.7
PROG/PROJECT MANAGEMENT									
ESF COMMODITY IMPORT PROG									
ESF-PROJECTS					1.0		1.0		1.0
ESF-NON-PROJECT									
AG/RD NUTRITION		0.2					0.2		0.2
POPULATION		0.1					0.1		0.1
AIDS									
HEALTH		0.1					0.1		0.1
CHILD SURVIVAL		0.1					0.1		0.1
EDUC HUMAN RESOURCES		0.3					0.3		0.3
PRVSCTR/ENERGY/ENVRMNT		0.1					0.1		0.1
SUB-SAHARAN AF DEV ASST									
SO AF DEV ASST									
SAHEL DEV PROG									
PVT SCTR DEV LOAN FUNDS									
ASHA									
HOUSING GUARANTEE									
HOUSING-NON GUARANTEE									
PL-480 TITLE II									
PL-480 ALL OTHER									
DISASTER ASSISTANCE		0.1					0.1		0.1
CENTRALLY FUNDED PROJECTS		0.1					0.1		0.1
REGIONALLY FUNDED PROJECTS									
OTHER									
SUB-TOTAL		1.1			1.0		2.1		2.1

ORGANIZATION USAID/Paraguay

Table VIII(f)

HUMAN RESOURCE TABLE
RELATION OF WORKYEARS TO ACTIVITIES
FY 91 OE LEVEL MCC

ACTIVITIES	DIRECT HIRE U.S. OE	DIRECT HIRE F.N. OE/TF	NON-DIRECT HIRE U.S. NATIONAL OE/TF	NON-DIRECT HIRE U.S. NATIONAL PROG	NON-DIRECT HIRE FOREIGN NATIONAL OE/TF	NON-DIRECT HIRE FOREIGN NATIONAL PROG	TOTALS OE/TF	TOTALS PROG	GRAND TOTAL
MISSION MANAGEMENT									
EXEC DIRECTION	1.0						1.0		1.0
PROG PLANNING		0.6					0.6		0.6
FINANCIAL MGT					0.4		0.4		0.4
ADMINISTRATIVE MGT		0.3			0.2		0.5		0.5
CONTRACT MGT									
CLERICAL SUPPORT		1.0					1.0		1.0
OFF OPS SUPPORT					1.0		1.0		1.0
RESIDENTIAL OPS SUPPORT									
ALL OTHER									
SUB-TOTAL	1.0	1.9			1.6		4.5		4.5
PROG/PROJECT MANAGEMENT									
ESF COMMODITY IMPORT PROG									
ESF-PROJECTS									
ESF-NON-PROJECT									
AG/RD NUTRITION		0.2					0.2		0.2
POPULATION		0.1					0.1		0.1
AIDS									
HEALTH		0.1					0.1		0.1
CHILD SURVIVAL		0.1					0.1		0.1
EDUC HUMAN RESOURCES		0.3					0.3		0.3
PRVSCTR/ENERGY/ENVRMNT		0.1					0.1		0.1
SUB-SAHARAN AF DEV ASST									
SO AF DEV ASST									
SAHEL DEV PROG									
PVT SCTR DEV LOAN FUNDS									
ASHA									
HOUSING GUARANTEE									
HOUSING-NON GUARANTEE									
PL-480 TITLE II									
PL-480 ALL OTHER									
DISASTER ASSISTANCE		0.1					0.1		0.1
CENTRALLY FUNDED PROJECTS		0.1					0.1		0.1
REGIONALLY FUNDED PROJECTS									
OTHER									
SUB-TOTAL		1.1					1.1		1.1