

USAID/PARAGUAY

ACTION PLAN

FY 1993-1994

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AMBASSADOR'S STATEMENT

Just as the emerging democracies of eastern Europe and the former Soviet Union have made fundamental political and economic changes, Paraguay has fashioned its own remarkable democratic transition since the coup of 1989.

In August 1993, Paraguay is expected to inaugurate its first elected, civilian government in history. We can predict with certainty that the new civilian government will expect increased USG support to help define its socio-economic agenda and strengthen basic democratic institutions. The United States must be ready to demonstrate in concrete terms its continued commitment to the democratic process in Paraguay.

I believe that the Action Plan lays out a realistic economic assistance program. USG help in strengthening the democratic process--in economic policy, trade and investment, and in protecting the environment--is essential. USAID/Paraguay is also well-positioned to provide the technical assistance and training needed to solidify gains made in legislative and judicial reform, municipal development, accountability in government, civic education and other key areas.

In addition to the modest increases requested for FY 1994-95, I believe we must do something innovative to help Paraguay strengthen its human resources for the future. The USG is committed to help Paraguay create the cadre of talent in economic planning and business management needed for sound economic policy, trade and investment. I strongly endorse, then, the A.I.D. Representative's request for a \$5 million "Training for Democratic Development" project. By pledging these funds for a "Leadership Fund for Growth and Development", the USG can leverage significant pledges from other donors and the Paraguayan private sector.

I believe that the funds requested in the Action Plan, including the \$5 million to help create the country's future economic and business leadership, is an appropriate "democracy dividend". It is a sound investment and in our national interest.



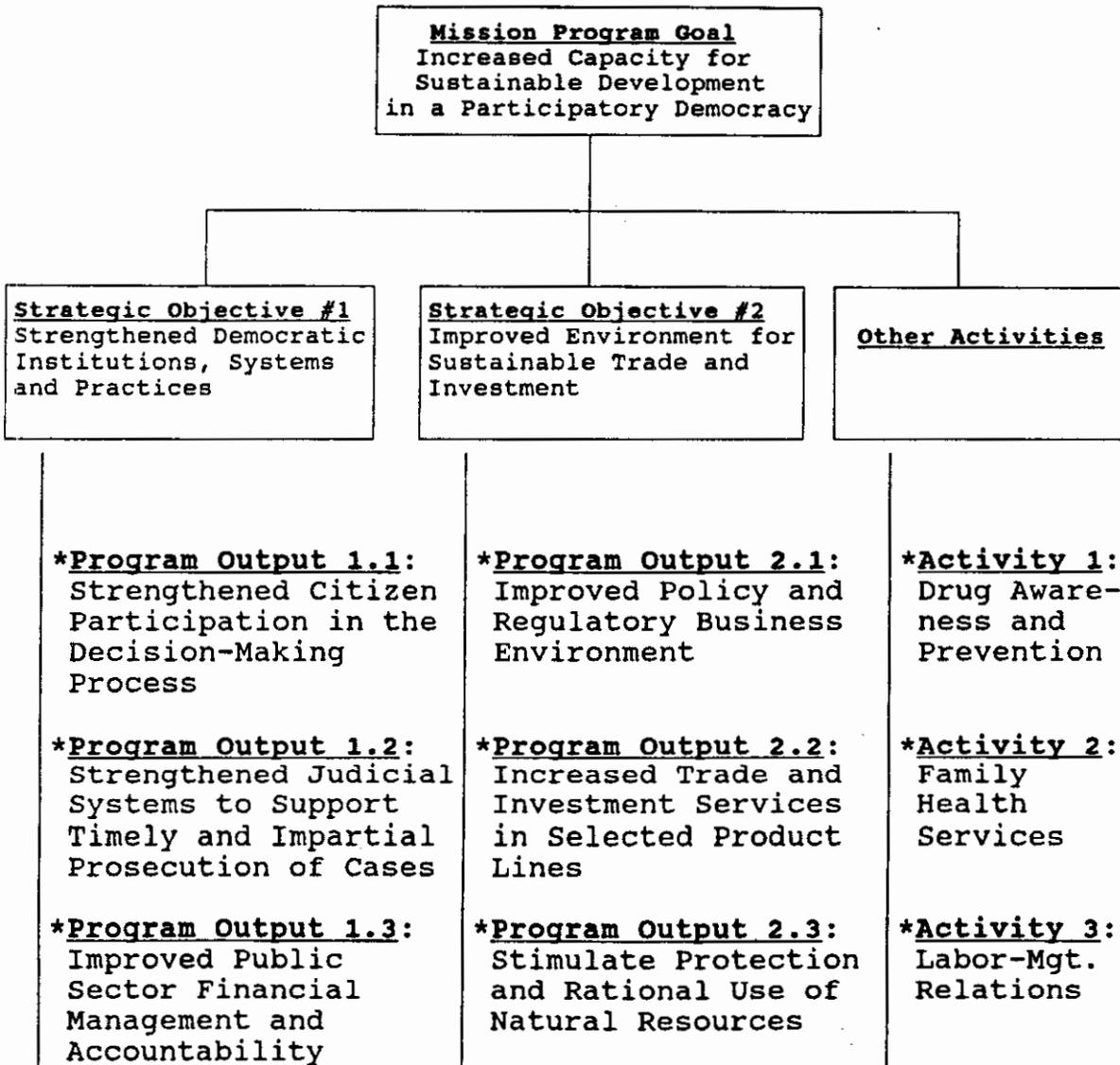
Jon D. Glassman
Ambassador

GLOSSARY

- AVSC Association for Voluntary Surgical Contraception
- CEPEP Centro Paraguayo de Estudios de Poblacion (Paraguayan Center for Population Studies)
- CED Centro de Estudios Democraticos (Center for Democratic Studies)
- ~~CEPPRO~~ ~~Centro Paraguayo para la Libertad Economica y Justicia Social (Paraguayan Center for Economic Liberty and Social Justice)~~
- CEAL Centro de Estudios y Asistencia Legislativa (Center for Legislative Studies and Assistance)
- CPES Centro Paraguayo de Estudios Sociologicos (Paraguayan Center for Sociological Studies)
- CIDSEP Centro Interdisciplinario de Estudios Sociales y Economia Politica (Interdisciplinary Center for Social and Political Economy Studies)
- CGP Controller General of Paraguay
- CUT Central Unitaria de Trabajadores
- DAI Development Associates, Inc.
- DECIDAMOS A Paraguayan NGO devoted to civic education
- FMB Fundacion Moises Bertoni
- GOP Government of Paraguay
- ICMA International City Managers Association
- IPPF/WHR International Planned Parenthood Federation/Western Hemisphere Region
- IRCD Information Resources Center for Development-IDM Instituto de Desarrollo Municipal (Municipal Development Institute)
- IDB Interamerican Development Bank
- IESC International Executive Service Corps
- IAS Instituto Agropecuario Salesiano (Salesian Agronomic Institute)

- LEGISLACION 2000 The name of the project managed by the IRCD, related to Legislative Strengthening.
- MOH Ministry of Health
- NDI National Democratic Institute
- OAS Organization of American States
- PROJECT MARANDU The name of the project related to Drug Awareness.
- PACD Project Assistance Completion Date
- PRO-CHILE A Chilean organization engaged in export promotion.
- PRO-PARAGUAY Paraguayan organization engaged in export promotion
- SENAD Servicio Nacional Antidrogas (National Antidrug Service)
- TNC The Nature Conservancy
- WLTC U. of Wisconsin Land Tenure Center

USAID/Paraguay
Objective Tree



SECTION I. AN OVERVIEW OF THE ENVIRONMENT FOR DEVELOPMENT

The United States' major policy objectives in Paraguay remain: 1) support the democratic transition; 2) promote increased trade and investment; and 3) eradicate the trafficking and use of drugs. The USG's economic assistance for FY 1994-95 conforms to these objectives.

USAID/Paraguay is committed to help put in place the policy options and tools needed by the new civilian government, to be inaugurated in August 1993, to solidify the democratic transition, adopt sound economic policies, and operate with a commitment to equitable development, social justice and accountability.

The Democratic Transition: While the attention of the world is rivetted on the dramatic political changes taking place in Eastern Europe and the former Soviet Union, Paraguay continues its own remarkable transition toward democracy and a market economy. The country's democratic institutions -- the judiciary, the congress and the executive branch -- show increasing signs of confidence and maturity.

For example, civilian judges and prosecutors have cooperated in anti-corruption cases, including those involving the military. For the first time, the military command allowed the arrest and indictment of high ranking-officers by the civilian judicial branch. Several field-grade officers, including the Chief of the Army, were imprisoned for involvement in stolen car rings and other illegal activities. The Controller General and the Attorney General both have a full agenda of corruption cases to handle, including those involving the national police, state enterprises, and government ministries. The Paraguayan legislature has also established a permanent Commission on Crime and Corruption.

With assistance from the Center for Legislative Studies and Assistance (CEAL) of the Catholic University in Valparaiso, Chile, the legislature has also begun its own modernization program. In 1992, the legislature expanded its budget oversight role, conducting public budget hearings and working closely with the Controller General for more transparency and accountability in the budget process.

In Paraguay, the press and media continue to operate freely. And as the country draws closer to the May 9, 1993 General Elections, new political movements grow in number and sophistication. For the first time in history, Paraguayans will elect a civilian president. This important milestone is the latest in Paraguay's democratic transition, which has included its first municipal elections in May 1991, the election of a Constituent Assembly in December 1991, and the adoption of a new Constitution in July 1992. In the General

Elections scheduled for May 1993, Paraguayans will also elect members of congress, and for the first time, state governors.

President Andres Rodriguez has repeated, on numerous occasions, his intention to hand over power when Paraguay's first civilian president is inaugurated in August 1993.

The Economy: The Paraguayan economy sputtered in 1992. Inflation rose from 11.8 percent, Latin America's lowest in 1991, to 17.8 percent in 1992. Paraguay's export earnings dropped dramatically from \$ 737,096 million in 1991 to \$ 590,700 million in 1992, reflecting the country's continued dependence on cotton, soybeans, livestock and timber, and low world prices.

Paraguay and the Inter-American Development Bank (IDB) did sign an Investment Sector Loan (ISL) of \$82 million, but the first disbursement awaits congressional ratification and for the GOP to satisfy conditions precedent. The IDB and World Bank have substantial lending programs on their drawing boards for 1993-1995 in private sector development, agriculture, the environment, infrastructure, municipal development, education, and the health sector.

Negotiations with the International Monetary Fund (IMF) failed to produce a Stand-by Agreement. In fact, Paraguay was criticized for the rise in inflation, subsidies to the agriculture sector, and the sharp decline in tax collections.

On the bright side, non-traditional exports increased 64 percent from \$ 221.8 million in 1991 to \$ 365.18 million in 1992. Pro-Paraguay, the country's fledgling trade and investment promotion agency, reported \$ 1.45 million in facilitated export sales in its first year of operation.

Looking to the future, Paraguayan planners and the donor community are laying the groundwork for a major agriculture diversification program. The IDB is expected to provide the bulk of donor financing. Japan will contribute in selected crop and technical training areas. The U.S. Embassy/USAID supports agriculture diversification as the logical way to increase employment and incomes in the rural sector, and to increase exports. Its input will be in human resource development, by funding or facilitating overseas training of selected agriculture ministry staff.

A Threatened Environment: Until recently, Paraguayans have felt little necessity to protect their natural resources and environment because there have been large extensions of fertile land and forests favorable for agriculture, livestock and wood production, on which the economy is based. Few legal provisions protect these natural resources. In the last 30 years, forests and other natural vegetation have been

cleared at an accelerating rate for wood products, and to make room for agriculture and livestock. Many cleared lands are located on poor, erodible soils that should be protected with some form of vegetation.

Economic expansion, social mobility, and expectations of a better quality life, have created intensive utilization of land, water and wildlife resources. For example, in 1945, there were 8,805,000 hectares of forest in Paraguay's Eastern Region, covering 55 percent of the region's surface. By 1991, only 2,403,000 hectares remained, reducing the total forest coverage to only 15 percent. At the present cutting rate, reaching 1,000,000 hectares in 1990, there soon will be no productive forests in Paraguay. Only 2.9 percent of the country's area is presently under some form of protection, and there is no national forestry plan being carried out at present.

The Drug Problem: Paraguay is categorized as a major drug transitting country. Quantities of cocaine pass through the country from the Andes headed for markets in Brazil, Europe and the United States. The existence of hundreds of small airstrips, and Paraguay's expertise in contraband, facilitate the drug trade. With a diverse and growing financial sector, Paraguay may be developing a money laundering problem. Paraguay is one of the world's largest producers of marijuana. Anti-drug authorities destroyed more than 634 metric tons of marijuana in 1992 and captured 674 kgs of cocaine.

Most worrisome is the predilection among Paraguayan youth to experiment with dangerous drugs. An epidemiological study¹ of drug prevalence funded by USAID/Paraguay in 1991 revealed that 19.6 percent of Paraguayan youth (12-24) saw no harm in trying hard drugs such as cocaine or heroin, if available.

USAID/Paraguay is supporting the education and awareness program of the Ministry of Health through Project MARANDU, a public-private partnership dedicated to drug education and prevention.

¹ "Estudio Nacional sobre Salud Mental y Habitos Toxicos en el Paraguay" H.Miguez - M.C. Pecci, November 1991

Paraguay is Not a More Developed Country: For political reasons, the United States Government declared Paraguay a "More Developed Country" (MDC) in 1981. But Paraguay's social and democratic indicators belie the MDC designation. For example, Paraguay has the second highest birth rate in South America, 3.4 percent². Only 46.1 percent² of the urban population and only 7 percent² of the rural population have access to safe water. A mere 35 percent² study beyond the 6th grade. Only 48 percent² of eligible women have access to safe, voluntary family planning. Social services ministries such as health and education have been overlooked for a generation.

The nation's universities are lacking in full-time, trained faculty. The judicial sector does not guarantee fair treatment. Functional illiteracy is estimated at 60 percent² or higher. Mutually-reinforcing relations between labor and management do not exist. Agrarian reform has not occurred, and there is an alarming increase in outmigration to Brazil and Argentina by rural unemployed. Corruption remains endemic.

Due in part to the informal economy, the reported high per capita income of approximately \$ 986.00³ masks an actual vast disparity between a wealthy three to five percent and the vast majority of the peasant population. There is a very small middle class.

For these factual reasons, the Embassy and USAID believe that the LAC Bureau should consider re-designating Paraguay as a "developing country". On the basis of its social indicators, and as democratic and economic reforms can justify, LAC Bureau ESF and Development Assistance funds should be made available, beyond the present ITT and LAC/DI accounts, for a modest but focussed expansion of USG economic assistance.⁴

USAID Focus and Concentration: A total of 11 projects funded before FY 1992 have been identified for termination and closeout. While many of these projects had positive policy and institutional impact on agrarian reform, micro-enterprise and NGO development, they did not conform with the USAID/Paraguay approved strategic objectives of 1) strengthened democratic institutions, systems and practices; and 2) improved environment for sustainable trade and investment.

² "Economic and Social Indicators of Paraguay", Center for Sociological Studies (CPES), March 1992

³ American Embassy estimate

⁴ see the New Activity Description for a \$5 million Training for Democratic Development project -- a "democracy dividend" for Paraguay.

USAID/Paraguay has now developed a portfolio which fits squarely within the approved strategic objective framework, and which takes into consideration the resources available and Paraguayan absorptive capacity.

Project Management and Accountability: In December 1992, the Regional Inspector General/Tegucigalpa issued a systems audit of USAID/Paraguay. Working closely with USAID staff, the RIG identified several areas of potential weakness and vulnerability. A total of seventeen recommendations were issued to tighten program management and accountability, of which thirteen were closed as of February 28, 1993; the remainder to be closed by May 1993.

SECTION II. STATUS OF STRATEGIC OBJECTIVES

Strategic Objective 1: Strengthened Democratic Institutions, Systems and Practices

A. Refinements or Changes in Strategic Objective or Program Outputs

There has been no change in the Strategic Objective, but refinements have been made to the Program Outputs.

USAID Program Approach: For the next five to seven years the U.S.G. and USAID/Paraguay will continue to support efforts to strengthen citizen participation in government decision-making; to improve the judicial sector; and to foster accountability in public sector financial/management practices.

In terms of citizen participation, Paraguay has taken critical first steps. Municipal and Constituent Assembly elections were held in 1991. Presidential and Congressional elections are scheduled for May 1993. USAID/Paraguay's assistance toward automating the electoral system contributed to the success of the 1991 elections. Current activities target greater transparency through the participation of independent observers in the elections, and citizen participation through voter education campaigns.

At the Municipal government level, USAID assistance will support an approach to decision-making that calls for public participation. In support of a legislature that wants to be responsive to its constituents, Mission assistance will:

- a) improve staff capacity;
- b) develop a management information system; and
- c) institutionalize a legislative research and analysis unit.

The Chile experience is proving very valuable.

The judicial system will continue to be a major focus. Corruption and lack of due process under the law impact negatively upon human rights, public official accountability, and trade and investment. To improve the situation, USAID will help the GOP automate court administration to remove opportunities for corruption and expedite the process. USAID will help develop a merit-based personnel system within the judiciary and train professionals. Similarly, legislative reforms to modify the functions of the court -- such as pre-trial release for minor crimes -- will reduce over-crowded jails and provide justice denied to many who wait for "their day in court".

Public sector financial management and accountability makes up the third pillar of USAID's strategy to support the transition to democracy. Staff training for the Controller General's Office will contribute to a new system for government-wide

program audits. The Ministry of Health, with its dynamic pro-democratic leadership, has already taken steps to improve its budgetary system. The Mission is helping institutionalize a new budget system that incorporates the expressed needs from local communities into the Ministry-wide system. Working with RHUDO/South America, the Mission will assist Municipal governments establish systems to generate and manage resources.

Critical Assumptions to Achieve the Strategic Objective:

After 34 years of autocratic rule, Paraguay successfully carried out national elections in 1989. However, it is recognized that democracy must go far beyond holding elections. Institutions, with supporting "rules of the game", must operate in a transparent, accountable, and participatory manner. U.S.G. assistance through USAID is made on the critical assumption that there be GOP and private sector commitment to reform substantively Paraguay's institutions to be more accountable to its citizenry, and not merely change the form of previous rule.

Changes in Program Outputs: Program Outputs have been modified to ensure better focus for the Mission's portfolio of activities while maintaining the flexibility needed to respond to opportunities that can contribute to the Strategic Objective.

The Mission is positioned to focus on areas where USAID has comparative advantage and/or can show substantial impact with limited financial resources, often through coordinating contributions from other donors and the GOP. The Program Outputs have been revised to reflect this focus.

Program outputs can be grouped in three categories: participation of citizens in decision-making; judicial enforcement; and public sector financial accountability.

PO 1.1: Strengthened citizen participation in the decision making process. The previous output "strengthen legislature" did not encompass other areas in which the Mission is involved such as municipal development and to a lesser extent, electoral reform.

PO 1.2: Strengthened judicial systems to support timely and impartial prosecution of cases. Progress during the first year of the Judicial Reform Project has enabled greater definition and focus for identifying which areas USAID assistance can impact positively. The program output targeting judicial reform was reworded accordingly.

PO 1.3: Improved public sector financial management and accountability. This indicator was revised to focus management strengthening within the financial sector, and not to include general public administration management as a program priority.

USAID/Paraguay project managers identified which projects are critical to each program output, and which enable or support the program output. This approach helped to define indicators and identify who is responsible for gathering impact data. The results follow in Table 2.

B. Strategic Objective Performance

USAID/Paraguay has only recently realigned its project portfolio to conform with LAC Bureau and Country Team goals and objectives. With the help of the LAC Bureau, the Mission has defined its strategic objectives, as described above, as well as performance indicators at the output level. USAID/Paraguay is actively involved in all the project activities described in the Action Plan. It is premature, however, to measure performance in an empirical sense.

Performance will depend in great part on the outcome of the General Elections scheduled for May 1993. The Embassy and USAID/Paraguay are prepared to work closely with the next government in pursuing strategic objectives in democratization and economic policy/trade/investment.

C. Monitoring and Evaluation Status and Plans

USAID/Paraguay has taken several steps to improve program monitoring and evaluation.

First, in response to a joint recommendation of the Regional Inspector General (RIG/T) and USAID/Paraguay, the Mission has issued a series of new Manual Orders, which now serve as a guide for Project Managers in: project development, implementation and closeout, administrative, financial and audit policies and procedures, and participant training.

Second, USAID/Paraguay is in the process of closing out eleven pre-FY 1992 projects. As part of the closeout process, an impact evaluation is being conducted for major projects, of which three are in draft stage.

Third, the Mission is beginning to install its own Program Planning and Assessment System (PPAS). Staff have been identified to maintain the system, and a project evaluation schedule is under development. Nearly all projects conform with approved strategic objectives. Project Agreements contain performance indicators and audit requirements. Each Project Manager is required to meet regularly with project

counterparts and conduct periodic reviews of project progress, at least on a quarterly basis. The A.I.D. Representative reviews each project in detail every quarter and chairs semi-annual reviews.

With a well-defined strategic objectives framework, USAID/Paraguay has been able to put together a more focused program, concentrated on a manageable number of inter-related activities. The framework defines USAID's role in support of not only LAC objectives, but also Country Team goals and priorities.

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

<i>Paraguay</i>					
STRATEGIC OBJECTIVE NO. 1: Strengthened democratic institutions, systems and practices					
<i>Indicator 1: Increased citizen confidence in the legislative process</i>					
<i>Unit: Percent of citizenry (yes/no) as determined in a Survey/Public Opinion Poll</i>	<i>Year</i>	<i>Planned</i>	<i>Actual</i>	<i>Year</i>	<i>Actual</i>
<i>Source: IRCD and USIS</i>		---			
<i>Comments: The Paraguay-Kansas Committee's Information Resource Center for Development and USIS will collaborate in a public opinion survey in mid-1993 which will query citizenry about the legislature.</i>	1992	NA	NA		
	1993	TBD			
	1994	NA			
	1995	TBD			
	1996	NA			
	Target				
<i>Indicator 2: Increased criminal cases adjudicated that are pending over one year in Asuncion Courts</i>					
<i>Unit: Percent</i>	<i>Year</i>	<i>Planned</i>	<i>Actual</i>	<i>Year</i>	<i>Actual</i>
<i>Source: Oficina de Informacion Judicial</i>		-----			
<i>Comments: Approximately 30 percent of accused in criminal cases complete the minimum sentence time without indictment or official sentence.</i>	1992	NA	18.6%		
	1993	25%			
	1994	30%			
	1995	35%			
	1996	NA			
	Target				

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

<i>Indicator 3: Increased percent of the national budget audited by the Controller General</i>					
<i>Unit: Percent</i>		<i>Year</i>	<i>Planned</i>	<i>Actual</i>	
<i>Source: Controller General Reports</i>			-----		
<i>Comments: The CG's new mandate covers audit of local government including new elected State Governors</i>		1992	NA	26%	
		1993	40%		
		1994	60%		
		1995	TBD		
		1996	NA		
		Target			
STRATEGIC OBJECTIVE NO. 1: Strengthened democratic institution, systems and practices					
PROGRAM OUTPUT NO. 1.1: Strengthened citizen participation in the decision-making process					
<i>Indicator 1: Increased financial resources generated by the "Legislacion 2000" project as compared to USAID funding.</i>					
<i>Unit: Percent</i>		<i>Year</i>	<i>Planned</i>	<i>Actual</i>	
<i>Source: IRCD</i>			-----		
<i>Comments: "Legislación 2000" is the program conducted by the "Partners of the Americas" in Paraguay to provide technical assistance to the Paraguayan Congress on a fee basis.</i>		1992	NA	0%	
		1993	25%		
		1994	40%		
		1995	60%		
		1996	NA		
		Target			

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

Indicator 2: Public planning meetings held by municipal governments within Pilot areas					
Unit: Number of Hearings	Year	Planned	Actual		
Source: Institute for Municipal Development (IDM) & CED Comments: IDM and a network of Paraguay NGOs including the Center for Democratic Studies (CED) will collaborate with USAID/Paraguay and RHUDO/Quito in an expanded municipal development project starting in FY 93.	1992	NA	0		
	1993	25			
	1994	40			
	1995	60			
	1996	NA			
	Target				
Indicator 3: Increased transparency in the electoral process					
Unit: Number of free and honest elections	Year	Planned	Actual		
Source: OAS Reports and other independent sources Comments: The USG through USAID will fund electoral activities of both the OAS and National Democratic Institute (NDI) for the General Elections of 1 May 1993.	1992	NA	NA		
	1993	1			
	1994	NA			
	1995	NA			
	1996	NA			
	Target				

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

STRATEGIC OBJECTIVE NO. 1: Strengthened democratic institutions, systems and practices				
PROGRAM OUTPUT NO. 1.2: Strengthened judicial systems to support timely and impartial prosecution of cases				
Indicator 1: Established case tracking system throughout Asuncion courts				
Unit:	Number of courts with systems in operation	Year	Planned	Actual
Source:	<i>Oficina de Informacion Judicial</i>		---	
Comments:	<i>This output is the result of a "pilot" activity funded by USAID/Paraguay in FY 1991.</i>	1992	NA	0
		1993	<i>Criminal Courts</i>	
		1994	<i>Labor Courts</i>	
		1995	<i>Others</i>	
		1996	NA	
		1997		
		Target		
Indicator 2: Increased number of professionals evaluated by merit-based standards				
Unit:	Number	Year	Planned	Actual
Source:	<i>Oficina de Informacion Judicial</i>		---	
Comments:		1992	0	0
	<i>1 - The total number of Professionals (Judges, Prosecutors, and Public Defenders) to be appointed to the courts in 1993 will be evaluated by the new merit-based standards.</i>	1993	180'	
		1994	180'	
	<i>2 - The professionals (Judges, Prosecutors, and Public Defenders) appointed in 1993 will be evaluated for promotion according to the new merit-based standards. In the event there would be new appointments, the standards will be used for selection of Judges.</i>	1995	180	
		1996	NA	
		1997		
		Target		

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

Indicator 3: Pre-trial release for those entitled to prison exemption while they await trial within Asuncion court system		Year	Planned	Actual
Unit: Number of Persons³			-----	
Source: Oficina de Informacion Judicial		1992	NA	50
Comments: 3 - The total number of criminal cases presented to the courts is estimated at 5,000 each year.		1993	600	
		1994	800	
		1995	1,000	
		1996	NA	
		Target		
STRATEGIC OBJECTIVE NO. 1: STRENGTHENED DEMOCRATIC INSTITUTIONS, SYSTEMS AND PRACTICES				
PROGRAM OUTPUT NO. 1.3: Improved public sector financial management and accountability				
Indicator 1: Professional audits completed and disseminated by Controller General		Year	Planned	Actual
Unit: Number			-----	
Source: Controller General		1992	NA	37
Comments: 4 - Of a total of 825 Public Institutions.		1993	100 ⁴	
		1994	150	
		1995	TBD	
		1996	NA	
		Target		

TABLE I: STRATEGIC OBJECTIVE PERFORMANCE

Indicator 2: Unified budget system established within Ministry of Health⁵					
Unit: Yes/No		Year	Planned	Actual	
Source: HNS Contractor Reports			—		
Comments:					
	5 - The unified budgeting system that will be institutionalized throughout the Ministry of Health will reflect integrated objectives from all levels of the Ministry. This will be determined through community-based needs assessments and from central government prioritization exercises. This integrated approach to Ministry budgeting will provide a model that can be adopted government-wide.	1992	NA	NA	
		1993	NA		
		1994	Yes		
		1995	Yes ⁶		
	6 - Adaptation of this MOH system to other ministries is not a direct goal of present USAID agreements, however, it is an understood "next step." Thus, although the indicator for 1995 is beyond the PACD of the current, it is reflected as a follow-up objective.	1996	NA		
		1997			Target
Indicator 3: Increased number of municipalities with an improved budget system in operation⁷					
Unit:		Year	Planned	Actual	
Source:			—		
Comments:					
	7 - There are approximately 220 Municipal governments throughout Paraguay. The pilot areas for assistance will be identified in 1993 with further design efforts in collaboration with RHUDO and the Institute for Municipal Development.	1992	NA	NA	
		1993	TBD		
		1994	TBD		
		1995	TBD		
		1996	NA		
		1997			Target

TABLE 2: STRATEGIC OBJECTIVE PROGRAM "TREE"

<i>Paraguay</i>
<i>Bureau Objective: Support the evolution of stable, participatory democratic societies</i>
<i>Bureau Sub-objective: Strengthen civilian government institutions</i>
STRATEGIC OBJECTIVE NO. 1: Strengthened democratic institutions, systems and practices

PROGRAM OUTCOME NO. 1.1 <i>Strengthened Citizen Participation in the Decision-Making Process</i>	PROGRAM OUTCOME NO. 1.2 <i>Strengthened Judicial Systems to Support Timely and Impartial Prosecution of Cases</i>	PROGRAM OUTCOME NO. 1.3 <i>Improved Public Sector Financial Management and Accountability</i>
--	---	---

<i>Projects (Number\Title)</i>	<i>Projects (Number\Title)</i>	<i>Projects (Number\Title)</i>
598-0591.06	598-0642.06	598-0591.06
<i>Municipal Development</i>	<i>Judicial Reform</i>	<i>Financial Management & Accountability</i>
<i>Legislative Strengthening</i>		<i>Health Systems Mgt. & Accountability</i>
<i>Civic Education</i>		<i>Municipal Development</i>

Strategic Objective 2: Improved Environment for Sustainable Trade and Investment

A: Refinements or Changes in Strategic Objective or Program Outputs

Changes in the Strategic Objective:

The original wording of the strategic objective has been modified from "Improved Climate for Expanded and Diversified Trade and Investment" to "Improved Environment for Sustainable Trade and Investment". The word "sustainable" captures the diversified nature of trade and investment, and long-term compatibility of expanded trade with preservation of the country's natural resource base.

"Improved environment" was retained to convey the notion that with a limited budget and portfolio, it is unrealistic to expect a major direct effect on Paraguay's overall trade and investment. Rather, the USAID strategy is to help improve the business climate through policy reform technical assistance and training. The rationale for including natural resource protection as part of the objective of expanding trade is explained, later.

USAID Program Approach: USAID/Paraguay commends the progress made in the last three years by Paraguay to correct macroeconomic imbalances and to introduce structural reforms. Paraguay's commitment to an outward-looking growth strategy is underscored by the unification of exchange rates, removal of exchange controls transactions, reduction of custom duties and lifting of administrative controls on imports, encouragement of foreign investment, introduction of a value added tax system, and active membership in the Southern Cone Common Market (MERCOSUR) with Argentina, Brazil, and Uruguay.

To get maximum impact from its limited resources on improving the climate for trade and investment, USAID/Paraguay has adopted an intervention strategy characterized by flexibility, leveraging and consolidation. The focus will be on a) better economic and business policies; b) increased services; and c) protection and rational use of natural resources.

The third pillar of USAID/Paraguay's approach to improving the environment for sustainable trade and investment is through stimulating protection and rational use of natural resources.

Environment and It's Relation to Trade and Investment

Since the economy of Paraguay is based on primary production, the rational use, maintenance and conservation of it's natural resources are of particular concern, for example, fertile soil for agriculture and forests for wood products and energy. A

strong national system of nature preserves could provide, not only an important natural resource bank, but also scenic areas which would contribute additional sources of revenue from ecotourism, an activity until now little exploited in Paraguay but of great potential. At present, the national system of protected areas does not effectively cover all representative ecosystems, with only 2.9 percent of the country under some form of protection.

There is a growing concern among the Paraguayan people over the cost to the economy of continued deforestation and a growing demand for environmental education. The most critical ecological issue in Paraguay is the dangerous depletion of standing forest and the consequent loss of wildlife habitats and economically valuable raw materials.

To address the above, USAID will implement the following: a modest Environmental Education project with the Moises Bertoni Foundation (FMB); work with other conservation organizations to increase funding for their programs; and dialogue with the Peace Corps to convince the Ministry of Agriculture and Livestock to expand the area of protected forest.

Changes in Program Outputs

Program outputs have been significantly refined to more modest proportion, compatible with the limited range of activities actually within the control of the Mission. Two of the earlier program outputs have been dropped, namely, "Increased macroeconomic performance of key agencies", and "Improved competitiveness of individual private firms".

Program outputs 2.1 and 2.2 are separate but mutually reinforcing, and they can lead to expanded trade through improved business policies and better services to exporters and investors.

P.O. 2.1: Improved Policy and Regulatory Business

Environment. Excessive regulations and counter-productive policies are the major impediments to exports and investment. USAID aims to improve the policy making process by providing support for the legislature, and improving the ability of the private sector to participate and influence policy dialogue.

Improving the analytical capabilities in the legislative branch, in government agencies, and in the private sector will produce policies more conducive to sustainable growth. Direct involvement of the business community in the congressional policy-making process is already evident, as exemplified by the current campaign by business organizations to debate the proposed new labor code.

P.O. 2.2: Increased Trade and Investment Services in Selected Product Lines. To be effective, better policies must be complemented with actual provisions of services and resources to business firms with export potential. Opening export markets can be very costly and risky for a new firm, especially a small one. USAID is supporting the efforts by Pro-Paraguay to promote exports and investment. Much of the Mission's development training resources will also benefit the business community in preparing better managers for the future.

This program output replaces the earlier one, "greater private sector participation in the promotion of trade and investment". One key difference is the specification of "selected product lines" to focus and concentrate efforts on a few well-defined categories of products. Otherwise, trade and investment promotion efforts spread over an unspecified range of commodities will be hard to measure.

P.O. 2.3: Stimulate protection and rational use of natural resources. This program output reflects the intent of the Mission to ensure that progress in the area of trade and investment is supported by enhanced protection and rational use of natural resources. It integrates aspects of the third strategic objective in the earlier version of the PPAS. The wording of this program output reveals the catalytic role envisaged by USAID in supporting environmental activities that will result in better management of natural resources.

It is expected that with greater public awareness, the national government will dedicate resources to expand protected areas and promote more rational use of the natural resources on which the economy is based.

It should be noted that with modest resources, the U.S.G., through USAID and Peace Corps, is playing a lead role in the environment through environmental education policy dialogue, training, placement of volunteers and close coordination with the major donors such as the IDB and World Bank.

B. Strategic Objective Performance

The performance described for Strategic Objective 1, in Section II B, applies equally to Strategic Objective 2.

C. Monitoring and Evaluation Status and Plans

Likewise, the status of monitoring and evaluation described earlier for Strategic Objective 1 applies equally to Strategic Objective 2.

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

<i>Paraguay</i>					
STRATEGIC OBJECTIVE NO. 2: Improved Environment for Sustainable Trade and Investment					
<i>Indicator 1: Value of selected non-traditional exports: shoes, leather goods, apparel, fruits and vegetables, and others (to be added)</i>					
<i>Unit:</i>	<i>US Dollars/Guaranies</i>	<i>Year</i>	<i>Planned</i>	<i>Actual</i>	
<i>Source:</i>	<i>Banco Central del Paraguay</i>	1992	NA	TBD	
<i>Comments:</i>	<i>The implementing agency is Pro-Paraguay</i>	1993	10% > 1992		
		1994	10% > 1993		
		1995	10% > 1994		
		1996	10% > 1995		
		<i>Target</i>			
<i>Indicator 2: Area of Protected Forest</i>					
<i>Unit:</i>	<i>Hectares</i>	<i>Year</i>	<i>Planned</i>	<i>Actual</i>	
<i>Source:</i>	<i>Ministry of Agriculture</i>	1992	NA	TBD	
<i>Comments:</i>		1993	TBD		
		1994	TBD		
		1995	TBD		
		1996	TBD		
		<i>Target</i>			

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

STRATEGIC OBJECTIVE NO. 2: Improved climate for expanded and diversified trade and investment				
PROGRAM OUTPUT NO. 2.1: Improved Policy and Regulatory Business Environment				
Indicator 1: Amount contributed by the Paraguayan private sector towards funding activities under the "Legislacion 2000" program				
Unit: US Dollars/Guaranias	Year	Planned	Actual	
Source: IRCD		-----		
Comments:	1992	NA	0	
	1993	10% of expenses		
	1994	20% of expenses		
	1995	25% of expenses		
	1996			
	Target			
Indicator 2: Number of person-months of training, by discipline, gender, and degree program				
Unit: Person months	Year	Planned	Actual	
Source: Participant Training Program Coordinating Committee of IRCD		-----		
Comments: The focus will be in economic and business management. Participants will be placed in Masters Degree programs in Chile, Costa Rica and the United States.	1992	NA	NA	
	1993	TBD		
	1994	TBD		
	1995	TBD		
	1996			
	Target			

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

STRATEGIC OBJECTIVE NO. 2: Improved climate for expanded and diversified trade and investment			
PROGRAM OUTPUT NO. 2.2: Increased Trade and Investment Services in Selected Product Lines			
Indicator 1: Amount contributed toward funding of Pro-Paraguay activities by affiliated enterprises and sources other than USAID			
Unit: US Dollars/Guaranties	Year	Planned	Actual
Source: Pro-Paraguay and CIRD		-----	
	1992	NA	TBD
	1993	10% of expenses	
	1994	15% of expenses	
	1995	20% of expenses	
	1996		
Target			
Comments:			
Indicator 2: Number of private firms affiliated with Pro-Paraguay consortia, classified by product type: shoes, leather goods apparel, fruits and vegetables, and others (to be determined)			
Unit: Number of firms	Year	Planned	Actual
Source: Pro-Paraguay, CIRD		-----	
	1992	See Baseline	See Baseline
	1993	60 Firms	
	1994	80 Firms	
	1995	100 Firms	
	1996		
Target			
Comments:			
Baseline Values, 42 total of which:			
Shoes - 18			
Leather Goods - 8			
Apparel - 7			
Fruits and Veggies. - 9			

TABLE I: STRATEGIC OBJECTIVE PERFORMANCE

Indicator 3: Value of exports by private firms affiliated with Pro-Paraguay, by product line: shoes, leather goods, apparel, fruits and vegetables, and others (to be determined)					
Unit: US Dollars/Guaranies		Year	Planned	Actual	
Source: Pro-Paraguay, CIRD			-----		
Comments:		1992	See Baseline		
Baseline Values, Total = \$ 970,910 of which:		1993	15% > 1992		
Shoes - \$ 110,000		1994	15% > 1993		
Leather Goods - \$ 224,910		1995	15% > 1994		
Apparel - \$ 336,000		1996			
Fruits and Veggies. - \$ 300,000		1997			
	Target				
Indicator 4: Paraguay private and public sector contributions to the "Fondo de Becas para el Desarrollo"					
Unit: US Dollars/Guaranies		Year	Planned	Actual	
Source: CIRD			-----		
Comments:		1992	See Baseline	USAID 100%	
Baseline Values - TBD		1993	USAID 70%		
		1994	USAID 60%		
		1995	USAID 50%		
		1996			
	Target	1997			

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

PROGRAM OUTPUT 2.3: Stimulate Protection and Rational Use of Natural Resources					
Indicator 1: Level of funding for environmental activities					
Unit: US Dollars/Guaranties	Year	Planned	Actual		
Source: Various Private and Public Agencies Comments:		-----			
	1992	TBD	TBD		
	1993	10% > 1992			
	1994	10% > 1993			
	1995	10% > 1994			
	1996				
	Target				

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

Indicator 2: Adoption of improved conservation practices among selected communities^a		Year	Planned	Actual
Unit: Hectares, trees, committees, households ^b				
Source: Moises Bertoni Foundation				
Comments:				
	8 - Cumulative area of yerba mate planted under tree cover (hectares); - cumulative number of citrus trees transplanted to fields (trees); - cumulative number of "Comites de Productores" and average number of member households in each (comites, households).	1992	100 has. 0 trees 5 comit. 35 house.	100 has. 0 trees 5 comit. 35 house.
		1993	150 has. 24,000 trees 20 comit. 140 house.	
		1994	225 has. 44,000 trees 35 comit. 225 house.	
		1995	300 has. 64,000 trees 50 comit. 350 house.	
		1996		
		1997		
		Target		

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

OTHER PROGRAMS: Drug Awareness and Prevention					
PROGRAM OUTPUT:					
<i>Indicator 1: An approved action plan</i>					
<i>Unit: Each</i>	<i>Year</i>	<i>Planned</i>	<i>Actual</i>		
<i>Source: Project MARANDU</i>		-----			
<i>Comments: USAID/Paraguay does not contemplate additional funding beyond FY 1993.</i>	1992	NA	NA		
	1993	NA			
	1994	1			
	1995				
	1996				
<i>Target</i>					
OTHER PROGRAMS: Family Health Services					
PROGRAM OUTPUT:					
<i>Indicator 1: Increase in availability of family health services</i>					
<i>Unit: Number of women</i>	<i>Year</i>	<i>Planned</i>	<i>Actual</i>		
<i>Source: Center for Population Studies (CEPEP)</i>		-----			
<i>Comments: The planned program output is a community-based system of voluntary, modern contraceptive services available to at least 50 percent of eligible women of reproductive age within a context of family health services.</i>	1992	61,000	54,000 ¹		
	1993	47,000 ¹			
	1994	TBD			
	1995	TBD			
	1996	TBD			
<i>Target</i>					
<i>1 - CEPEP is reducing the number of its clinics as the Ministry of Health increases its service coverage.</i>					

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

OTHER PROGRAMS: Labor-Mgt. Relations				
PROGRAM OUTPUT:				
<i>Indicator 1:</i>		<i>Year</i>	<i>Planned</i>	<i>Actual</i>
<i>Unit: Collective contracts</i>				
<i>Source: AIFLD</i>			----	
<i>Comments: The planned program output for this activity is the strengthening of the capacity of Paraguayan labor unions (with emphasis on CUT) to provide services to its members and participate effectively in negotiations with management.</i>		1992		
		1993		
		1994	TBD	
		1995	TBD	
		1996	TBD	
		1997	TBD	
	<i>Target</i>			

TABLE 2: STRATEGIC OBJECTIVE PROGRAM "TREE"

<i>Paraguay</i>
<i>Bureau Objective: Support the achievement of broadly-based, sustainable economic growth</i>
<i>Bureau Sub-objective: Encourage economic policies that promote investment, productive employment and outward-oriented diversification</i>
STRATEGIC OBJECTIVE NO. 2: Improved environment for sustainable trade and investment

<i>PROGRAM OUTPUT NO. 2.1: Improved policy and regulatory business environment</i>	<i>PROGRAM OUTPUT NO. 2.2: Increased trade and investment services in selected product lines</i>	<i>PROGRAM OUTPUT NO. 2.3: Stimulate protection and rational use of natural resources</i>
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<i>Projects (Number\Title)</i>	<i>Projects (Number\Title)</i>	<i>Projects (Number\Title)</i>
<i>598-0616.06</i>	<i>598-0616.06</i>	<i>598-0780.06</i>
<i>Economic Policy</i>	<i>Trade and Investment Promotion</i>	<i>Environmental Education</i>
<i>Development Training and Technical Services</i>		<i>Peace Corps Environmental Activities</i>

Other Activities:

- A. Family Health Services: For many years, Paraguay followed a pro-natalist policy. Under the new government, the Ministry of Health and the Center for Population Studies (CEPEP) have been collaborating on a program of family health services which provides advice on modern methods of contraception to women of reproductive age. Voluntary family planning is part of a comprehensive approach to mother-child wellness that includes pre and post-natal checkups, immunizations and nutrition. Contraceptive services include the distribution of condoms, pills and, when medically justified, surgical procedures. Abortion is illegal in Paraguay.

In FY 1994-95, USAID/Paraguay envisions the continuation of A.I.D. assistance for voluntary family planning, funded exclusively from R and D/Population, and directed through the Center for Population Studies (CEPEP). The scope and funding level will depend in great part on the recommendations of a "zero base review" to be conducted in 1993.

- B. Drug Awareness and Prevention: Section I contains a brief description of Paraguay's growing drug problem. Under the National Anti-drug Service (SENAD), the responsibility for drug awareness and prevention has been delegated to the Ministry of Health, which in turn relies on a network of non-governmental organizations (NGOs). Project MARANDU⁵ was created by USAID/Paraguay and the "Partners of the Americas" Paraguay-Kansas Committee to take the lead in drug awareness and education. USAID/Paraguay has provided \$400,000 since FY 1990 to help Project MARANDU get organized and to underwrite the costs of its activities.

In FY 1993, USAID/Paraguay will provide \$200,000 as the last funding for Project MARANDU. The principal expected output is the development and initiation of a national drug prevention plan.

- C. Labor-Management Relations: For FY 1993-95 the American Institute for Free Labor Development (AIFLD) has recommended a modest increase in its labor development activities in Paraguay. The Embassy and USAID/Paraguay endorse AIFLD's expanded program and will support it within the context of available staff and resources. The expected output is a more efficient labor-management relations system based on wide-spread, respected collective bargaining with Paraguay's main labor union, the Confederacion Unitaria de Trabajadores (CUT) increasing its

⁵ MARANDU is the Guarani word for "awareness"

representation of democratic labor and working class issues in the national political debate.

For convenience sake, USAID/Paraguay chose to place Labor-Management Relations in the "other" objectives column. It could have easily been included as part of either Strategic 1 or 2, since it supports both.

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

OTHER PROGRAMS: Drug Awareness and Prevention					
PROGRAM OUTPUT: A national drug awareness and prevention plan					
Indicator 1: An approved plan initiated					
Unit: Each	Year	Planned	Actual		
Source: Project MARANDU		-----			
Comments: USAID/Paraguay does not contemplate additional funding beyond FY 1993.	1992	NA	NA		
	1993	NA			
	1994	1			
	1995				
	Target				
OTHER PROGRAMS: Family Health Services					
PROGRAM OUTPUT: A community-based system of voluntary, modern contraceptive services available to at least 50 percent of eligible women of reproductive age within a context of family health services.					
Indicator 1: An increase in availability of family health services including modern methods of contraception					
Unit: Number of women receiving voluntary contraceptive services	Year	Planned	Actual		
Source: Center for Population Studies (CEPEP)		-----			
Comments: The planned program output is a community-based system of voluntary, modern contraceptive services available to at least 50 percent of eligible women of reproductive age within a context of family health services.	1992	61,000	54,000'		
	1993	47,000'			
	1994	TBD			
	1995	TBD			
	Target		TBD		
1 - CEPEP is reducing the number of its clinics as the Ministry of Health increases its service coverage.					

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

OTHER PROGRAMS: Labor-Mgt. Relations				
PROGRAM OUTPUT: A labor mgt. system w/widespread collective bargaining and with increased union membership				
<i>Indicator 1: Collective contracts</i>		<i>Year</i>	<i>Planned</i>	<i>Actual</i>
<i>Unit: Each</i>				
<i>Source: AIFLD</i>				
<i>Comments: AIFLD will transfer a field representative in FY 1993 to Paraguay</i>		1992	N/A	N/A
		1993	10	
		1994	TBD	
		1995	TBD	
		1996	TBD	
	<i>Target</i>	1997	TBD	

TABLE 2: STRATEGIC OBJECTIVE PROGRAM "TREE"

<i>Paraguay</i>
<i>Bureau Objective: Support the evolution of stable, participatory democratic societies</i>
<i>Bureau Sub-objective: Strengthen civilian government institutions</i>
STRATEGIC OBJECTIVE: OTHERS

PROGRAM OUTCOME NO. 1	PROGRAM OUTCOME NO. 2	PROGRAM OUTCOME NO. 3
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<i>Projects (Number\Title)</i>	<i>Projects (Number\Title)</i>	<i>Projects (Number\Title)</i>
<i>Drug Awareness and Prevention</i>	<i>Family Health Services</i>	<i>Labor-Mgt. Relations</i>

SECTION III. PORTFOLIO ANALYSIS: STATUS OF PORTFOLIO

At the end of February 1993, the total life-of-project funding of the USAID/Paraguay portfolio was approximately \$8.5 million. The Mission is in the process of closing out eleven project activities, as displayed graphically in the Project Timeline Chart.

The residual portfolio of projects for implementation in FY 1993-95 numbers twelve. Some are management intensive, while some are not. The majority support directly the Mission's two approved strategic objectives in democratization and economic/trade/investment policy. Of these, USAID-Paraguay proposes two new activities for FY 1994-1996.

A. NEW INITIATIVES

The two new activities proposed for the period FY 1994-96 are Civic Education and Training for Democratic Development. New activity descriptions follow.

CIVIC EDUCATION

LAC Bureau Objective II: Support the evolution of stable, participatory democratic societies.

Sub-Objective B: Strengthen public participation in the democratic process.

USAID/Paraguay's

Strategic Objective #1: Strengthened democratic institutions, systems and practices.

ACTIVITY TITLE: Civic Education
PROJECT NUMBER: 528-0591.06
FISCAL YEARS: 1993, 1994, 1995
LOP FUNDING: \$500,000
TYPE OF FUNDING: DA (ESF)
IMPLEMENTING AGENCY: Information & Resources Center for Development (IRCD), Paraguay/Kansas Committee

Consistency with Mission Strategy

1. Project Goal: To strengthen the democratic development of Paraguay by encouraging citizen participation in policy formulation and decision making at local, regional and national levels.

Indicator: Increased citizen confidence in the ability of executive and legislative branches of government to pursue rational socio-economic and environmental policies.

2. Project Purpose: To strengthen non-governmental organizations' capacity to influence the scope and strategic direction of national development.

Indicator: Improved skills in fundraising, coalition-building, networking and financial accountability.

Relationship to A.I.D. and Other Donor Activities

This project does not conflict nor does it overlap with other donor activities. It complements the ongoing portfolio of USAID/Paraguay democratic initiatives, the proposed LAC regional project in Municipal Development, and activities of the United Nations and other bilateral and international donors.

Relationship of activity to overall A.I.D. policy objectives

This project conforms with overall A.I.D. policy objectives and the approved USAID/Paraguay Strategic Objective of "strengthened democratic institutions, systems and practices".

Activity Description

The objective of this project is to educate the Paraguayan public on the importance of their participation in and monitoring of socio-economic development. The project will attempt to strengthen the growing network of Paraguayan NGOs, and the media, to influence policy-making and the execution of socio-economic development projects of the government at the local, state and national levels.

The "Information Resources Center for Development" (IRCD) of the Partners of the America's Paraguay-Kansas Committee is recognized as Paraguay's premier NGO. With previous USAID assistance, it has the capacity to organize, train and support an expanding network of Paraguayan NGO's. IRCD has experience in working with voter education projects, and it is thoroughly familiar with USAID financial management requirements.

The IRCD will work with such Paraguayan NGO's as DECIDAMOS, the Center for Democratic Studies (CED), the Center for Sociological Studies (CPES), the Interdisciplinary Center for Social Rights and Economic Policy (CIDSEP), womens groups, and the media, to organize seminars, workshops, printed and visual materials on a series of democratic themes and topics including: voting rights, lobbying, human rights, local government, coalition building and others.

Planned Implementation Arrangement

USAID/Paraguay will provide a grant to the Paraguay-Kansas "Information Resource Center for Development" (IRCD). A companion "buy-in" to the proposed LAC Regional "Partners" Civic Education Project is also possible.

Sustainability of Proposed Activities

USAID/Paraguay assumes that very little GOP funding will be available for civic education. However, the network of local NGO's led by IRCD has been able to tap into international and bilateral organizations for resources to conduct some civic awareness activities for the May 1993 General Elections. USAID investment in this area is expected to leverage more contributions for longer-term, post-election efforts in civic education and electoral strengthening. Thus, there should not be a problem in identifying counterpart funds during the three-year life of project, or in sustaining civic education activities, thereafter.

Mission Management Role

USAID/Paraguay's management role will be "hands-on" during the initial stages of the activity and less active as the project matures. The USAID/Paraguay Project Officer will maintain close contacts with the IRCD. The A.I.D. Representative will review quarterly reports and chair the semi-annual review of the activity.

Potential issues and/or innovative program approaches

No issues.

One innovative approach will be to link the civic education activities led by IRCD, with those in neighboring countries such as Chile, Argentina, Uruguay and the Andean countries.

TRAINING FOR DEMOCRATIC DEVELOPMENT

LAC Bureau Objective III: Support the achievement of broadly-based, sustainable economic growth.

Sub-Objective A: Encourage economic policies that promote investment, productive employment and outward-oriented growth and production diversification.

USAID/Paraguay's Strategic Objective # 2: Improved environment for sustainable trade and investment.

ACTIVITY TITLE: Training for Democratic Development
PROJECT NUMBER: 528-0591.06
FISCAL YEARS: 1994-1998
LOP FUNDING: \$5,000,000
TYPE OF FUNDING: DA
IMPLEMENTING AGENCY: Information and Resources Center for Development (IRCD), "Partners of the Americas" Paraguay/Kansas Committee

Consistency with Mission strategy

1. Project Goal: To create a "Leadership Fund for Growth and Development" to which Paraguayan public and private entities will be encouraged to contribute.

Indicator: Amount of funds contributed by Paraguayan private and public entities.

2. Project Purpose: To create a cadre of Paraguayans well-trained in economic planning, business management, and in other selected areas.

Indicator: Number of person-months of training, by discipline, gender, and degree program. Percentage of trainees who return from overseas training to responsible positions which contribute to growth and development.

Relationship to A.I.D. and Other Donor Activities

The project complements other USAID/Paraguay activities in economic policy, trade and investment. It builds on previous USAID/Paraguay experience in development training and in the establishment of a Harvard U./INCAE Executive Masters in Business Administration program at the Catholic university of Asuncion.

Relationship Of Activity to Overall A.I.D. Policy Objectives

This activity falls within the overall A.I.D. policy objective of developing an increased capacity for sustainable development in a participatory democracy. The activity is closely related to the LAC Bureau objective and sub-objective of supporting the achievement of broadly-based, sustainable economic growth through encouraging economic policies that promote investment, employment, outward-oriented growth and production diversification. It also complements training activities of other donors such as the UNDP, IDB, Germany, Israel, Japan, and others.

Activity Description

The greatest impediment to economic development in Paraguay is the scarcity of well-trained leaders in economic policy making, business management and in other key areas such as the environment, agriculture and education. The project will help to create a larger cadre of well-trained professionals who can influence economic policy and private sector development, positively. The participant training funded under the project will be made available on a competitive basis to individual in the private and public sector. The training could take the form of specialized long or short-term training, or exchange programs.

Benefits expected from this project are: more efficient public and private sector definition of economic policy and management of development investment; increased foreign trade relationships; an increased exposure of Paraguayan leaders to U.S., as well as world class Chilean and Costa Rican universities; and an enhanced in-country training capability.

Participant training, both abroad and in-country, will emphasize economic planning and business management, but may also include other areas determined as country priorities by the USAID Mission on a case-by-case basis.

Planned Implementation Arrangements

The Information Resources Center for Development (IRCD) of the Paraguay-Kansas Committee, a Paraguayan NGO, with significant previous experience in the management of training programs,

will implement this activity with the support of the USAID Mission and the Office of International Training.

Sustainability of Proposed Activities

Considering that the demand for higher education and training at all levels is a very high priority of the private and public sectors in Paraguay, and more so with the new Government which takes office in August 1993, USAID is optimistic that the "Leadership Fund for Growth and Development" can attract substantial contributions from the public and private sectors, as well as other donors.

Mission Management Role

The USAID/Paraguay management role will be "hands-on" at the outset of the project but decrease gradually as the IRCD and the Participant Training Selection Committee define responsibilities and begin implementation. The USAID/Paraguay Project Officer will meet regularly with IRCD management. The A.I.D. Representative will review quarterly reports as well as chair a semi-annual review of the project.

Potential Issues and/or Innovative Program Approaches

USAID/Paraguay does not envision major problems in the implementation of the project, nor in maintaining sound financial management and accountability. Using a local NGO like the ICRD to implement the program will not only increase in-country capacity but will permit more direct contact with potential private and public contributors to the "Leadership for Growth and Development Fund". IRCD will also be able to help individual candidates who are willing to finance their training program but who lack knowledge and information to study abroad.

A unique feature of the project is the active role of the Participant Training Selection Committee, which is made up of representatives from the private sector. The Deputy Chief of Mission also chairs an Embassy Training Committee which includes the A.I.D. Representative and representatives of USIS, the ECON/Commercial office, and Political Section.

B. Status of Portfolio

USAID/Paraguay is in the process of closing out eleven project activities. The result will be a streamlined cluster of projects which conform with LAC Bureau, U.S. Country Team and approved USAID/Paraguay strategic objectives.

The phase-out/phase-in of old and new projects is shown in the Project Timeline Chart.

C. Central and Regional Projects

Over the past few years, USAID/Paraguay has relied on a number of LAC Bureau regional and A.I.D./Washington central projects for project design, sector analyses, and technical assistance. The results have been mixed. There are many success stories. Accion International helped create the Fundacion Paraguaya para el Desarrollo, which now provides \$5 million annually in micro-enterprise loans. The Salesian network has helped to institutionalize modern, environmentally-sound methods into the curriculum of the Carlos Pfannl Institute, now Paraguay's leading agricultural/vocational training school. The Nature Conservancy nurtured the creation of the Fundacion Moises Bertoni, the country's leading environmental NGO. The University of Wisconsin's Land Tenure Center has pioneered research in agrarian reform with the local Center for Sociological Studies (CEPES). The Partners of the Americas was instrumental in helping establish the Center for Information Resources for Development (IRCD), which trains other Paraguayan NGO's and is active in the management of several USAID/Paraguay projects.

More recently, the University Research Consortium (URC) in health management, Development Associates Inc. (DAI) in drug awareness, the Harvard Institute for International Development (HIID) in education policy reform, and the Bureau of the Census (BUCEN), have proven very responsive in providing top-quality technical services.

Given its limited budgetary resources, USAID/Paraguay has established collaborative relations with several outstanding development institutions in Chile; both as a source of technical assistance and for training of Paraguayans. The Centro de Estudios y Asistencia Legislativa (CEAL) of the Catholic University in Valparaiso is working with the Paraguayan Congress. PRO-CHILE is working with its fledgling counterpart PRO-PARAGUAY. Under our Economic Policy activity, the Institute of Economics at the Pontifical Catholic University in Santiago, will establish ties with the Centro Paraguayo para la Promocion de la Libertad Economica y de la Justicia Social (CEPPRO).

USAID/Paraguay also intends to take full advantage of several LAC Bureau and A.I.D./W central activities during the Action Plan period. Some will demand "hands-on" Mission management; others less active participation.

Table 3: USAID/Paraguay PORTFOLIO -- PROJECT TIMELINE

PROJECT NUMBER\TITLE	FY92				FY93				FY94				FY95				FY96				FY97			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
598-0616.06\ Agrarian Reform	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
598-0616.06\ Conservation Institutional Development	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
598-0616.06\ Natural Resources Conservation Center	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
598-0616.06\ Technical Assist. for Private Enterprise (IESC)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
598-0591.06\ Electoral Strengthening	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
598-0591.06\ Assistance to Constituent Assembly	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
598.0642.06\ Judicial School	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
598.0616.06\ Information Resource Center (II)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
598.0616.06\ Education Policy Reform	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
598-0616.06\ Drug Abuse Prevention (Phase II)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
598-0616.06\ Demographic Data Initiative	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
598-0591.06\ Legislative Strengthening	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
598.0642.06\ Judicial Reform	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
598.0642.06\ AOJ (AID/USIS)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
TOTAL PROJECTS (number) (at end of FY 4th Quarter)																								

Table 3: USAID/Paraguay PORTFOLIO -- PROJECT TIMELINE

PROJECT NUMBER\TITLE	FY92				FY93				FY94				FY95				FY96				FY97			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
598-0591.06\ Municipal Dev.	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
598-0591.06\ Accountability in Government	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
598-0616.06\ Information Resource Center III	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
598-0640.06\ LAC Training	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
598-0616.06\ Health Mgmt	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
598-0616.06\ Drug Abuse Prevention (III)	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
598-0591.06\ Civic Education																								
598-0591.06\ Training for Democratic Development																								
598-0642.06\ Judicial Reform II																								
Legislative Strengthening II																								
598-0616.06\ Agriculture Sector Policy																								
TOTAL PROJECTS (number) (at end of FY 4th Quarter)	19				9				7				6				4				3			

Supports Strategic Objectives/Active Mission Participation

LAC Health Sustainability (URC): This contract is the prime vehicle for technical assistance to the Mission's Health Systems Management and Accountability project. URC has been extremely responsive in providing top-quality assistance. USAID/Paraguay plans to extend the present "buy-in" through 1994.

LAC Trade and Investment Technical Services: The Mission intends to request technical assistance to identify impediments to increased trade and investment, such as the legal/judicial aspects of protecting intellectual property rights. Harmonizing Paraguay's involvement in MERCOSUR with the experience of the North American Free Trade Zone Agreement (NAFTA) is important, as is identifying markets for non-traditional exports for which Paraguay may have a comparative advantage.

LAC Local Government/Municipal Development (ICMA): Building on the experience gained from the FY 1992 Mission-funded activity, USAID/Paraguay envisions an active participation with RHUDO/Quito and the ICMA in strengthening municipal development systems. The opportunity exists to pioneer the way for substantial investment in municipal infrastructure by the InterAmerican Development Bank in 1994 and beyond. USAID will "pilot-test" organizational and budget accountability systems in two selected states in close coordination with the IDB's design efforts.

Supports Strategic Objectives/Less Active Mission Participation

Regional Financial Management Reform II: In conjunction with the Mission's bilateral Financial Management and Accountability activity, USAID/Paraguay foresees the need to "tap" into the RFMP II project in FY 1993-95 for pin-pointed technical assistance, conference support and evaluation services.

LAC Civic Education ("Partners of the Americas"): Depending on the outcome of "Partner"'s proposal to the LAC Bureau, USAID/Paraguay is prepared to "buy-in" to this activity for a three-year Civic Education project.

LAC Civil-Military Relations II (American U.): Paraguay is a country in transition from military dictatorship to democracy. The country's first civilian president in history is scheduled to take office in August 1993. Since there is no tradition of close military-civilian collaboration in nation-building and development, the proposed project would be ideal for strengthening military-civilian ties and improving planning

and accountability skills. The Mission has requested that Paraguay be a priority country, and that assistance be based on a country-specific needs assessment.

LAC Parks-In-Peril: Three protected areas in Paraguay will be provided financial and technical support through this program, which is directed by The Nature Conservancy (TNC) and funded in part by USAID: Mbaracayu Reserve, Defensores del Chaco National Park, Caaguazu National Park. The Fundacion Moises Bertoni is managing the funds for the program in Paraguay. The first protected area to receive support, Mbaracayu, now has a completed work plan and activities are well underway to carry out the plan. Before moving on to support one of the other selected national parks, TNC is now in the process of providing technical assistance to the Direction of National Parks and Wildlife to develop a "National Protected Areas Plan" and prepare to develop a work plan for the next park.

Agriculture Policy Reform (LAC TECH): Agriculture is the backbone of Paraguay's economy. The GOP and several donors are in discussions which may lead to substantial investment in agriculture diversification. The undertaking will be comprehensive and long-term. Its outcome directly effects the Mission's strategic objective in economic/trade/investment policy. As such, USAID/Paraguay plans to request LAC TECH assistance in such areas as strategic planning, human resource development/training, and agri-business investment analysis.

A.I.D./W Education Policy Reform (ABLE): Under an FY 1992 "buy-in", USAID/Paraguay funded technical assistance and an education sector assessment, which is the seminal planning document for education policy reform in Paraguay. Should USAID provide additional assistance, in conjunction with design efforts of the IDB and World Bank in education, there will be another "buy-in" request.

Does Not Support Strategic Objectives

LAC Drug Awareness and Prevention (DAI): USAID/Paraguay will fund a final "buy-in" to this regional contract in FY 1993. Development Associates Inc. will work with Paraguayan public-private institutions to complete a national drug prevention plan and identify resources to sustain efforts beyond 1994.

Section IV: ENVIRONMENTAL ANALYSIS UPDATE, FROM 1992

A. Major Conservation Challenges Facing Paraguay

Last year's Portfolio Review and the Environmental Analysis that was provided at AID/LAC request, both presented a historical background of the environmental situation in Paraguay, the status of Paraguay's mayor ecosystems and plant and animal species, and major environmental concerns.

There have been no major changes in the status of Paraguay's ecosystems and plant and animal species since the prior reports. This means, for example, that deforestation continues at the same high rate. In 1945, there were 8,805,000 hectares of forest in Paraguay's Eastern Region, covering 55 percent of the regions surface. By 1991, only 2,403,000 has remained, reducing the total forest coverage to only 15 percent! At the present cutting rate, reaching 1,000,000 hectares in 1990, there will be no productive forests in Paraguay in a matter of few short years. At present, the national system of protected areas still does not effectively cover all representative ecosystems, with only approximately 2.9 Percent of the total area of the country presently under some form of protection. The list of critically endangered species remains the same representing approximately: 12 mammals, 35 birds, 4 reptiles, and 27 plants.

B. Progress During the Past Year

What has changed in Paraguay in the last year are the reactions to these problems and their positive and negative results. On the positive side, the number of National Parks was almost doubled in 1992, from 8 to 14. Other positive actions include the appointment of talented and dedicated Senior Staff in the Direction of National Parks and Wildlife (DPNVS), including its Director. The DPNVS has renewed its efforts to increase the total area of protected areas and improve the system for their protection. Three new laws have also been rewritten and are up for approval by Congress directed at wildlife, forestry, and protected areas. If passed as is, the protected areas laws will include, for the first time, legal status for private reserves.

Also on the positive side, the Subsecretariat of the Environment will receive increased funding this year for various activities. The Inter American Development Bank (IDB) is close to authorizing \$50 million to develop a National Environmental Plan, The Nature Conservancy is providing financial and technical assistance to develop a national plan for protected areas through the "Parks-In-Peril" program, and the Trade and Development Agency (TDA, formerly TDP) is

funding an environmental feasibility study for the area from Lake Ypacarai to the Bay of Asuncion.

On the negative side, there have been no major efforts to curb the high deforestation rates occurring in the country. Dozens of newspaper articles have been written about the subject, and all Paraguayan conservationists are aware of the problem and are concerned. A recent report, for example, shows that only 2,403,000 hectares of productive forest remain in the Eastern Region of Paraguay.

C. Recommended Followup

In 1993-1994 USAID/Paraguay will:

1. Continue implementation of the Environmental Education program to raise and channel civic consciousness into environmental programs.
2. Refine the USAID/Paraguay concept paper, "Saving Paraguay's Forest Resources", as a basis for the Environmental Framework required by the Enterprise for the Americas Initiative, "Debt for Environment" program.
3. Collaborate closely with the Ministry of Agriculture in the implementation of the TDA-funded Environmental Planning Project.
4. Link the financial assistance of the Center for Legislative Studies and Assistance (CEAL) of Chile with the Permanent Committee for Environmental Defense of the Paraguayan Congress.
5. Work closely with the Moises Bertoni Foundation (FMB) in the planning and implementation of the "Parks-In-Peril" program.
6. Help indigenous environmental groups identify and apply for more bio-diversity research grants.

SECTION V: RESOURCE REQUIREMENTS

- A. Program Resources: The program budget proposed for FY 1994-95 conforms to LAC Bureau guidelines with two exceptions.

First, as part of a "democracy dividend", the Embassy and USAID/Paraguay are requesting LAC Bureau authorization of a \$5 million "Training for Democratic Development" project, to commence in FY 1994.

Second, USAID/Paraguay is requesting a modest increase in the LAC/DI account from the FY 1993 floor of \$700,000 to \$1 million in FY 1994 and thereafter. The additional funds will be used for an expansion of assistance in judicial reform.

- B. Operating Expenses and Staffing: USAID/Paraguay is fortunate to have a very experienced cadre of foreign service national (FSN) employees. Nonetheless, the Mission must add additional staff in FY 1994 to provide adequate program oversight, and to understudy senior FSN staff who are eligible for Civil Service retirement.

In FY 1993 the requested operating expense level was \$371,700. In FY 1994 and FY 1995 the requested OE levels are \$439,029 and \$468,616, respectively. Increases are due to the hiring of additional staff in 1994, 10 percent and 20 percent estimated salary increases, end-of-tour travel of the A.I.D. Representative in 1994, and the need for additional office equipment. Other costs are expected to rise across the board such as telephone, mailing, residential utilities, in-country and international travel.

TABLE 4A
USAID/Paraguay
SUMMARY PROGRAM FUNDING TABLE
Dollar Program

FUNDING CATEGORY	FY93	FY94	FY95	SO#
LAC BUREAU				
ITT/ADC TRAINING				
Economic Policy, Trade and Investment	300	300	300	#2
Health Systems Mgt. Accountability	500	200	---	#1
Development Tng. & Technical Services	500	1,000 ¹	1,000	#2
Environmental Awareness for Democracy	150	150	---	#2
Peace Corps Small Projects & Env. Training	150	150	200 ²	#2
AOJ/DI				
Judicial Reform I & II	250	300	300 ³	#1
Legislative Strengthening	200	300	500 ⁴	#1
Financial Mgt. & Accountability	150	200	---	#1
Civic Education	200 ⁵	200	200	#1

¹ Presumes approval of new project, "Training for Democratic Development" w/LOP funding of \$ 5 million

² Increase in support for Peace Corps environmental education as USAID/Paraguay phases out

³ Presumes approval of second phase project, "Judicial Reform II" w/LOP funding of \$ 2 million

⁴ Presumes authorization of second phase project, w/LOP funding of \$ 1.5 million

⁵ Presumes authorization of new project, "Civic Education" w/LOP funding of \$ 500,000

TABLE 4A
 USAID/Paraguay
 SUMMARY PROGRAM FUNDING TABLE
 Dollar Program

FUNDING CATEGORY	FY93	FY94	FY95	SO#
DRUG AWARENESS				
Drug Abuse Prevention	200	---	---	other
OTHERS				
Labor-Mgt. Relations	200	300	400	other
Parks-in-Peril	250	300	400	#2
Municipal Development	250	400	400	#1
Electoral Assistance	350	---	---	#1
Civil-Military Relations	200 ⁶	250	500	#1
Total LAC Bureau	3,850	4,050	4,200	
OTHER BUREAU-FUNDED				
Population	200 ⁷	250	300	other
"Partners of the Americas", Farmer-to-Farmer	100	100	100	#2
OFDA Disaster Prep. Tng.	50	50	50	other
Total Non-LAC Bureau	350	400	450	
PROGRAM TOTAL	4,200	4,450	4,650	

⁶Presumes FY'93 authorization and "earmarking" of funds for Paraguay

⁷Presumes positive recommendation to continue program resulting from "Zero Base Review" to be conducted by R&D/POP and LAC Bureau

VI: USAID/PARAGUAY ISSUES

A. Support for the New Government

In August 1993, Paraguay will inaugurate its first elected civilian president in history. Regardless of which party wins the presidency, the new government will approach the Embassy and USAID/Paraguay for increased assistance in several areas, including: judicial reform, health, education, agriculture, the environment, economic policy, trade and investment, public management, and overseas training. A credible response must be forthcoming. Part of the response is to point out to the new government the important role the USG plays in support of the World Bank and InterAmerican Development Bank, which have substantial resources available for lending to Paraguay. Another part of a credible response is to assure the new Paraguayan government of the USG's continued cooperation in democratization, trade and investment and the environment.

The Embassy and USAID/Paraguay must also have something else to offer as a "democracy dividend" to the new civilian government.

B. Training for Democratic Development

As part of a "democracy dividend", USAID/Paraguay is requesting LAC Bureau authorization of a \$5 million, five-year participant training project to commence in FY 1994. The Embassy and USAID believe that this project is necessary to create the cadre of economic planners and business managers the country needs to pursue correct economic policies and move ahead in trade and investment. In reality, Paraguay needs ten times the amount of overseas training and exposure proposed in this activity.

By pledging \$1 million per year, the USG can "leverage" substantial other donor and private contributions to a "Leadership Fund for Growth and Development", which can produce the talent pool and leadership Paraguay needs for democracy and development.

C. Civil-Military Relations

Paraguay remains shackled, to a great extent, by the legacy of a generation of praetorian dictatorship. There is no tradition of military-civilian collaboration in public policy or development. As Paraguay continues its transition toward a more democratic society, the military must define anew its corporate interests, its mission and how it relates to the civilian legislature, judiciary and executive. The proposed LAC Bureau project, "Civil Military Relations II" could be a valuable vehicle for helping to modernize the Paraguayan military.

As presently designed, however, the new project appears to over-emphasize the civilian side of the relationship. USAID/Paraguay and the Embassy believe Paraguay should be a priority country for the project based on an intensive needs assessment later in 1993.

D. Zero-base Review of Family Planning

The following issue is repeated more or less verbatim from last year's Action Plan. No plans have been formalized to conduct an assessment of voluntary family planning services in Paraguay.

Paraguay's social indicators are alarming. For example, it has the second highest maternal mortality rate in Latin America; and the second highest birth rate in South America. Only 48 percent of eligible Paraguayan women have access to modern contraceptive services. A.I.D. has been providing technical assistance and commodities for voluntary family planning for some twenty years. Hundreds of government and NGO staff have been trained and are providing services. In 1991, A.I.D. provided over \$500,000 for various voluntary family planning services. Most of the funds were channeled to the Paraguayan Center for Population (CEPEP), through the U.S.-based affiliate of the International Planned Parenthood Foundation (IPPF).

Government of Paraguay policy has vacillated toward family planning. At present the GOP appears to be relaxing its pro-natalist policy of the past. USAID/Paraguay continues to monitor and guide A.I.D./Washington-funded assistance. Other donors such as the UNFPA and PAHO are actively involved.

Owing to the apparent softening in GOP policy toward voluntary family planning, as an integral part of family health services, and given the country's alarming maternal mortality and birth rates, USAID/Paraguay and the Embassy request that R&D/POP and the LAC Bureau carry out a "zero-base" review of all A.I.D.-funded population assistance needs, determine resource requirements, and recommend an appropriate strategy and level of support for future A.I.D. assistance.

E. FAAS Budget

The Embassy is hard-pressed to provide administrative, budget and fiscal, and general services support to USAID/Paraguay as specified in the FAAS agreement. Routine personnel and procurement actions, for example, often take weeks. In FY 1992, USAID/Paraguay's share of the FAAS budget was \$45,589, or 3.43 percent of the total.

The Embassy has requested that USAID/Paraguay "top-off" its FAAS contribution in FY 1994 by an additional \$15,000 to pay the salary for one year of a new FSN position in the Embassy's Administrative Section. The A.I.D. Representative endorses the Embassy's request on a one-time basis with the provision that the State Department include the position in the Embassy's budget for FY 1995 and thereafter.

ANNEX A

USAID/PARAGUAY BUDGET

OPERATING EXPENSES - FY 1994

USAID/PARAGUAY BUDGET
OPERATING EXPENSES - F.Y. 1994

U.S. DIRECT HIRE PERSONNEL

<u>U-111/21201 - POST ASSIGNMENT (TRAVEL)</u>	
AID/Representative & Family (4)	\$ 5,000.00
<u>U112/22001 - POST ASSIGNMENT (FREIGHT)</u>	
AID/Representative	<u>\$ 20,000.00</u>
<u>TOTAL U-100 (U.S. DH PERSONNEL)</u>	<u>\$ 25,000.00</u>

FOREIGN NATIONAL DIRECT HIRE

U-201/11400 - ADJUSTED BASIC SALARY

1. Program Specialist (11/11)	\$ 33,747.17	
2. Program Specialist (10/12)	\$ 29,925.32	
3. Secretary (7/15)	\$ 14,542.08	
4. Secretary (6/01)	\$ 10,169.00	

Total ABS \$ 88,383.57

Plus:

1. Benefits Allowance		\$ 4,392.32
2. Step increases 5% of 88,383.57		\$ 4,420.00
3. Beverage Allowance		\$ 1,873.45
4. <u>13th Month Bonus</u>		
a. Program Specialist	\$ 2,812.26	
b. Program Specialist	\$ 2,493.78	
c. Secretary	\$ 1,211.84	
d. Secretary	<u>\$ 847.42</u>	\$ 7,365.30
5. <u>Winter Bonus</u>		
a. Program Specialist	\$ 2,812.26	
b. Program Specialist	\$ 2,493.78	
c. Secretary	\$ 1,211.84	
d. Secretary	<u>\$ 847.42</u>	\$ 7,365.30
6. 10% Estimated Salary Increase		<u>\$ 11,380.00</u>

TOTAL U-201 \$125,179.94

U-202/11500 - PREMIUM COMPENSATION \$ 2,000.00

U-204/12900 - INCENTIVE AWARDS, FSNS \$ 750.00

U-204/12903 - RETIREMENT, GOVNT CONTRIBUTION \$ 7,145.81
7% OF ABS (102,083.00)

U-204/12904 - HEALTH INSURANCE, GOVNT CONTRIBUTION \$ 2,000.00

TOTAL U-204 \$ 11,895.81

TOTAL U-200 (FSNs DH) \$137,075.75

CONTRACT PERSONNEL

U-302/11300 - U.S. PSC - SALARY BENEFITS

AID/REP Secretary

Salary:

1. FS-7/1	\$ 19,345.00
2. 20% Estimated Salary increase	\$ 3,869.00
TOTAL U-302/11300	<u>\$ 23,214.00</u>

U-304/11302 - FOREIGN NATIONAL PSC - SALARY/BENEFITS

ADJUSTED BASIC SALARY

1. Accounting Technician (08/04)	\$ 16,990.24	
2. Chauffeur (04/01)	\$ 7,689.74	
3. Chief Accountant (11/08)	\$ 30,444.25	
4. Program Manager (09/01)	\$ 16,292.02	
5. Project Manager (09/01)	<u>\$ 16,292.02</u>	\$ 87,708.27

Plus:

1. Benefits Allowance		\$ 4,690.46
2. Steps Increases: 5% of \$87,708.27		\$ 4,385.41
3. Beverage Allowance		\$ 2,010.60
4. <u>13th month bonus</u>		
Accounting Technician	\$ 1,415.85	
Chauffeur	\$ 640.81	
Chief Accountant	\$ 2,537.02	
Program Manager	\$ 1,357.67	
Program Manager	<u>\$ 1,357.67</u>	\$ 7,309.02
5. <u>Winter Bonus</u>		
Accounting Technician	\$ 1,415.85	
Chauffeur	\$ 640.81	
Chief Accountant	\$ 2,537.02	
Program Assistant	\$ 1,357.67	
Program Assistant	<u>\$ 1,357.67</u>	\$ 7,309.02
6. 10% Estimated Salary Increase		\$ 11,341.00
7. Social Security (16.5% of 65,854.00)		\$ 10,865.91
8. Premium Compensation		\$ 1,000.00
9. Site visits (10 trips at \$50.00)		\$ 500.00
10. Health Insurance		\$ 2,500.00
11. Incentive Awards		<u>\$ 750.00</u>
TOTAL U-304/11302		<u>\$140,369.69</u>
TOTAL U-300 (CONTRACT PERSONNEL)		<u>\$163,583.69</u>

HOUSING

<u>U-401/23500 - RESIDENTIAL RENT</u>		
\$2,500 x 12 mos.		\$ 30,000.00
<u>U-402/23501 - RESIDENTIAL UTILITIES</u>		
\$ 500 x 12 mos.		\$ 6,000.00
<u>U-403/25900 - MAINTENANCE AND RENOVATION</u>		\$ 1,500.00
<u>U-407/25900 - SECURITY GUARDS</u>		\$ 2,400.00
<u>U-409/25200 - REPRESENTATION ALLOWANCE</u>		\$ 400.00
<u>U-408/25401 - OFFICIAL RESIDENCE ALLOWANCE</u>		<u>\$ 1,000.00</u>
TOTAL U-400 (HOUSING)		<u>\$ 41,300.00</u>

OFFICE OPERATIONS

U-508/25904 - Furniture/Equipment/Vehicle Repairs & Maintenance

XEROX Machine	\$ 2,000.00	
PCs	\$ 2,500.00	
Typewriters, Calculators	\$ 150.00	
Furniture	\$ 100.00	
Vehicles	\$ 1,400.00	\$ 6,150.00

U-509/23000 - COMMUNICATIONS

Telephone Fees (ANTELCO)
\$2,000 x 12 mos. \$ 24,000.00

Commercial Courier (DHL)
To Buenos Aires: 4 mailing x 40 x 12 mos. \$ 1,920.00
To USA: 1 mailing x 50 x 12 mos. \$ 600.00
To Bolivia: 1 mailing x 50 x 12 mos. \$ 600.00

USAID/La Paz Expenses (Telephone & Courier)
\$100 x 12 mos. \$ 1,200.00 \$ 28,320.00

U-513/21006 - SITE VISITS, DH PERSONNEL
Julio Basualdo/Oscar Carvallo, 10 trips at \$50 \$ 500.00

U-514/21002 - SITE VISITS, AID/W PERSONNEL (2 trips) \$ 5,000.00

U-516/21004 - TRAINING ATTENDANCE
FSNs; 2 Regional Courses \$ 5,000.00

U-517/21005 - CONFERENCE ATTENDANCE
AID Representative (AID/W) \$ 2,700.00

U-518/210 - OTHER OPERATIONAL TRAVEL
1. Regional Controller Staff (4 trips at \$1,200) \$ 4,800.00
2. AOJ Regional Officer (2 Trips) \$ 1,300.00
3. Other (2 Trips) \$ 3,000.00 \$ 9,100.00

U-519/26001 - SUPPLIES AND MATERIALS
Office Supplies \$ 700.00
Spare parts, vehicles \$ 1,500.00
Gasoline, \$150 x 12 \$ 1,800.00
Newspapers, \$50 x 12 \$ 600.00
Uniform, AID Driver \$ 300.00
Others \$ 100.00 \$ 5,000.00

U-599/25910 - MISCELLANEOUS CONTRACTUAL SERVICES
1. Secretarial Services \$ 2,000.00
2. Insurance AID Vehicles \$ 1,000.00
3. Miscellaneous Services \$ 2,800.00 \$ 5,800.00

TOTAL U-500 (OFFICE OPERATIONS) \$ 67,570.00

NON-EXPENDABLE PROCUREMENTS

<u>U-604/31003 - OFFICE FURNITURE</u> (File Cabinets, Bookshelves, Transformers, etc)	\$ 4,000.00
<u>U-605/31005 - Office Equipment</u> (Calculator, Fax Machine)	\$ 2,000.00
<u>U-698/22010 - Freight Code U-600</u>	<u>\$ 1,000.00</u>
TOTAL U-600 (NEP PROC.)	<u>\$ 7,000.00</u>
<u>GRAND TOTAL</u>	<u>\$441,529.44</u>

ANNEX B

USAID/PARAGUAY BUDGET

OPERATING EXPENSES - FY 1995

USAID/PARAGUAY BUDGET
OPERATING EXPENSES - F.Y. 1995

U.S. DIRECT HIRE PERSONNEL

<u>U-111/21201 - POST ASSIGNMENT (TRAVEL)</u>	
New AID Representative and Family	\$ 5,000.00
<u>U112/22001 - POST ASSIGNMENT (FREIGHT)</u>	
New AID/Representative	<u>\$ 20,000.00</u>
<u>TOTAL U-100 (U.S. DH PERSONNEL)</u>	<u>\$ 25,000.00</u>

FOREIGN NATIONAL DIRECT HIRE

U-201/11400 - ADJUSTED BASIC SALARY

1. Program Specialist (11/11)	\$ 33,747.17	
2. Program Specialist (10/12)	\$ 29,925.32	
3. Secretary (7/15)	\$ 14,542.08	
4. Secretary (6/01)	\$ 10,169.00	
	Total ABS	\$ 88,383.57

Plus:

1. Benefits Allowance		\$ 4,392.32
2. Step increases 5% of 88,383.57		\$ 4,420.00
3. Beverage Allowance		\$ 1,873.45
4. <u>13th Month Bonus</u>		
a. Program Specialist	\$ 2,812.26	
b. Program Specialist	\$ 2,493.78	
c. Secretary	\$ 1,211.84	
d. Secretary	<u>\$ 847.42</u>	\$ 7,365.30
5. <u>Winter Bonus</u>		
a. Program Specialist	\$ 2,812.26	
b. Program Specialist	\$ 2,493.78	
c. Secretary	\$ 1,211.84	
d. Secretary	<u>\$ 847.42</u>	\$ 7,365.30
6. 20% Estimated Salary Increase (cumm. FY 94/95)		<u>\$ 22,759.99</u>
	TOTAL U-201	<u>\$136,559.93</u>

U-202/11500 - PREMIUM COMPENSATION \$ 2,000.00

U-204/12900 - INCENTIVE AWARDS, FSNs \$ 750.00

U-204/12903 - RETIREMENT, GOVNT CONTRIBUTION \$ 7,795.48
7% OF ABS (111,364.00)

U-204/12904 - HEALTH INSURANCE, GOVNT CONTRIBUTION \$ 2,000.00

TOTAL U-204 \$ 12,545.48

TOTAL U-200 (FSNs DH) \$149,105.41

CONTRACT PERSONNEL

U-302/11300 - U.S. PSC - SALARY BENEFITS

AID/REP Secretary

Salary:

1. FS-7/1	\$ 23,214.00
2. 20% Estimated Salary increase	<u>\$ 4,642.80</u>
TOTAL U-302/11300	<u>\$ 27,856.80</u>

U-304/11302 - FOREIGN NATIONAL PSC - SALARY/BENEFITS

ADJUSTED BASIC SALARY

1. Accounting Technician (08/04)	\$ 16,990.24	
2. Chauffeur (04/01)	\$ 7,689.74	
3. Chief Accountant (11/08)	\$ 30,444.25	
4. Program Manager (09/01)	\$ 16,292.02	
5. Project Manager (09/01)	<u>\$ 16,292.02</u>	\$ 87,708.27

PLUS:

1. Benefits Allowance		\$ 4,690.46
2. Steps Increases: 5% of \$87,708.27		\$ 4,385.41
3. Beverage Allowance		\$ 2,010.60
4. <u>13th month bonus</u>		
Accounting Technician	\$ 1,415.85	
Chauffeur	\$ 640.81	
Chief Accountant	\$ 2,537.02	
Program Manager	\$ 1,357.67	
Program Manager	<u>\$ 1,357.67</u>	\$ 7,309.02
5. <u>Winter Bonus</u>		
Accounting Technician	\$ 1,415.85	
Chauffeur	\$ 640.81	
Chief Accountant	\$ 2,537.02	
Program Assistant	\$ 1,357.67	
Program Assistant	<u>\$ 1,357.67</u>	\$ 7,309.02
6. 20% Estimated Salary Increase (cumm. FYs 94/95)		\$ 22,682.56
7. Social Security (16.5% of 68,717.00)		\$ 11,338.31
8. Premium Compensation		\$ 1,000.00
9. Site visits (10 trips at \$50.00)		\$ 500.00
10. Health Insurance		\$ 2,500.00
11. Incentive Awards		<u>\$ 750.00</u>
TOTAL U-304/11302		<u>\$152,183.65</u>
TOTAL U-300 (CONTRACT PERSONNEL)		<u>\$180,040.45</u>

HOUSING

U-401/23500 - RESIDENTIAL RENT

\$2,500 x 12 mos. \$ 30,000.00

U-402/23501 - RESIDENTIAL UTILITIES

\$ 500 x 12 mos. \$ 6,000.00

U-403/25900 - MAINTENANCE AND RENOVATION

\$ 1,500.00

U-407/25900 - SECURITY GUARDS

\$ 2,400.00

U-409/25200 - REPRESENTATION ALLOWANCE

\$ 500.00

U-408/25401 - OFFICIAL RESIDENCE ALLOWANCE

\$ 2,000.00

TOTAL U-400 (HOUSING) \$ 42,400.00

OFFICE OPERATIONS

U-508/25904 - Furniture/Equipment/Vehicle Repairs & Maintenance

XEROX Machine	\$ 2,000.00	
PCs	\$ 2,500.00	
Typewriters, Calculators	\$ 150.00	
Furniture	\$ 100.00	
Vehicles	\$ 1,400.00	\$ 6,150.00

U-509/23000 - COMMUNICATIONS

Telephone Fees (ANTELCO)
\$2,000 x 12 mos. \$ 24,000.00

Commercial Courier (DHL)
To Buenos Aires: 4 mailing x 40 x 12 mos. \$ 1,920.00
To USA: 1 mailing x 50 x 12 mos. \$ 600.00
To Bolivia: 1 mailing x 50 x 12 mos. \$ 600.00

USAID/La Paz Expenses (Telephone & Courier)
\$100 x 12 mos. \$ 1,200.00 \$ 28,320.00

U-513/21006 - SITE VISITS, DH PERSONNEL
Julio Basualdo/Oscar Carvalho, 10 trips at \$50 \$ 500.00

U-514/21002 - SITE VISITS, AID/W PERSONNEL (2 trips) \$ 5,000.00

U-516/21004 - TRAINING ATTENDANCE
FSNs; 2 Regional Courses \$ 5,000.00

U-517/21005 - CONFERENCE ATTENDANCE
AID Representative (AID/W) \$ 2,700.00

U-518/210 - OTHER OPERATIONAL TRAVEL
1. Regional Controller Staff
(4 trips at \$1,200) \$ 4,800.00
2. AOJ Regional Officer (2 Trips) \$ 1,300.00
3. Other (2 Trips) \$ 3,000.00 \$ 9,100.00

U-519/26001 - SUPPLIES AND MATERIALS
Office Supplies \$ 700.00
Spare parts, vehicles \$ 1,500.00
Gasoline, \$150 x 12 \$ 1,800.00
Newspapers, \$50 x 12 \$ 600.00
Uniform, AID Driver \$ 300.00
Others \$ 100.00 \$ 5,000.00

U-599/25910 - MISCELLANEOUS CONTRACTUAL SERVICES
1. Secretarial Services \$ 2,000.00
2. Insurance AID Vehicles \$ 1,000.00
3. Miscellaneous Services \$ 2,800.00 \$ 5,800.00

TOTAL U-500 (OFFICE OPERATIONS) \$ 67,570.00

NON-EXPENDABLE PROCUREMENTS

<u>U-604/31003 - OFFICE FURNITURE</u> (File Cabinets, Bookshelves, Transformers, etc)	\$ 4,000.00
<u>U-605/31005 - Office Equipment</u> (Calculators)	\$ 2,000.00
<u>U-698/22010 - Freight Code U-600</u>	<u>\$ 1,000.00</u>
TOTAL U-600 (NEP PROC.)	<u>\$ 7,000.00</u>
<u>GRAND TOTAL</u>	<u>\$471,115.86</u>

ANNEX C

EXISTING AND PROPOSED

ENVIRONMENTAL PROGRAMS/FUNDING SOURCES

EXISTING AND PROPOSED
ENVIRONMENTAL PROGRAMS/FUNDING SOURCES

USAID/Paraguay:

- Sustainable Agriculture, Carlos Pfannl Institute (FY'86-91 \$400,000, FY'89-'93 \$200,000).
- Environmental Education Program, Moises Bertoni Foundation (FY'92 \$150,000, FY'93-'94 \$300,000).

AID/Washington:

- Parks-In-Peril, Moises Bertoni Foundation (FY'92 \$100,000, FY'93-94 \$400,000-600,000).
- Biodiversity Research Grants, (potential FY'93-'94 \$100-200,000).

TDA/Washington:

- Environmental Planning Project, Bay of Asuncion to Ypacarai Watershed, Ministry of Agriculture and Livestock (FY'92 \$670,000).

Peace Corps/Paraguay:

- Forestry & other PCV's (FY'92 \$2 million, FY'93-94 \$4 million).

World Bank: (proposed 1994-1996)

- Natural Resource Management I, Ministry of Agriculture and Livestock (\$45 million), will improve farm incomes and assist in the conservation of natural resources to benefit indigenous communities in the Departments of Alto Parana and Itapua.

IDB (proposed 1994-1996)

Investment: through the Subsecretariat of Natural Resources and Environment of the Ministry of Agriculture (SSERNMA) and private entities.

- Management and Protection of Natural Resources in the Ypacarai Lake Water Shed (\$5 million).
- Control of Contamination Sources in Ypacarai Lake (\$7 million).

- Plantation and Utilization of Energy Source Forests (\$3 million).
- Sustainable Use of Protected Area Buffer Zones, (\$2 million).
- Installation of a National Network for the Monitoring of Watersheds and Selection of Representative Watersheds, (\$3.5 million).

Technical Assistance: through the SSERNMA and the Ministry of Education.

- Environmental Education, Ministry of Education (\$1.5 million).
- Environmental Legislation, technical assistance to the GOP (\$6 million, 4 year duration).
- Environmental Law Enforcement, technical assistance to the GOP (\$2 million).
- Institutional Strengthening, technical assistance (\$2 million).

Government of Paraguay

- "Priority Areas for Conservation in the Eastern Region of Paraguay" (1990): the areas necessary to protect all ecosystems in Paraguay have already been identified in this document, by the Conservation Data Center of MAG. Its recommendations need to be implemented.
- Natural Resource Legislation: new legislation is being drafted to improve existing laws and create new laws for protected areas, wildlife and forestry management. SSERNMA needs assistance with this project.
- SSERNMA will provide limited matching funds to the IDB-funded programs, approx. \$600,000 in technical assistance and approx. \$1.9 million in investment projects.

Other possible funding sources

- Enterprise for the Americas Initiative, "Debt for Environment". The GOP could pay interest (in local currency) on bilateral debt to the USG into an environmental improvement fund in support of reforestation, expansion of national parks and other activities. The GOP bilateral debt totals about \$35 million. To qualify, Paraguay must have an approved Standby Agreement with the International Monetary Fund (IMF), or it's equivalent.

USAID/PARAGUAY
ANNUAL PORTFOLIO REVIEW
(APRIL 1993)

I. OVERVIEW

II. SUMMARY LAC FINANCIAL TABLE

III. ACTIVITY NARRATIVE BY PROJECT

1. TITLE: INTERCOUNTRY TECHNOLOGY TRANSFER

Number: 598-0616.06

Activities:

- Access to Land, Water & Natural Resources 1/
- Conservation Institutional Development 1/
- Natural Resources Conservation Center 1/
- Private Enterprise (IESC) 1/
- Health Systems Management and Accountability 2/
- Demographic Data Initiatives 1/
- Information Resources Center for Development (IRCD) 1/
- Drug Abuse Prevention 2/
- Small Project Assistance (Peace Corps) 2/
- Education Policy Reform 2/
- Development Training and Technical Services 2/
- Trade and Investment Promotion 2/

2. TITLE: HUMAN RIGHTS INITIATIVES

Number: 598-0591.06

Activities:

- Accountability in Government 2/
- Municipal Development 2/
- Legislative Strengthening 2/

3. TITLE: ENVIRONMENTAL SUPPORT PROJECT

Number: 598-0780.06

Activities:

- Environmental Education

4. TITLE: REGIONAL ADMINISTRATION OF JUSTICE PROJECT

Number: 598-0642.06

Activities:

- Training of Judges (USIS/A.I.D. activity) 1/
- Judicial Reform 2/

5. TITLE: LAC TRAINING ACTIVITIES

Number: 598-0640.06

Activities:

- LASPAU Training 1/

6. OTHER AID/W ACTIVITIES:

- IPPF/WH - (CEPEP)
- Association for Voluntary Surgical Contraception (AVSC)
- Population Council-"Investigacion Operativa para America Latina II" (INOPAL II)

1/ in process of project closeout

2/ active project

I. OVERVIEW

This report covers the period May 1, 1992 to February 28, 1993. It describes implementation progress of project activities terminated or on-going. Currently, eleven projects are in process of closeout. In general, projects in Paraguay have met proposed objectives and are on schedule. Highlights include:

-- Under our Accountability in Government initiative, the Health Systems Management and Accountability project is making an important contribution to consolidate the reorganization of the Ministry of Health and to the establishment of a modern budget and accountability system. This activity is expected to be a model for other Ministries. Another modest, but very productive activity started in FY 1993 is the provision of technical assistance to the office of the Controller General to train staff and draft operating procedures.

-- The education sector assessment conducted jointly by the Harvard Institute for International Development (HIID) and the Paraguayan Ministry of Education has become the main tool for education sector policy planning in Paraguay. This activity was strongly endorsed by the IDB and World Bank, which are planning on making substantial loans in the education sector in 1994-1995.

-- The Paraguay-Kansas PARTNERS' Information Resources Center for Development is working as an extension of the USAID/Paraguay office in new projects such as: trade and investment promotion with PRO-PARAGUAY; USAID-funded participant training; and a legislative strengthening activity, with technical assistance from local NGOs and the Centro de Estudios y Asistencia Legislativa (CEAL) of the Catholic University of Valparaiso, Chile. The first two activities are in the initial stages; while the latter has already generated consultations by Chilean experts to the Paraguayan Congress, in-country seminars, and working visits to Chile by legislators, career staff, and media representatives. All have been extremely well-received.

-- Ongoing activities in Judicial Reform, under the sponsorship of the Paraguayan Supreme Court and the Attorney General, include the strengthening of the prosecutorial function, court administration, the public defense system, and training of judges.

-- Two new activities are expected to contribute positively to the democratization process: The Electoral Strengthening project will help to convince the Paraguayan citizenry to vote in the General Elections of May 1993, and an Economic Policy Project will provide advice to all presidential candidates and political parties, and to the new government in August 1993, on how to develop economic and social policies which feature free market principles, as well as a commitment to social justice and the environment.

II. SUMMARY LAC FINANCIAL TABLE

USAID/PARAGUAY
PROJECT FINANCIAL ACTIVITY
AS OF 02/28/93

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SCHEDULE A

Activity Title/Number and Category	Initial/Final Obligation	Estimated Completion Date	Total Activity Cost	Contributions Leveraged	Cumulative Obligations This Report	Obligations This Report Year	Beginning Year Pipeline	Cumulative Accrued Expenditures This Report Year	Accr. Expend. This Report Year	Ending Pipeline
AGRICULTURE										
1. Agrarian Reform (A)	1989/91	June/93	333,034	-	333,034	-	42,242	333,034	42,242	-
Miscosin Land Tenure Center (CEPES) Res. Cont. DHR-5453-8-00-9078-00										
SUB-TOTAL AGRICULTURE			333,034	-	333,034	-	42,242	333,034	42,242	-
ENVIRONMENTAL CONSERVATION										
1. Conservation Institutional Dev (A) 1989 Nature Conservancy (Fund. Moises Bertoni) Agmt 526-0616-G-SS-9001-00	1989	June/93	396,563	277,668	396,563	-	134,751	375,563	43,752	21,000
2. Natural Res. Conservation Center (B) 1989 Salesian Mission (IAS Carlos Pfanni) Agmt 526-0616-G-SS-9002-00	1989	June/93	200,000	195,000	200,000	-	31,926	196,000	27,926	4,000
3. Environmental Awareness (Fundacion Moises Bertoni) Agmt 526-0616-G-SS-2018-00	1992	Sept/95	450,000	339,200	150,000	150,000	150,000	16,765	16,765	133,235
SUB-TOTAL ENVIRONMENTAL CONSERVATION			1,046,563	811,868	746,563	150,000	316,677	588,328	158,443	158,235
PRIVATE SECTOR										
1. Technical Assistance for Private Enterprises (A) International Executive Service Corps, Agmt LAC-0616-A-00-5069-00	1985/91	April/93	600,000	233,628	600,000	-	127,811	533,684	61,495	66,316
\$ 300,000 (FY 85)										
\$ 100,000 (FY 90)										
\$ 200,000 (FY 91)										
SUB-TOTAL PRIVATE SECTOR			600,000	233,628	600,000	-	127,811	533,684	61,495	66,316

II. SUMMARY LAC FINANCIAL TABLE

USAID/PARAGUAY
PROJECT FINANCIAL ACTIVITY
AS OF 02/28/93

Activity Title/Number and Category	Initial/Final Obligation	Estimated Completion Date	Total Activity Cost	Contributions Leveraged	Cumulative Obligations This Report. Year	Beginning Year Pipeline Expenditures	Cumulative Accrued This Report. Year	Accr. Expend. Year	Ending Pipeline
DEMOCRATIC INITIATIVES									
1. Electoral Strengthening (A) Grant No. 526-0591-G-SS-2022	1992	June/93	60,000	22,500	60,000	60,000	40,000	12,575	20,000
2. Legislative Strengthening (A) Grant No. 526-0616-A-00-2019	1992	Dec/95	493,900	30,000	93,620	93,620	30,000	30,000	63,620
3. Assistance to Constituent Assembly Grant No. 526-0591-G-SS-2001	1992	April/93	75,000	69,000	75,000	75,000	75,000	75,000	0
4. Municipal Development (A)	1992	Sept/93	92,000	-	92,000	92,000	30,000	30,000	62,000
5. Accountability in Gov't (A) Grant No. 526-0591-G-SS-2020	1992	Dec/93	100,000	34,000	100,000	100,000	9,429	9,429	90,571
SUB-TOTAL DEMOCRATIC INITIATIVES									
			820,900	155,500	420,620	420,620	184,429	157,004	236,191
ADMINISTRATION OF JUSTICE									
1. Judicial School (A) Grant No. 526-0642-G-SS-0004	1991	April/93	50,000	-	50,000	-	35,000	28,300	15,000
2. AOM/AID/USIS Agreement (A) Agreement dated 5/31/91	1991	June/93	100,000	-	100,000	-	70,000	70,000	30,000
Judicial Reform Grant 526-0642-G-SS-2021	1992	Sept/95	500,000	47,000	142,000	142,000	15,000	15,000	127,000
SUB-TOTAL ADMINISTRATION OF JUSTICE									
			650,000	47,000	292,000	142,000	120,000	113,300	172,000

II. SUMMARY IAC FINANCIAL TABLES

USAID/PARAGUAY
PROJECT FINANCIAL ACTIVITY
AS OF 02/28/93

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SCHEDULE A

Activity Title/Number and Category	Initial/Final Obligation	Estimated Completion Date	Total Activity Cost	Contributions Leveraged	Cumulative Obligations	Obligations This Report Year	Beginning Pipeline	Cumulative Accrued Expenditures	Accr. Expend. This Report Year	Ending Pipeline
EDUCATION AND TRAINING										
1. Information Resource Center Agmt No. 526-0616-A-00-8004-00	1988/90	April/93	450,000	53,900	450,000	100,000	111,825	450,000	111,825	-
			\$135,000 (FY 88)							
			\$115,000 (FY 89)							
			\$100,000 (FY 90)							
2. Information Resource Center 1/ Agmt No. 526-0616-G-SS-2019	1992	Dec/95	1,393,100	120,000	393,400	393,400	393,400	66,700	66,700	326,700
3. IAC Training Initiatives (LASPAU)	1985/89	Sept/94	1,344,953	-	1,344,953	-	104,330	1,284,953	44,331	60,000
4. Education Policy Reform DPE-5832-2-00-9032 (AED)	1992	Dec/92	100,000	-	100,000	100,000	100,000	100,000	100,000	-
SUB-TOTAL EDUCATION & TRAINING										
			3,288,053	173,900	2,288,353	593,400	709,555	1,901,653	322,856	386,700
1/ Includes:										
- Development Training & Technical Services										
- Trade and Investment Promotion										

II. SUMMARY LAC FINANCIAL TABLES

USAID/PARAGUAY
PROJECT FINANCIAL ACTIVITY
AS OF 02/28/93

Activity Title/Number and Category	Initial/Final Obligation	Estimated Total Completion Date	Total Activity Cost	Contributions Leveraged	Cumulative Obligations This Report Year	Obligations This Report Year	Beginning Pipeline Expenditures	Year Accrued	Cumulative Accr. Expend. This Report Year	Ending Pipeline
HEALTH & POPULATION										
1. Health Management (A) Contract LAC-0657-C-07-0051-00 University Research Consortium (URC)	1992	Sept/95	1,300,000	-	600,000	600,000	600,000	80,000	80,000	520,000
2. Drug Abuse Prevention (A) Contract DPE-5834-Z-00-0008-00, Amend. No. 2, Development Associates, Inc.	1990/91	April/93	400,000	-	400,000	-	62,720	347,280	10,000	52,720
3. Demographic Data Initiatives (A) ACMT No. DPE-3046-P-CA-9005	1992	June/93	27,000	-	27,000	27,000	27,000	27,000	27,000	-
SUB-TOTAL HEALTH			1,727,000	-	1,027,000	627,000	689,720	454,280	117,000	572,720
GRAND TOTAL			8,465,550	1,421,896	5,707,570	1,933,020	2,591,925	4,115,408	972,340	1,592,162

III. ACTIVITY NARRATIVE BY PROJECT

1. INTERCOUNTRY TECHNOLOGY TRANSFER
NUMBER: 598-0616.06

A. ACTIVITY TITLE: ACCESS TO LAND, WATER & OTHER NATURAL RESOURCES (ACCESS II)

Estimated Completion Date: July 30, 1993

Implementing Agencies: Wisconsin Land Tenure Center (WLTC) and Center for Sociological Studies (CPES)

B. ACTIVITY PURPOSE: Identify, analyze, and recommend strategy options for addressing land tenure and agrarian reform issues in Paraguay.

C. PROJECT STATUS:

Major Outputs Expected:

Research activities completed and corresponding reports submitted to USAID/Paraguay on:

- Improved models for agrarian reform and rural development based on local experience;
- An analysis and evaluation of past agrarian policies;
- An analysis and evaluation of governmental and non-governmental institutions engaged in agrarian policy formulation and implementation.

Brief Assessment of Activity:

All research activities have been completed, as well as the analysis of past agrarian reform policies and models, and the evaluation of government and non-government organizations involved in policy formulation and implementation. The project has been able to influence some key decisions on land distribution and agrarian reform policies of the government, such as the creation of the \$20 million Peasant Development Fund financed through an IFAD loan to the GOP. USAID/Paraguay approved a no-cost extension through July 30, 1993 to enable the WLTC and its sub-contractor, CPES, to present the results of the project to USAID/Paraguay and various interested organizations in Paraguay.

Category of Activity: A

Corrective Actions Planned: None. Project is in process of closeout.

A. ACTIVITY TITLE: CONSERVATION INSTITUTIONAL DEVELOPMENT

Estimated Completion Date: March 31, 1993

Implementing Agencies: The Nature Conservancy (TNC) and Moises Bertoni Foundation

B. ACTIVITY PURPOSE: Support the institutional development of the Moises Bertoni Foundation to accomplish its mission of conserving the biodiversity of Paraguay.

C. PROJECT STATUS:

Major Outputs Expected:

- Strengthened operational capability of the Moises Bertoni Foundation.
- Conservation programs implemented.
- Major land management and protection actions: creation of two national parks or equivalent reserves; increased number of trained and equipped park guards and supervisors on public reserves; the registration of five private reserves; and development in the buffer zones of the protected areas.

Brief Assessment of Activity:

The Foundation continues making progress in achieving the project's objectives in terms of institutional development, management of the 60,000 hectares Mbaracayu Reserve, and support to the National Parks Directorate (NPD). The Foundation has also been successful in advocating sustainable development and the promotion of public awareness of environmental issues.

Category of Activity: A

Corrective Actions Planned: None, project is in process of closeout.

A. ACTIVITY TITLE/No.: NATURAL RESOURCES CONSERVATION CENTER

Estimated Completion Date: December 31, 1993

Implementing Agencies: Salesian Missions and the Carlos Pfannl Institute

B. ACTIVITY PURPOSE: Establish a Natural Resources Conservation Center at the "Carlos Pfannl" Salesian Agricultural Institute (IAS) in Coronel Oviedo for demonstration and training in agricultural practices with emphasis on environmentally sound irrigation techniques and agro-forestry production.

C. PROJECT STATUS:

Major Outputs Expected:

- Establishment of an Irrigation Demonstration Center and model agro-forestry unit.
- Experimental technology demonstration projects designed by the project technical team and advisors.
- Dissemination of technologies, including: incorporation of new technologies in IAS's curriculum, and training of professionals assigned to the project.

Brief Assessment of Activity:

Using the project-established irrigation system, IAS continues producing commercial crops. Also, completed experimental agro-forestry production modules and demonstration plots allow the use of new combinations of soils, forest and crops. Crops such as yerba mate (Paraguayan tea), coffee, fruit or forest trees, were tested under the project. IAS is compiling research results for publication/distribution.

New technologies have been incorporated into the school's curriculum. Their dissemination among producers has been limited, but the recently established joint IAS/Universidad del Norte university program in Agricultural Science and Technology is a good outlet for these technologies within the technical and farming community. In addition, IAS' future involvement in a training program for extension workers under the World Bank-funded "Consolidation of Rural Colonies" project will expand substantially IAS' ability to disseminate technologies.

Category of Activity: A

Corrective Actions Planned: None, project is in process of closeout.

A. ACTIVITY TITLE: TECHNICAL ASSISTANCE FOR PRIVATE ENTERPRISE (IESC)

Estimated Completion Date: March 31, 1993

Implementing Agency: International Executive Service Corps (IESC)

B. ACTIVITY PURPOSE: Promote enterprise development and expansion through technology transfer.

C. PROJECT STATUS:

Major Outputs Expected:

- Establishment of an IESC operation in Paraguay that can generate full-cost recovery contracts
- A total (revised) of 35 Technical Assistance cases and 18 ABLE investment studies provided to local private enterprises and private sector service organizations.

Brief Overall Assessment of Activity:

Based on A.I.D./Washington's decision during last year's Action Plan Review, IESC operations in Paraguay have been closed. A.I.D.'s decision was greatly influenced by budgetary realities, the need to focus Mission's objectives and activities, and the limited multiplier effect of local IESC operations.

Category of Activity: B. Despite the success of many individual T.A. consultancies, provided to both public and private organizations, IESC was unable to establish a full cost-reimbursable program in Paraguay.

Corrective Actions Planned: None, project has been terminated.

A. ACTIVITY TITLE: HEALTH SYSTEM MANAGEMENT AND ACCOUNTABILITY

Estimated Completion Date: September 30, 1994

Implementation Agencies: University Research Corporation (URC) and the Ministry of Health & Social Welfare.

B. ACTIVITY PURPOSE: To provide technical assistance to the Ministry of Health (MOH) in areas identified in a needs assessment of the MOH conducted in November 1991.

C. PROJECT STATUS:

Major Outputs Expected:

The areas of assistance selected jointly with the MOH are:

- Reorganization/restructuring of the MOH;
- Cost analysis and budgeting;
- Management training;
- Service delivery improvement.

Brief Overall Assessment of Activities:

During the reporting period, the Management Advisor of URC made several visits to Paraguay to: assist the local and international consultants in the organization and presentation of workshops on recurrent costs and public-private collaboration; review progress in the different areas of assistance; discuss key issues with USAID and the MOH; and carry out project administrative/financial tasks.

The USAID Representative and the USAID Project Manager met several times with key staff of the MOH to discuss the progress of the project. In general, the major outputs are being pursued on schedule and with no major problems.

Category of Activity: A

Corrective Actions Planned: None.

A. ACTIVITY TITLE/No.: DEMOGRAPHIC DATA INITIATIVES

Estimated Completion Date: March 30, 1993

Implementing Agencies: U.S. Bureau of Census (BUCEN) and the GOP Office of Statistic, Surveys and Census

B. ACTIVITY PURPOSE: Provide technical assistance in support of the 1992 Paraguay Census of Population and Housing.

C. PROJECT STATUS:

Major Outputs Expected:

17 weeks of technical assistance in questionnaire workflow, data entry, and computer processing.

Brief Overall Assessment of Activity:

The 1992 National Census of Population & Housing was held on schedule August 26, 1992. USAID/Paraguay's contribution of \$27,000 to the centrally-funded

Demographic Data Initiatives, and the \$50,000 leveraged from BUCEN, assured timely consultancies on data validation, control systems for the flow of questionnaires, data entry programs, edit specifications, and data processing system. BUCEN assistance was instrumental in implementing for the first time in Paraguay a population and housing census with good reliability, and it allowed the Dirección General de Estadística, Encuestas y Censos (DGEEC), to publish the preliminary census results as early as November, 1992.

Category of Activity: A

Corrective Actions Planned: None, project is in process of closeout.

A. ACTIVITY TITLE/No.: INFORMATION RESOURCES CENTER FOR DEVELOPMENT (IRCD)

Estimated Completion Date: April, 1993

Implementation Agency: "Partners of the Americas", Paraguay-Kansas Committee

B. ACTIVITY PURPOSE: Establish within the Paraguay-Kansas Committee (PKC) 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, and to promote and improve the effectiveness of voluntary participation in local development efforts.

C. PROJECT STATUS:

Major outputs expected:

- An increase in the number of project proposals developed by the Partnership.
- An increased number of local and international institutions and organizations collaborating with the PKC in project development.
- A larger number of donor agencies involved in Partnership projects.
- Development of revenue-generating programs that contribute to financial sustainability.

Brief Overall Assessment of Activities:

During the five month extension period granted by A.I.D., the IRCD worked to re-align its organization to attain a

satisfactory level of autonomy. It increased its information management capabilities, expanded and trained its staff.

As part of the pre-implementation activities for Legislative Strengthening, the IRCD worked to establish more efficient information sharing mechanisms with local NGOs, such as CIDSEP, Fundacion Paraguaya, Centro de Estudios Democraticos, CEPPO, and The Masters in Business Administration Program of the Catholic University. A delegation from the Centro de Estudios y Asistencia Legislativa of the Catholic University of Valparaiso, visited Paraguay to establish a plan for collaboration with IRCD. Later, two experts from Chile completed an assessment of the Paraguayan Congress.

As part of the pre-implementation activities for trade and investment promotion, the IRCD established an information sharing mechanism with U.S.-based institutions, such as the Department of Commerce of the State of Kansas and the International Trade Institute of Manhattan, Kansas. Contacts were established with Pro-Chile, and the Corporacion de Cooperacion Tecnica Internacional of Chile, to arrange hiring of experts to assist local entrepreneurs.

In the area of Training and Technical Services, the IRCD established: applicant screening procedures, training program dissemination strategies, pre-departure orientation session formats, mechanisms for progress follow-up, and placement information management.

Category of Activity: A

Corrective Action Planned: None, project is being closed-out.

A. ACTIVITY TITLE/No.: DRUG ABUSE PREVENTION

Estimated Completion Date: March 31, 1993

Implementation Agency: "Partners of the Americas", Paraguay-Kansas Committee, Development Associates, Inc. (DAI) ("Project MARANDU")

B. ACTIVITY PURPOSE: Provide support and technical assistance services to Project MARANDU to move ahead in institutional strengthening and with programmatic activities.

C. PROJECT STATUS:

Major outputs expected:

- Mobilize public and private sector agencies through a coalition-building process aimed at the creation and strengthening of a National Prevention Network.
- Develop and conduct training in prevention program planning, management and evaluation for NGOs.
- Develop and implement a strategy for attaining financial sustainability through external and local funding sources.
- Disseminate the results of a national epidemiological study on the prevalence of drug abuse in Paraguay.

Brief Overall Assessment of Activities:

The recent studies of drug abuse in Paraguay reveal a serious problem among all socio-economic groups. A National Survey of Drug and Alcohol Abuse in Paraguay conducted in 1991, and a public opinion survey on drugs conducted in the municipality of Lambare, Asuncion in July, 1992, confirm that a strong predilection to illicit drug abuse exists, especially among youth. To institutionalize the National Drug Abuse Prevention Program, and to achieve long term sustainability, technical assistance was provided by DAI in:

- The development of a National Drug Prevention Plan under the auspices of the National Secretariat Against Drugs (SENAD), with the participation of the Ministry of Health as lead prevention agency for the public sector, other GOP agencies and NGOs. This initiative also included the creation of a national network of public and private sector organizations.
- The second strategic planning seminar which resulted in the formation of a formal NGO-GOP technical advisory council, which is working closely with SENAD to develop a National Prevention Plan. In addition, Project MARANDU organized a coordinating group of NGOs working in the area of drug abuse prevention and treatment. MARANDU acts as Secretariat of this group which holds regularly scheduled meetings. In 1992, Project MARANDU organized 33 events (workshops for health promoters, seminars for teachers, parents and students) with a total of 1,401 participants. It also disseminated the results of the epidemiological study in the media as well as drug prevention messages.

Category of Activity: B

Corrective Action Planned: Project MARANDU is still very far from financial independence from USAID/Paraguay but is trying hard to solicit new lines of financial assistance.

A. ACTIVITY TITLE/No.: SMALL PROJECT ASSISTANCE (SPA)

Estimated Completion Date: N/A

Implementing Agency: Peace Corps/Paraguay

B. ACTIVITY PURPOSE: Finance village-level activities developed by Peace Corps Volunteers to support self-help community projects.

C. PROJECT STATUS:

Brief Overall Assessment of Activity:

The SPA project continues to be well managed by Peace Corps and has achieved its objectives in health-related activities and other areas. Peace Corps and USAID/Paraguay have agreed to focus future joint activities on the environment.

Category of Activity: A

Corrective Actions Planned: None

A. ACTIVITY TITLE/NO.: EDUCATION AND POLICY REFORM

Estimated Completion Date: December 30, 1992

Implementing Agency: The Harvard Institute for International Development (HIID) and the Centro Paraguayo de Estudios Sociologicos (CPES).

B. ACTIVITY PURPOSE: To provide technical assistance to the Ministry of Education in areas related to Education Reform in Paraguay.

C. PROJECT STATUS

Major Outputs Expected: The technical assistance will:

- Develop a base-line sector description of the status and operation of the education system of Paraguay, that can be used to assess progress in the future. It is expected to:

- * Identify policy priorities for education reform.
 - * Develop strategies to address those priorities.
 - * Identify priority areas for further policy analysis and research.
- Provide policy recommendations for inclusion in the agenda of a National Education Congress in November 1992.

Brief Overall Assessment of Activities:

The purpose of the project was fully met on schedule. The Sector Assessment became the main tool used by the Ministry to plan the National Congress and is the seminal document available for education planners and donors. USAID/Paraguay is considering the possibility of a follow-on activity in FY 1993. USAID/Paraguay's work is strongly endorsed by the World Bank and the IDB, which are prepared to make substantial loans in the education sector in 1994-1995.

Category of Activity: A

Correction Actions Planned: None

A. ACTIVITY TITLE: DEVELOPMENT TRAINING AND TECHNICAL SERVICES

Estimated Completion Date: December 31, 1995

Implementing Agency: Information Resources Center for Development of the Paraguay-Kansas Committee (IRCD).

B. ACTIVITY PURPOSE: To create a cadre of Paraguayans well-trained in economic planning and business management, and in other selected fields.

C. PROJECT STATUS

Major Outputs Expected

- Long-term academic training consisting of nine to twenty four months programs in Economics and Business Management in Chile, Costa Rica and the United States. Ph.D. level programs may be considered on a case by case basis.
- Short-term training courses in areas related to economics and business management.

- Professional exchanges and consultant services targeted at institutional strengthening of in-country capacity in economic planning and business management.
- A long-term output expected is the creation of a "Leadership Fund for Growth and Development" to which Paraguayan public and private entities and other donors will be encouraged to contribute.

Brief Overall Assessment of Activities:

The selection of long-term participants is in process. It is expected that with funds available for FY 1992, at least two participants will be sent to U.S. universities, two to INCAE/Costa Rica, and four to Chilean universities. About ten short-term candidates will be selected and sent to the same countries.

Category of Activity: A

Correction Actions Planned: None

A. ACTIVITY TITLE/NO.: TRADE AND INVESTMENT PROMOTION

Estimated Completion Date: December 31, 1995

Implementing Agency: Information Resources Center for Development of the Paraguay-Kansas Committee (IRCD) and PRO-PARAGUAY.

B. ACTIVITY PURPOSE: Strengthen private sector leadership in trade and investment promotion by increasing the number of private U.S. and Paraguayan firms doing business through PRO-PARAGUAY

C. PROJECT STATUS:

Major Outputs Expected:

- Coordination of six US-Paraguay trade missions, three visits of US businessmen to Asuncion, and three visits of Paraguayan businessmen to the US.
- Production of promotional materials, including printed catalogs and video films on Paraguay and on the firms to be promoted.
- At least five investment project profiles to inform U.S. businesses of investment possibilities in Paraguay, and to help local firms obtain financial resources from international or local institutions,

- Organization of an Export and Business Council to promote more diversified exports.
- Market research to be produced on demand and on a cost-sharing basis with interested businesses.

Brief Overall Assessment of Activities:

The first tranche of USAID-funded assistance has been used by PRO-PARAGUAY to contract experts from PRO-CHILE, the very successful Chilean Export Promotion Agency. Specifically, PRO-CHILE provided the following management consultants:

- | | | |
|---|---|---------|
| 1. Organizational Structure | - | 1 week |
| 2. Export Promotion Techniques | - | 2 weeks |
| 3. Organizing and managing a Commercial Attache network | - | 1 week |
| 4. Promotion of garment exports | - | 2 weeks |
| 5. Promotion of tropical fruits and vegetable exports | - | 2 weeks |

Two more experts are due in late March for six weeks to help put together export promotion marketing plans for PRO-PARAGUAY's Garment and Fruit and Vegetable Export Committees.

Category of Activity: A

Correction Actions Planned: None

2. HUMAN RIGHTS INITIATIVES

NUMBER: 598-0591.06

A. ACTIVITY TITLE: ACCOUNTABILITY IN GOVERNMENT

Estimated Completion Date: December 31, 1993

Implementing Agency: USAID/Paraguay and the GOP Controller General (CGP)

B. ACTIVITY PURPOSE: To strengthening the Office of the Controller General of Paraguay.

C. PROJECT STATUS:

Major Outputs Expected:

Improve and extend the capacity of the CGP to oversee and account for GOP expenditures by providing consultant services in:

- Preparation of principles, policies and technical norms;
- Preparation of internal rules of the CGP and of public sector entities;
- Training and professional development of CGP staff, including modern governmental accounting and auditing; and
- Development of GOP auditing procedures.

Brief Overall Assessment of Activities:

A Limited Scope Grant Agreement was signed with the CGP on September 21, 1992 to continue the previous assistance provided by an Ecuadorian consultant, under two short-term assignments, to help analyze the steps necessary to improve and extend the capabilities of the office of the CGP to investigate, audit, analyze, monitor, and report on public expenditures.

The consultant began his extended assignment on January 4, 1993.

In general terms, the Controller General of Paraguay is very pleased with the services of the consultant, he has informed to USAID/Paraguay officials that the documents prepared and advice provided by the consultant have been very useful in his strategic planning and staff improvement.

Category of Activity: A

Corrective Actions Planned: None

A. ACTIVITY TITLE/No.: MUNICIPAL DEVELOPMENT

Estimated Completion Date: September 30, 1992

Implementing Agency: USAID Regional Housing and Urban Development Office (RHUDO)/Quito

B. ACTIVITY PURPOSE: Design and implement a series technical seminars on municipal development in support of Paraguay's democratic transition.

C. PROJECT STATUS:

Brief Overall Assessment of Activity:

RHUDO is analyzing Paraguay's municipal systems to design and implement a series of technical seminars on the role of municipal government in Paraguay. The first seminar was held in October, 1992. The second seminar is scheduled for April 1993. Technical experts in municipal government will participate with Paraguayan and NGO representatives

Category of Activity: B

Corrective Actions Planned: Project originally envisioned four seminars, but only three can be arranged given limited financial resources.

A. ACTIVITY TITLE/NO.: LEGISLATIVE STRENGTHENING

Estimated Completion Date: December 31, 1995

Implementing Agency: Information Resources Center for Development of the Paraguay-Kansas Committee (IRCD)

B. ACTIVITY PURPOSE: To establish a cooperative mechanism, between the CENTRO DE ESTUDIOS Y ASISTENCIA LEGISLATIVA (CEAL), of the Catholic University in Valparaiso, Chile, IRCD, and local organizations to provide information, technical assistance and training to modernize the legislative process in Paraguay and to create constructive relationships among the legislature, the universities and NGOs.

C. PROJECT STATUS:

Major Outputs Expected:

- Approximately six training activities and twelve exchange programs, in-country and in Chile, for congressional staff and selected journalists,
- Organizational development activities, including a diagnosis of the functioning of the Paraguay Congress, and preparation of personnel policies,

- Information and publications services to assist the Paraguayan Congress establish a referral-information system, a constituency information service, appropriate software for use in selected tasks, and data collection activities.

Brief Overall Assessment of Activities:

The IRCD and CEAL signed an agreement for the joint implementation of the Legislative Strengthening project in Paraguay on October 1992. The project is known locally as "LEGISLACION 2000".

LEGISLACION 2000 initiated its activities with a study of the functioning of the Paraguayan Congress. The study was conducted by two experts from CEAL, in collaboration with congressional staff.

Two journalists and two high ranking congressional staffers visited the Chilean Congress at Valparaiso to exchange experiences with their counterparts and acquire important first-hand information on the organization of a modern legislative administration.

Following the visit of the Paraguayans to Chile, a seminar for congressional staff was held in Asuncion with the participation of the Secretary of the House of Representatives of Chile, CEAL experts, and representatives of Paraguayan NGOs involved in legislative assistance services.

Category of Activity: A

Corrective Actions Planned: None

3. ENVIRONMENTAL SUPPORT PROJECT
NUMBER: 598-616.06

A. PROJECT TITLE/NO.: ENVIRONMENTAL EDUCATION

Estimated Completion Date: September 30, 1995

Implementing Agency: Moises Bertoni Foundation (FMB)

B. ACTIVITY PURPOSE:

To develop an awareness in Paraguayans of the environmental problems that exist in their country and assist them in taking action to solve these problems, at the local and national levels. Project purpose will be achieved primarily through training workshops for "change

agents" at all levels, through the mass media, and conferences.

C. PROJECT STATUS:

Preliminary project activities began with development in greater detail of the Action Plan; hiring project staff; and determining baseline and target data for monitoring and evaluation of the project. The USAID/Paraguay Project Manager also conducted a meeting between the USAID/Paraguay Chief Accountant and FMB administrative staff to review the Standard Provisions of the Agreement and answer questions they had about reports, cash advances, and reimbursements.

The first workshop was carried out February 18-19, to present basic information on the "Environmental Situation in Paraguay" and "Environmental Education Strategies", plan future training workshops for "change agents", and develop materials to be presented through the mass media and conferences directed at the general public. Participants will include environmental education specialists, journalists, educators and representatives of governmental and non-governmental conservation organizations.

Category of Activity: A

Corrective Actions Planned: None

4. REGIONAL ADMINISTRATION OF JUSTICE
NUMBER: 598-0642.06

A. ACTIVITY TITLE No: JUDICIAL REFORM

Estimated Completion Date: September 30, 1995

Implementing Agency: The Supreme Court and Attorney General of Paraguay.

B. ACTIVITY PURPOSE: The purpose of this project is to strengthen further the Paraguayan Judicial Sector.

The project will focus on the near-term improvement of court administration, the prosecutorial and defense functions and in forming a strategy for longer-term improvement of the Judicial Sector.

C. PROJECT STATUS:

Major Outputs Expected:

- Formation of a Permanent Working Group and production of an Action Plan.
- Design and installation of one integrated program for the systemization of legal information and operational aspects of the justice sector.
- Design of an apolitical merit-based system for choosing and promoting judges, prosecutors, and public defenders.
- Design and initiation of a program for strengthening the administration of the court system.
- Design of a program for the improvement of the prosecutorial and defense functions.
- Design of a judicial training program and its implementation.
- Establishment of a Human Rights Document Reference Center.

Brief Overall Assessment of Activities:

The first activity under this grant was a workshop on Judicial Reform held in November of last year, in which officials of the Paraguayan justice system reviewed the current situation of the sector to make recommendations, determine priorities, and establish the basis for an Action Plan for the first stage of the project.

The Judiciary and the Public Ministry formed a Permanent Working Group to prepare the seminar, based on the Checchi and Co. Consulting Inc. report and recommendations. Based on the seminar proceedings, an Action Plan for the period January-September, 1993 was prepared and is now being implemented.

The Supreme Court is procuring a central computer unit to link the various computers available within the Judiciary in a network that will permit the criminal courts access to the Supreme Court data bank. Some A.I.D. grant funds were budgeted for the purchase of software and additional equipment.

The new Constitution created the Judicial Council (Consejo de la Magistratura) and conferred appointment powers upon it, but leaves to executive action the regulation of the

process. USAID/Paraguay is providing technical assistance to design a system for choosing the personnel of the Judiciary and the Public Ministry.

The system will be discussed in early March in a seminar of judges from all over the country. The recommendations of the seminar will then be presented to the Judicial Council for adoption as soon as that body is constituted next August. This could be the most important element in promoting continued upgrading of the Judiciary in the next five years.

The second highest priority of the project is the follow-up of the Chile-Paraguay court administration and training connection. The Chilean Judiciary's Corporacion Administrativa del Poder Judicial has offered full cooperation and collaboration to the Supreme Court of Paraguay. USAID/Paraguay will send several key members of the Paraguay reform group for a one-week stay in Santiago, in April 1993, to review advances in administrative upgrading and decentralization, automated case tracking system, and training methodology used in Chile.

Category of Activity: A

Corrective Actions Planned: None

- A. ACTIVITY TITLE/No.: REGIONAL ADMINISTRATION OF JUSTICE PROJECT Training of Judges (USIS/AID Activity)

Estimated Completion Date: Sept 30, 1993

Implementing Agency: United States Information Service (USIS)

- B. ACTIVITY PURPOSE: To expose Paraguayans active in the judicial system to relevant U.S. institutions, expertise, and experience.

- C. PROJECT STATUS:

Major Outputs Expected:

- two group of international visitors to the United States
- two academic specialists to Paraguay
- one American participant

Brief Overall Assessment of Activities:

Two criminal judges and two prosecutors participated in the first observation tour to the United States under the Group International Visitors Project, in June 1992.

Building on the enthusiasm for modernization generated by this tour, the Supreme Court and the Public Ministry formed a Permanent Working Group of young judges and prosecutors to manage the judicial reform project. This group is working under the leadership of the four participants.

Dra. Maria Sol Zucolillo de Vouga, member of the Labor Appellate Court, participated in the Fourteenth Annual Conference of the National Association of Women Judges in San Diego, California from October 9-12, 1992. In connection with this trip, she was granted one working week under the voluntary visitor program. She visited State and U.S. District Courts, meeting with judges and practicing attorneys. She is also participating actively in the working group formed in the judiciary.

The activity permitted the exposure of young judges and prosecutors to the U.S. Judicial System and experience, generating enthusiasm for modernization of the courts, and a strong motivation to initiate reforms such as the use of oral argument, plea-bargaining, court administration. The experience in Puerto Rico made a special impression.

Category of Activity: A

Corrective Actions Planned: None

5. LAC TRAINING ACTIVITIES
NUMBER: 598-0640.06

- A. ACTIVITY TITLE: PARTICIPANT TRAINING
- B. ACTIVITY PURPOSE: To train students at MBA level
- C. PROJECT STATUS:

Major outputs expected:

With the \$100,000 obligated in FY'89 for training programs, three candidates from the Catholic University of Asuncion will obtain MBA degrees in the United States.

Brief Overall Assessment of Activities:

At present, there are no A.I.D.-funded graduate students studying in the United States. Two of the students financed with the \$100,000 obligated in FY'89 are back in Paraguay teaching at the Catholic University of Asuncion, and holding important positions, one in the private sector, and the other one in the public sector. One is still in the United States doing on-the job training at a private bank in Miami. He is expected to return in 1993.

Worth mentioning is a lady graduate at the Ph.D. level in Public and International Affairs. She is now managing an important Executive Master in Business Administration program of the Catholic University since she graduated in August 1992.

Category of Activity: A

Corrective Action Planned: None, project is being closed-out.

6. OTHER AID/W ACTIVITIES

A. ACTIVITY TITLE/NO.: FAMILY PLANNING PROGRAM/IPPF Transition Project

Estimated Completion Date: January 31, 1995

Implementing Agency: Centro Paraguayo de Estudios de Poblacion (CEPEP) and International Planned Parenthood Federation/Western Hemisphere Region (IPPF/WHR).

B. ACTIVITY PURPOSE: To provide voluntary family planning services through CEPEP clinics in Asuncion and the interior.

C. PROJECT STATUS

Major Outputs Expected:

- Implementation of new and reorganization of existing service delivery sites.
- Improvement of quality and care.
- Development of a sustainability plan for the IPPF/CEPEP Transition Project by March 1993.

Brief Overall Assessment of Activities:

The Transition Project, a new five year AID/W funded project with International Planned Parenthood Federation, is working with CEPEP on significant re-organization of family planning services to improve quality; activities to decrease costs and increase efficiency; and effective cost-recovery schemes. These activities are crucial to the survival of CEPEP, as A.I.D. decreases population funding to the LAC Region.

Category of Activity: B

Correction Actions Planned: None.

- A. ACTIVITY TITLE/NO.: VOLUNTARY SURGICAL CONTRACEPTION (AVSC).

Estimated Completion Date: July 31, 1993.

Implementing Agency: Association of Voluntary Surgical Contraception (AVSC), Ministry of Health (MOH), Centro Paraguayo de Estudios de Poblacion (CEPEP), and the Pan American Health Organization (PAHO).

- B. ACTIVITY PURPOSE: AVSC's major emphasis in Paraguay is to make postpartum surgical contraception services available to high-risk women on a voluntary basis.

FY 1992 activities included the creation of a family planning model center and training demonstration site for family planning activities, under the auspices of the Ministry of Health.

- C. PROJECT STATUS:

- a) AVSC SUB-AGREEMENT 9PAR-05-SV-1-A, PARAGUAY) Voluntary Surgical Contraception Service Program for High Reproductive Risk Clients in Paraguay.

Major Output Expected:

Implementation by CEPEP of low-cost, quality VSC services for high reproductive risk requestors in Paraguay through laparoscopy and minilaparotomy.

Brief Overall Assessment of Activities:

Even though the services provided under this project are satisfactory, the number of procedures decreased during early 1992, as a result of the change of site of the CEPEP clinic, and the average subsidized cost per procedure

which produced a deficit for CEPEP. This project terminated in October 1992. CEPEP has continued the services with its own funds and hopes to receive new funds from A.I.D., through IPPF Transition Project funds. CEPEP reported that the number of procedures is increasing and it expects to reach the normal level of about procedures per month during 1993.

- b) AVSC SUB-AGREEMENT (PAR-06-SV-01-A, PARAGUAY). Creation of a Model Family Planning Center in the Ministry of Health.

Major Outputs Expected:

To create a family planning model center and training demonstration site at a Ministry of health hospital in Asuncion.

Brief Overall Assessment of Activities:

For the first time, AVSC is conducting a family planning project with the Ministry of Health. The project includes the provision, on a voluntary basis, of permanent methods for high obstetric risk requestors, an activity that can be considered as a true breakthrough, as for the first time, the Ministry has officially permitted VSC as a program, and accepted international cooperation for such purpose.

The surgical area of the model center equipped by AVSC is in operation. A number of physicians have been trained and have already performed minilaparotomies using the local anesthesia and sedation technique. The Family Planning Program was reorganized and an additional consultation room has been assigned to the program. Ministry's officials and the Director and hospital staff are enthusiastic and expressed their satisfaction with the program.

Category of Activity: A

Corrective Actions Planned: None.

- A. ACTIVITY TITLE/NO.: THE POPULATION COUNCIL - INOPAL II

Estimated Completion Date: April 30, 1993

Implementing Agency: The Population Council (PC) and Centro Paraguayo de Estudios de Poblacion (CEPEP).

B. ACTIVITY PURPOSE: To develop low-cost tools to improve the quality of care for rural, community-based delivery in Paraguay.

C. PROJECT STATUS:

Major Outputs Expected:

- Specific behavioral norms for the promoters and two low cost practical tools designed to improve the quality of care.
- A job aid guidebook containing the behavioral norms and technical indications.
- A feedback instrument consisting of role-playing episodes through which the supervisor can shape the promoter's service behavior.

Brief Overall Assessment of Activities:

The above outputs have been completed and have been tested during visits of PC consultants. The consultants have also been training promoters and making the necessary adjustments to the norms and instruments based on field tests.

It is expected that the project will be terminated satisfactorily by the PACD.

Category of Activity: A

Correction Actions Planned: None