



USAID/PARAGUAY

ACTION PLAN

FY 1995 - 1996

BEST AVAILABLE

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AMBASSADOR'S STATEMENT

Like the emerging democracies of Eastern Europe and the former Soviet Union, Paraguay's own maiden democratic voyage is well in train.

In August 1993 Paraguay inaugurated its first elected, civilian president. For the first time, an opposition-controlled Congress is challenging the status quo and grappling with fundamental issues of economic policy, "good governance", poverty, the environment, and social justice. Newly-elected governors face a daunting challenge of democratization in a country with a long history of top-down governance.

While the level of citizen pressure for democratic change is notable, there are special interests who would prefer to protect their long-standing privileges and, so, constitute an obstacle to broad based sustainable development and good governance.

The United States is respected in Paraguay as a champion of human rights and a key supporter of democratic and economic reform. We must be ready to demonstrate in concrete terms our continued commitment to the democratic process in a country where basic institutions of governance remain fragile.

I think that the Action Plan for FY 1995-96 describes a realistic "sustainable development" assistance program. Coupled with other USG programs such as the Peace Corps, the Trade and Investment Agency and the Inter-American Foundation, USAID can help Paraguay fortify its democratic transition, become more productive, and address serious social problems.

I believe that the funds requested in the Action Plan, including the \$10 million housing guarantee in FY 1996, are a good investment and in our national interest.



Jon D. Glassman
Ambassador

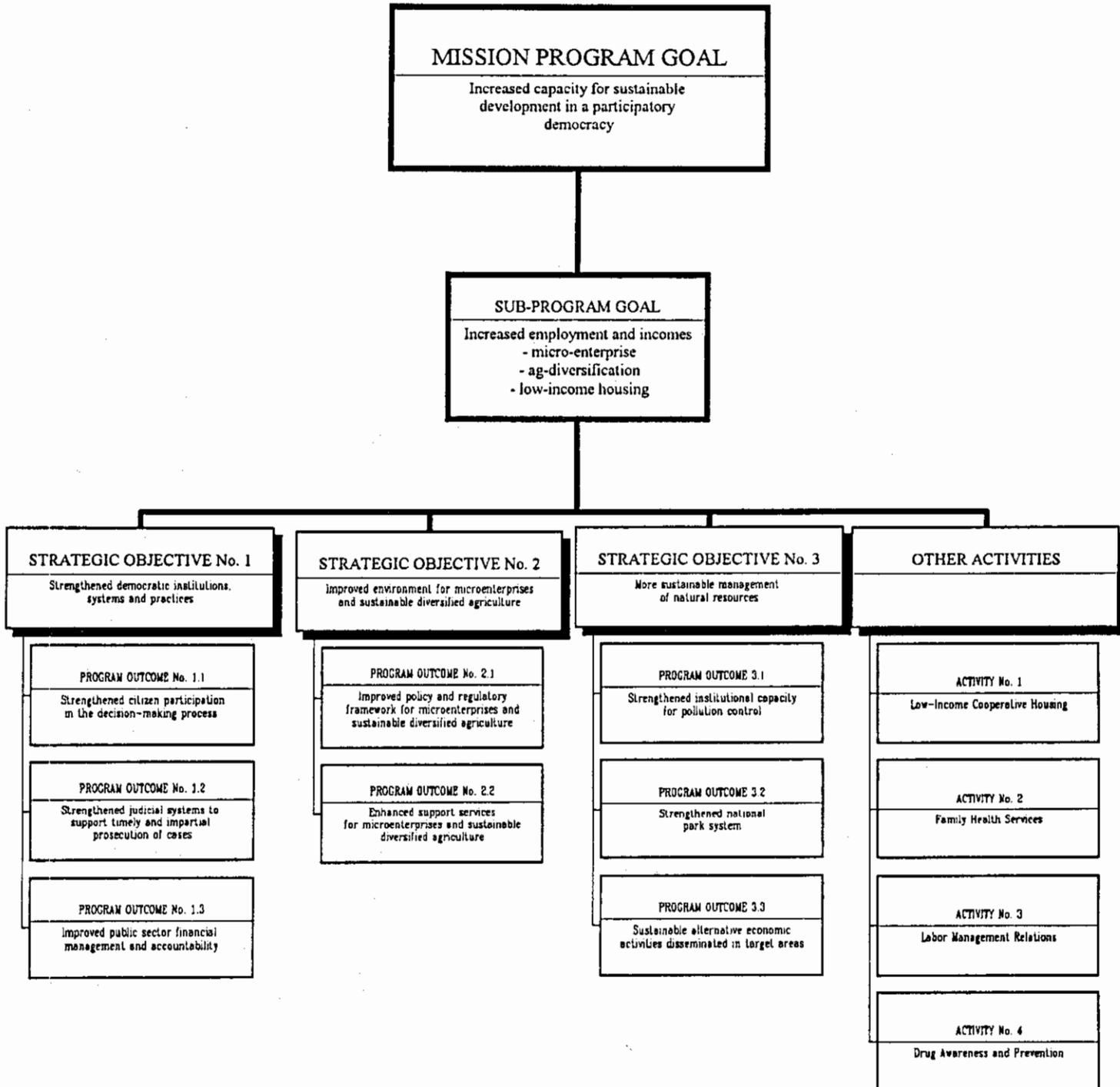
GLOSSARY

- AVSC Association for Voluntary Surgical Contraception
- CEPEP Centro Paraguayo de Estudios de Poblacion (Paraguayan Center for Population Studies)
- CEPPO 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)
- CGRP Contraloria General de la Republica del Paraguay (Controller General of Paraguay)
- CIRD Centro de Informacion y Recursos para el Desarrollo (Information Resources Center for Development)
- CITES Convention on the International Trade of Endangered Species
- CREDICOOP Central Cooperativa Nacional (National Federation of Cooperatives)
- CUT Central Unitaria de Trabajadores (Central Workers Union)
- DAI Development Associates, Inc.
- DECIDAMOS A Paraguayan NGO devoted to civic education
- FMB Fundacion Moises Bertoni
- FONPLATA Fondo para el Desarrollo de la Cuenca del Plata (Fund for the Development of the River Plate Basin)

- GOP Government of Paraguay
- ICMA International City Managers Association
- IPPF/WHR International Planned Parenthood
Federation/Western Hemisphere Region
- IAS Instituto Agropecuario Salesiano (Salesian
Agronomic Institute)
- IDB Inter American Development Bank
- IDM Instituto de Desarrollo Municipal (Municipal
Development Institute)
- INTN Instituto Nacional de Tecnologia y
Normalizacion (National Institute of Standards
& Technologies)
- JICA Japan International Cooperation Agency
- LEGISLACION The name of the project managed by the CIRD,
2000 related to Legislative Strengthening
- MAE/UCA Master en Administracion de
Empresas/Universidad Catolica (Masters in
Business Administration/Catholic University)
- MOH Ministry of Health
- NDI National Democratic Institute
- OAS Organization of American States
- PROJECT The name of the project related to Drug
MARANDU Awareness
- PACD Project Assistance Completion Date
- PAHO PanAmerican Health Organization
- PRO-CHILE A Chilean organization engaged in export
promotion
- PRO-PARAGUAY Paraguayan organization engaged in export
promotion
- SAKA A Paraguayan NGO engaged in civic education
- SENAD Servicio Nacional Antidrogas (National Antidrug
Service)

- SINASIP Sistema Nacional de Areas Silvestres Protegidas del Paraguay (National System of Protected Wilderness Areas of Paraguay)
- TDA Trade and Development Agency
- TNC The Nature Conservancy
- UNFPA United Nations Fund for Population Activities
- UNICEF United Nations Children's Education Fund
- WB World Bank
- WLTC U. of Wisconsin Land Tenure Center

USAID/Paraguay Objective Tree



SECTION I. A Strategic Overview of the Environment for Development

United States Government Objectives in Paraguay

The USG's major policy objectives in Paraguay are: 1) strengthen democracy; 2) eradicate the trafficking and use of drugs; and 3) promote economic growth. The USAID/Paraguay economic assistance program, proposed 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 country's first non-military government in modern history, to solidify the democratic transition, adopt sound economic policies, and govern with a commitment to equity, social justice and accountability to the citizenry.

The stage is set for meaningful "sustainable development" in Paraguay. A modest, well-focused USAID program, which concentrates technical assistance and training on a selected combination of inter-connected activities, can have a lasting positive impact.

USAID/Paraguay is leveraging its modest budget for maximum impact. USAID has taken the lead, for example, with the InterAmerican Development Bank and the World Bank in legislative and judicial strengthening, local governance/municipal development, and in the social sector -- health services and basic education. Also, by using host-country and third-country sources of technical assistance and training -- especially Chile -- USAID/Paraguay makes each assistance dollar go farther.

USAID/Paraguay also utilizes non-governmental organizations (NGOs) whenever feasible. Approximately 75 percent of the program is administered through local private voluntary entities, such as the "Partners of the Americas", the Moises Bertoni Foundation, and the Center for the Promotion of Economic Liberty and Social Justice (CEPPRO)

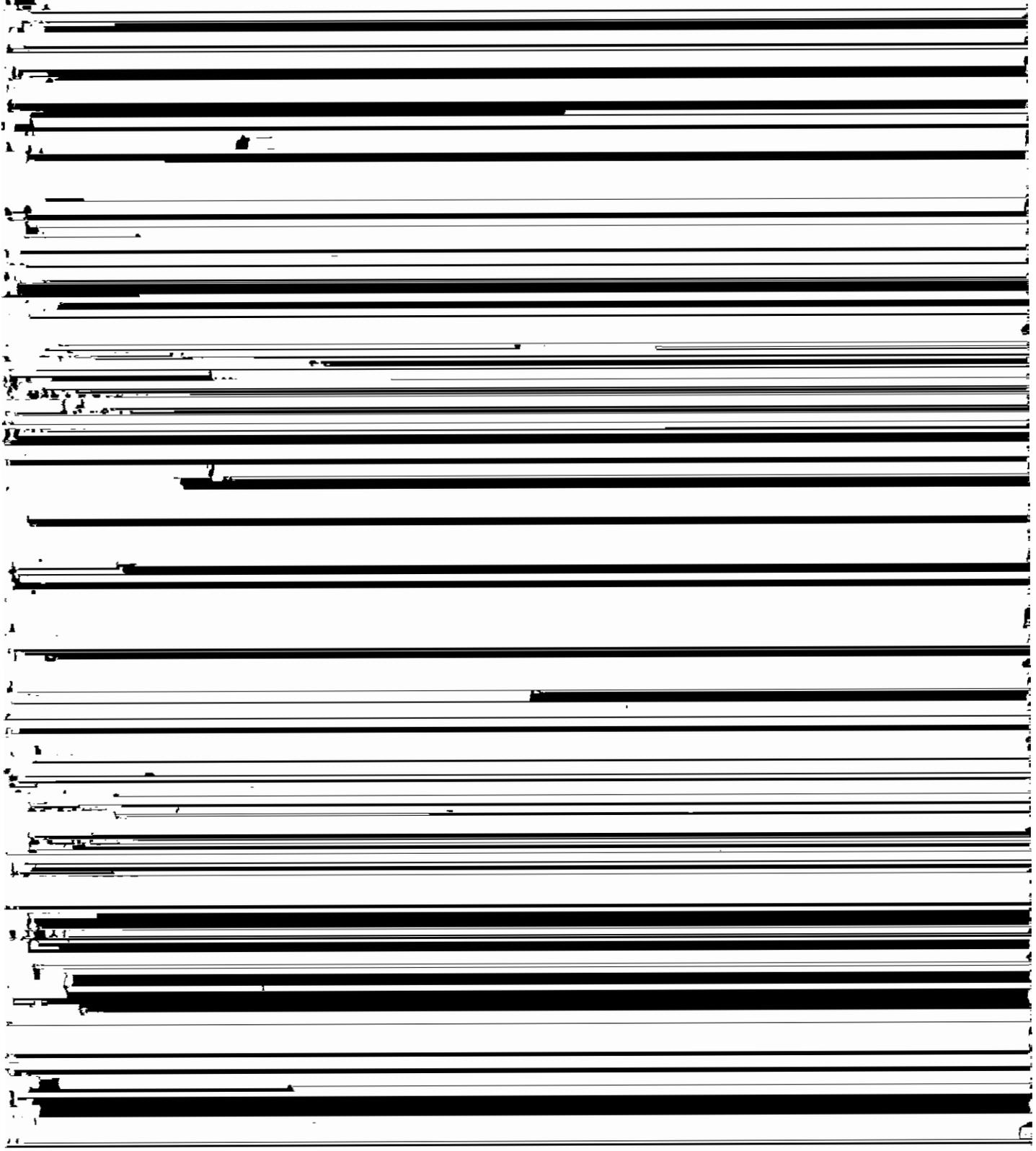
The Democratic Transition

Since the overthrow of the dictator Stroessner in 1989, Paraguay has enjoyed a free press and active media. Human rights have improved, although some problems persist. A new Constitution was promulgated in 1992, and Paraguay inaugurated its first democratically elected civilian president in modern history in August 1993.

Paraguay continues its remarkable transition toward democracy and a market economy. The nation's democratic institutions -- the judiciary, the congress, the executive branch -- show

signs of confidence and maturity but remain fragile.

USAID/Paraguay is well-positioned to influence the transition and strengthen democratic institutions. With assistance from the Center for Legislative Studies and Assistance (CEAL) of the Catholic University in Valparaiso, Chile, the Paraguayan legislature continues its modernization program. The newly elected Congress has expanded its budget



Stroessner ignored the social sector. The Ministries of Health and Education become highly politicized and the quality of both health and education suffered. Today, Paraguay has the second highest birth rate in South America, 3.1¹ percent, only 46 percent of the urban population and only 7 percent in rural areas have access to safe water. A mere 35 percent study beyond the 6th grade. Functional illiteracy is estimated at 60 percent¹. Only 32.7² percent of eligible women of reproductive age have access to safe, voluntary family planning.

In higher education, the nation's universities are lacking full-time, trained faculty. Mutually-reinforcing relations between labor and management do not exist. In the agriculture sector, land reform has not occurred, and there is an alarming outmigration to Argentina and Brazil by the rural unemployed.

Due in part to the growing informal economy, the reported per capita income of \$1,215³ for 1992, masks an actual vast disparity between a wealthy three to five percent and the majority of the population. There is a small middle class, which is only now beginning to demand political change.

Economic Growth

The gross domestic product registered an increase of 3.7⁴ percent in 1993 representing an important reversal in GDP growth behavior from the previous three-year decline and negative GPD per capita output in the last two years. This is the first time since 1989 that the economy showed positive real economic growth, given the country's annual population growth rate of three percent.

During 1993 the GOP paid 222 million dollars in debt service to foreign creditors, representing a 65 percent drop when compared to the amount paid in 1992 when payment arrears were erased. At the end of 1993, outstanding foreign debt stock was reduced to a total amount of 1,227 million dollars -- one of the lowest figures in Latin America.

A goal of the Wasmosy Government is to make the economy more

¹ Center for Social Studies (CPES), "Economic and Social Indicators of Paraguay", March 1992

² Center for Population Studies (CEPEP)

³ Estimated by CEPPRO

⁴ U.S. Embassy estimate

productive. In Paraguay, a relatively small portion of the gross domestic product derives from industry. About 95⁵ percent of total exports are agro-based with cotton, soybeans and cattle the main foreign exchange earners. But decades of over-dependence on cotton and livestock have taken their toll on the environment. And stagnation in the rural sector has caused an exodus of small farmers to the urban areas, and to Argentina and Brazil in search of employment.⁶

Under the Wasmosy government, Paraguay will most likely follow monetary and fiscal policies acceptable to the International Monetary Fund and other international financial institutions. An \$82 million Investment Sector Loan (ISL) of the IDB was recently ratified by the Paraguayan Congress. The IDB and the World Bank have substantial potential lending programs on the drawing boards for 1994-96 in private sector development, agriculture, the environment, infrastructure, local government, and the social sector. It is unlikely, however, that major disbursements which can stimulate the economy, will flow until 1996 or beyond.

Making the Rural Sector More Productive

Agriculture: Paraguayan planners and the donor community are beginning to conceptualize a major agriculture modernization and diversification program. The IDB is expected eventually to provide the bulk of donor financing. Japan may contribute in selected crops and technical training areas. To absorb prospective aid, however, the Ministry of Agriculture and Livestock needs to strengthen its capacity for planning, project execution and donor coordination.

Diversification does not mean abandoning the traditional crops of cotton, soybeans and cattle. Cotton is the small farmer crop and the backbone of the sector. Soybeans and livestock are not labor-intensive, per se, but linkages within the economy produce significant employment. The traditional sector is inefficient. Post-harvest losses, abuse of fertilizer/pesticides, low-quality seeds, and disregard of sound environmental farming techniques contribute to significant waste and endanger the natural resource base.

The Embassy and USAID support agriculture diversification as a logical way to increase employment and incomes in the rural sector, and to increase exports. USAID/Paraguay is in the process of designing an Agriculture Marketing and Technology

⁵ InterAmerican Development Bank (IDB), "Situation Report, Agricultural Sector"; Asunción, Paraguay, 1991

⁶ There are an estimated 600,000 Paraguayans working in Argentina

project for FY 1995-97 which will help the Ministry of Agriculture prepare for a long-range diversification program.

Micro-Enterprise and Small Business: Micro and small business have been overlooked by Paraguayan planners with a notable exception. With help from USAID and Acción Internacional, the Paraguayan Foundation for Cooperation and Development was established to provide small loans to micro-entrepreneurs in the Asunción area. First, by using a \$500,000 A.I.D. "Letter of Guarantee", and later on its own, the Foundation raises loan capital through the Paraguayan commercial banking system. In 1993, without any USAID assistance, it made 12,441 loans totalling \$3,920,767.

To date, the Foundation has been restricted in two ways. First, it has been forced to limit its lending out-reach to the Asunción area. Second, under Paraguayan banking law and regulations, it does not qualify as a bank-type lending institution under the jurisdiction of the Central Bank's Superintendent of Banking. Thus, it does not qualify for potential World Bank or InterAmerican Development Bank loan funds for on-lending and expansion.

USAID intends to take advantage of a second generation Micro-enterprise Expansion project with Acción Internacional to help the Foundation establish up country branches, establish itself as a micro-enterprise/small business bank and begin to look at ways to on-lend to small farmer agricultural activities.

The Housing Sector: With a population of 4.5 million, Paraguay's housing deficit is estimated⁷ at 330,000 units, and growing at a rate of 15-25,000 units, annually. At least 200,000 units need repair or improvements. In Paraguay, only 64.3 percent have electricity, 33.6 percent have potable water, and 16.0 have sanitary sewer systems. Although, affordable housing with services is a priority of the Government, public/private capacity is limited. Government-sponsored, tract-style housing is expensive, poorly constructed and unpopular.

Paraguay can, however, boast about the successful Nande-roga⁸ low-cost housing improvement program started by USAID, the Peace Corps and a Paraguayan federation of savings and loan cooperatives called CREDICOOP. In two years, using funds of the government, CREDICOOP has made 989 loans for home improvements, averaging \$1,500 million and with a remarkable 100 percent repayment rate. Peace Corps has a dozen

⁷ Todd Sorenson, Cooperative Housing Foundation (CHF) "Low-Income Housing Programs in Paraguay", June 1993

⁸ Nande-roga means "our house" in Guarani

volunteers working with CREDICOOP, while USAID funds technical assistance through the Cooperative Housing Foundation.

USAID/Paraguay envisions an expanded cooperative housing improvement program, working in the peri-urban and rural areas, which can satisfy housing demand for low-income families and have a positive multiplier effect on rural employment and incomes.

The main source of funding for an expanded low-income housing improvement program would be a proposed \$ 10 million Housing Investment Guaranty, which could generate more than 10,000 housing solutions, and generate up to \$ 15.0 million in loans over a five-year period with an immediate jump-start effect on the rural construction industry.

The three activities described above, Agriculture Marketing and Technology, Micro-enterprise Expansion and Cooperative Low-income Housing, can have a synergistic positive effect on the rural economy if they are coordinated and supported properly.

A Local Government Focus

Decentralization of responsibility for development and social services is a top objective of the Wasmosy government. Despite strong resistance to decentralization from conservative elements, the nation's first group of elected governors is lobbying strenuously for a mandate which would give them the authority and the resources for local development.

USAID/Paraguay has taken the lead in fomenting a dialogue among national and local officials, representatives of NGO's and interested donors in trying to define local government priorities. Using the experience and vast network of the Regional Housing and Urban Development Office (RHUDO), USAID/Paraguay sponsored a series of national seminars on local government strengthening in 1992-93. The seminars resulted in a consensus that the nation's governors and mayors must define their agenda and move forward in their efforts to organize, begin planning, and identify resources for developing their areas.

A major theme that has emerged is the need to involve citizens groups in local decision-making. Citizen participation in government and development is a relatively new concept for Paraguay. The elections for mayors in 1991, for the Constituent Assembly in 1992, and the general elections for President, Congress and Governors in May 1993 saw the emergence of several NGO's including Decidamos, Mujeres para

la Democracia, SAKA⁹ and others dedicated to good government and citizen participation. These NGOs played a key role in organizing and educating the citizenry as to their rights in a democracy. The voter campaign "Votar es Mejor" funded by USAID/Paraguay through the local "Partners of the Americas" office, also contributed to the large voter turn-out and success of the May 1993 elections.

USAID/Paraguay is now engaged with RHUDO/Quito and Florida International University in the design and execution of a local governance project. Based on a diagnostic survey of local government conducted in late 1993, USAID/Paraguay envisions a multi-faceted project which can assist the Congress in perfecting the legislative framework for decentralized development and work directly with selected local governments in strengthening organization, training local officials and involving citizens groups in basic education, health services, affordable housing and employment generation.

Although there are other donors involved in local government, only Germany (through GTZ) has hands-on-experience in working with municipalities in Paraguay. GTZ has developed a model planning and property tax improvement system for small municipalities, in conjunction with the Institute for Municipal Development (IDM), created by A.I.D. in the 1960s.

The InterAmerican Development Bank (IDB) recently signed a \$20 million loan agreement with the Government to provide technical assistance to local governments over the next five years. However, the selection of the Ministry of Interior as counterpart agency casts a shadow over the IDB's chances of moving ahead in a meaningful way with this large loan.

The Municipality of Asunción has begun to reorganize and carry out a series of innovative programs which can be replicated elsewhere. The Municipality is actively trying to improve social services, deal with environmental problems and bring government closer to the people. A priority of the municipal leadership is the improvement of its financial base and the creation of transparent systems of accountability for budget resources, contracting and procurement. In this regard, the experience gained by USAID/Paraguay under the Financial Management Improvement project with the GOP's Office of the Controller General, and the resources of the LAC Bureau's Regional Financial Management Improvement Project (RFMIP) will be invaluable. USAID/Paraguay intends to provide technical assistance to the Municipality of Asunción and replicate the experience and improvements in other selected local governments. The Municipality of Asunción is already helping

⁹ SAKA means "transparency" in Guarani

other municipalities in a number of technical areas including refuse collection, land-fill management and pollution control.

While the resources available to USAID/Paraguay through the RHUDO activity are invaluable -- Florida International University and Miami Dade County government -- they are not sufficient to sustain a long-term USAID involvement. Nor, can RHUDO resources sustain the long-term involvement of local NGOs and consultants from Chile and other countries, who can provide required technical assistance and training to local governments. Regrettably, the Institute for Municipal Development does not have the expertise needed for a participatory approach to local government strengthening.

An objective, then, of the USAID/Paraguay Mission is to identify future sources of funding for local government -- including a fee service mechanism for mayors and governors to contract for technical assistance and training -- should USAID funding not be forthcoming and IDB loan funds not disburse.

A Threatened Environment

Until recently, Paraguayans did not feel the need to protect their natural resources and environment because there have been large extensions of fertile land and seemingly unlimited forests favorable to agriculture, livestock and wood production, on which the economy is based. Economic expansion, social mobility, modern communication technology and expectations of a better quality of life, have created intensive utilization of land, water and wildlife, which is rapidly decreasing and deteriorating these resources. Paraguay has experienced a loss of more than 50 percent of its forest cover in the last 40 years. Deforestation of 1,000,000 hectares was experienced in 1990. Although this figure has dropped somewhat in the last few years, less than 15 percent of the eastern region (where the most valuable tropical and sub-tropical forests are located) remains under forest cover. Only 4.4 percent ¹⁰ of the country's area is now under some form of protection. The number of critically endangered species is now at 25¹¹ and will continue climbing as habitat is lost.

Agricultural development continues with little regard for environmentally-sound farming and livestock practices. Nor have Industrial and municipal sector authorities and policymakers adequately addressed the "brown issues" of

¹⁰ Ministry Of Agriculture, "National Master Plan for Protected Areas of Paraguay " (SINASIP), November 1993

¹¹ Ministry of Agriculture, "Paraguay - Native Species", February 1994

pollution and solid waste production. Proper land use planning, watershed protection, erosion control, and reforestation are still not priorities for all GOP planning agencies.

USAID/Paraguay is promoting environmental awareness throughout the country with a grant to the Moises Bertoni Foundation which conducts seminars, workshops and education campaigns. Under the LAC Bureau's "Parks-in-Peril" program, a coalition of GOP and private organizations continues to strengthen the protection of ecosystems, national parks and reserves, by funding such activities as the development of the National Master Plan for Protected Areas, and the preservation of 62,000 hectares of threatened tropical forest habitat, the Mbaracayu Nature Reserve in Northeast Paraguay.

The Drug Problem

Paraguay is categorized as a major drug transiting 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 also be a major money laundering conduit. Paraguay is a producer of marijuana. Anti-drug authorities destroyed more than 634 metric tons of marijuana in 1992 and captured 67 kilograms of cocaine. Seizures in 1993 dropped to only 44 kilograms of cocaine.

Worrisome is the predilection among Paraguayan youth to experiment with dangerous drugs. An epidemiological study¹² 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 has been supporting the education and awareness program of the Ministry of Health through¹³, a public-private partnership dedicated to drug education and prevention.

The Paraguayan government recognizes that the country's diverse and growing financial sector provides potential for money laundering, and both the government and opposition parties have prepared anti-money laundering legislation for the March 1994 Congressional Session. President Juan Carlos Wasmosy, who took office on August 15, 1993 as Paraguay's first democratically elected civilian president, committed his

¹² H. Miguez - M.C. Pecci, "A National Study of Mental Health and Drug Addiction in Paraguay", November 1991

¹³ "MARANDU" is the Guarani word for "awareness"

government to combat narco-trafficking. The President took several important initial steps to fulfill that commitment, but the sudden removal of the country's senior drug leadership raised doubts about the government's political will to fight narcotics trafficking aggressively. Official corruption remained the most serious problem impeding narcotics control efforts. On the plus side, Paraguay signed an anti-money laundering financial information exchange agreement with the United States, November 30.

SECTION II. Achievement of Agency Goals

USAID/Paraguay's program goal is "increased capacity for sustainable development in a participatory democracy". While this goal is outside the USAID Mission's direct manageable interest, its three strategic objectives make a valuable contribution toward achievement of the overall goal. They are described below both in relation to the Agency's four goals of "democracy, economic growth, the environment, and population/health" and in terms of changes and refinements made since last year's Action Plan.

A. Agency Goal - Democracy

USAID/Paraguay Strategic Objective 1: Strengthened Democratic Institutions, Systems and Practices

USAID/Paraguay Program Approach: Strategic Objective 1 with its associated Program Outcomes is shown in Table I. USAID/Paraguay's strategy for strengthening democratic institutions, systems and practices for the next five to seven years is to encourage citizen participation in the decision-making process, strengthen judicial systems to support timely and impartial prosecution of cases, and improve public sector financial management and accountability. Strengthened judicial systems, more accountable public sector financial management systems, and increased participation by members of society in making decisions concerning public welfare, are essential elements that will combine to contribute to achieving a stronger system of democratic government.

There have been no changes in the Strategic Objective or Program Outcomes. Refinements have been made to the Performance Indicators.

At the local government level, USAID/Paraguay will continue to support an approach to decision-making that calls for maximum citizen participation. USAID/Paraguay will also continue to provide assistance to the Paraguayan legislature so that it can: 1) improve staff and member capacity; 2) develop a management information system; 3) institutionalize a

Table 1: Strategic Objective No. 1

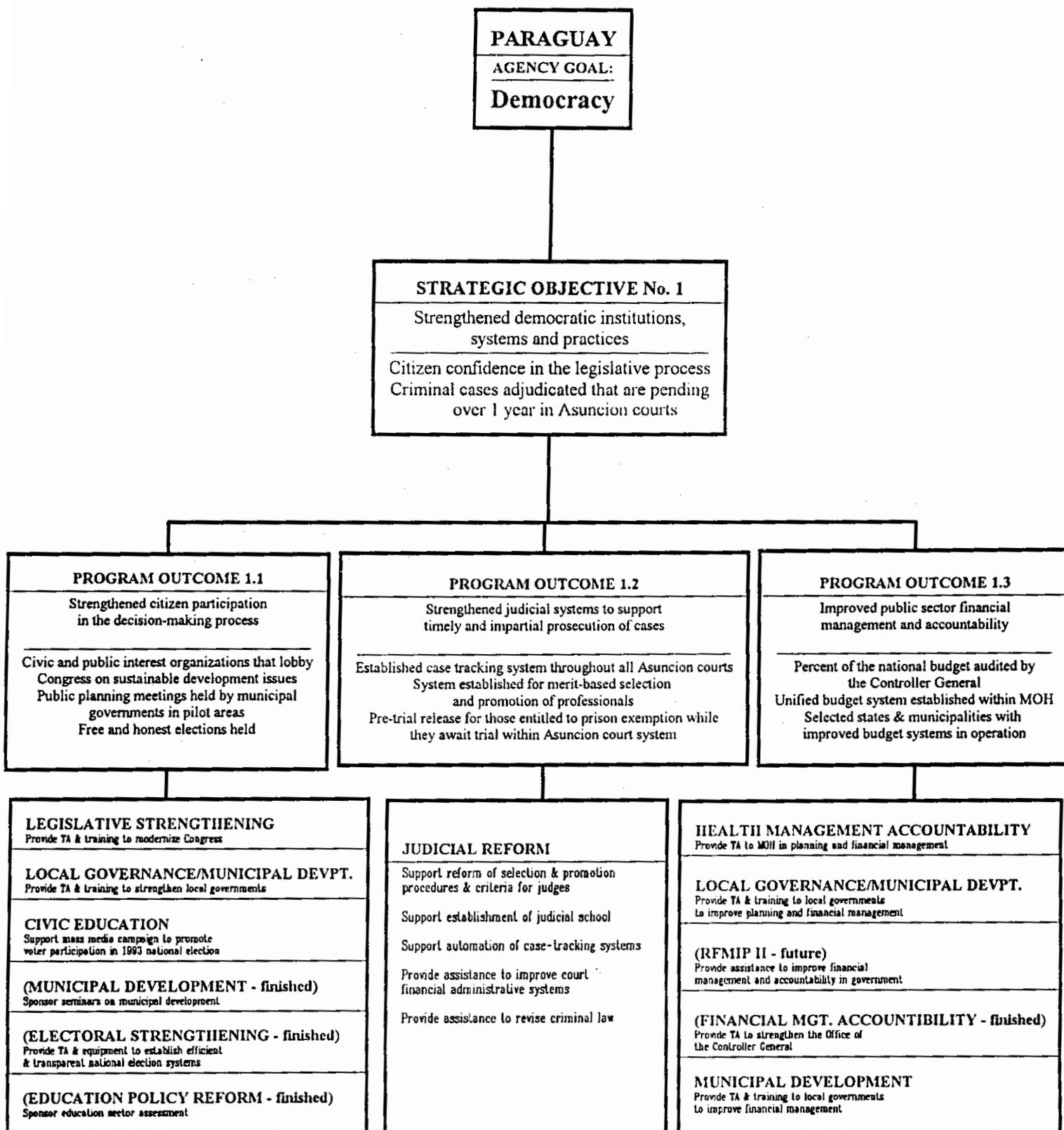


Table 2: STRATEGIC OBJECTIVE 1: BASELINE, EXPECTED RESULTS AND ACTUAL RESULTS

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
		YEAR	VALUE	1992		1993		1994		1995		1996			
				Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual		
Strategic Objective 1: Strengthened democratic institutions, systems and practices															
Indicators:															
Citizen confidence in the legislative process	Unit: TBD	1994						TBD		NA		TBD			
Criminal cases adjudicated that are pending over 1 year in Asuncion courts	Unit: Percent	1992	18.6%		18.6%		25%		30%		35%		NA		
Program Outcome 1.1: Strengthened citizen participation in the decision-making process															
Indicators:															
Civic and public interest organizations that lobby Congress on sustainable development issues	Unit: Number	1994		n/a	n/a			TBD		TBD		TBD			
Public planning meetings held by municipal governments within pilot areas	Unit: Number of meetings	1993		n/a	n/a	TBD		TBD		TBD		TBD			
Free and honest elections held	Unit: Category/Yes/No	1993	Yes			Yes	Yes	NA	NA	NA	NA	Yes	Yes		
Program Outcome 1.2: Strengthened judicial systems to support timely and impartial prosecution of cases															
Indicators:															
Established case-tracking system throughout all Asuncion courts	Unit: Category - Jurisdictions	1992		n/a	n/a										
System established for merit-based selection and promotion of professionals	Unit: Index Score	1992	0		0		0		1		2		3		
Pre-trial release for those entitled to prison exemption while they await trial within Asuncion court system	Unit: Number	1992	50		50		600		800		1000		NA		
Program Outcome 1.3: Improved public sector financial management and accountability															
Indicators:															
Percent of the national budget audited by the Controller General	Unit: Percent	1992	26%		26%		40%		60%		TBD		NA		
Unified budget system established within Ministry of Health	Unit: Category: Yes/No	1992	No		No		No		Yes		NA		NA		
Selected states and municipalities with improved budget systems in operation	Unit: Percent	1994	TBD	n/a	n/a				TBD		TBD		TBD		

legislative research and analysis unit; 4) develop constituency response mechanisms; and 5) attract and coordinate foreign assistance.

The judicial system will remain a major focus of the USAID/Paraguay program. Corruption and lack of due process under the law impact negatively on human rights, public official accountability, and trade and investment. For the period 1994-96, USAID/Paraguay intends to bring several activities to fruition including: 1) the opening of a Judicial Training School; 2) expansion of the computer-based case tracking system to the civil courts; 3) the actual implementation of a merit-based judicial appointment system; 4) administrative reform of the Supreme Court and lower courts; 5) revision of the criminal code and procedures; 6) strengthening criminal investigative capacity; 7) the establishment of a National Law Library, and 8) stronger networking of the Paraguayan judicial sector representatives with colleagues in neighboring countries, and in the United States, including Puerto Rico.

Public sector financial management and accountability remains the third pillar of USAID's Strategic Objective 1. The Mission will push through with plans for a government-wide budget accountability system, based on the experience with the Ministry of Health the past two years. Financial management and accountability will also be a priority under the Mission's local governance initiative with the Municipality of Asunción and selected local governments. Technical assistance and training will be accessed through the LAC Regional Financial Management Improvement Project (RFMIP) II.

Performance Indicators: At the Strategic Objective level, the Mission's performance indicators are: 1) the level of citizen confidence in the legislative process and 2) the number of criminal cases adjudicated that are pending over one year in the Asunción courts.

At the Program Outcome level, performance indicators for P.O. 1, "strengthened citizen participation in the decision-making process" are: 1) the number of civic and public interest organizations that lobby Congress on sustainable development issues; 2) the number and frequency of public planning meetings held by municipal governments within pilot areas; and 3) free and honest elections held.

For P.O. 2, "strengthened judicial systems to support timely and impartial prosecution of cases", the indicators are: 1) the establishment of a case tracking system throughout all Asunción courts; 2) a system established for merit-based selection and promotion of professionals; 3) regular pre-trial release for those entitled to prison exemption while they await trial within the Asunción courts.

For P.O. 3, "improved public sector financial management and accountability", the performance indicators selected are: 1) the percent of the national budget audited by the Controller General; 2) the establishment of a unified budget system within the Ministry of Health; and 3) the number of selected states and municipalities with an improved budget system.

Critical Assumptions: The Mission posits certain critical assumptions underlying its ability to achieve the Strategic Objective. The most important is the need for genuine commitment on the part of USAID/Paraguay's counterparts to the democratic reform process. Without the "political will" to implement reforms, simply enacting legal and regulatory changes will not result in lasting increased capacity for sustainable development in a participatory democracy. Another assumption is that citizen participation will continue to grow, since the reform process cannot depend solely on government actions. The Mission is, in fact, working to support increased citizen participation (see P.O. 1.1), and it may increase direct support for developing advocacy, constituency, or other public interest groups. Another assumption is that other donors in Paraguay will continue to support the same reform agenda eg, human rights, fiscal and economic reforms, and democratic reform.

Progress to Date: In terms of citizen participation, Paraguay has taken several important steps. Municipal and Constituent Assembly elections were held in 1991 and 1992. Presidential, congressional and gubernatorial elections were held in May 1993, which resulted in Paraguay's first elected civilian president in modern history. The nation's governors and 74 of 80 Deputies in the Lower House were elected for the first time.

The funding by USAID of international observers, and USAID/Paraguay support for the local "Votar es mejor" campaign were in great part responsible for the "free and fair" elections and significant voter turnout.

Good progress has been made with the completion of the design, and legal framework for a Judicial Training School. The installation of the computers and software for the Asunción Criminal Court case tracking system is nearly complete, with assistance from the Chilean Judicial Administrative Corporation. The Judicial Management Group met regularly to work on plans for judicial training, court administration, revision of the criminal and criminal procedures, and judicial credentialling and appointments.

The Human Rights Documentation Center, located in the Palace of Justice and funded by USAID/Paraguay and the Supreme Court, completed micro-filming two tons of secret police and intelligence documents chronicalling a generation of human

rights abuse under the dictator Stroessner. Open to the public, jurists, historians, and families of the victims of torture, imprisonment and murder, the document archive has provided evidence in 29 official criminal investigations and has led to the conviction of the former Stroessner chief of investigative police, Pastor Coronel¹⁴, and several others.

The Mission has completed its commitment to the Controller General to provide technical assistance and training for an expanded corps of auditors. A promising new technical assistance involvement with the Municipality of Asunción will help the capitol city improve financial, procurement and contracting practices and improve its tax base.

Work is nearly complete with the Ministry of Health to install and utilize a computer-based budget and financial tracking system, which when perfected, has the potential to be replicated throughout the executive branch.

To date, USAID/Paraguay has terminated 5 projects under Strategic Objective 1. The Municipal Development project focused the dialogue and heightened interest in decentralization of development and the role of local governments. The Education Policy project produced an education sector assessment, the seminal guide for the government, the National Council on Education Policy Reform and the donor community. The Electoral Strengthening project, described above, led in great part to the successful May 1993 General Elections.

B. Agency Goal - Economic Growth

USAID/Paraguay Strategic Objective 2: Improved Environment for Micro-enterprises and Sustainable Diversified Agriculture

USAID/Paraguay has revised its second strategic objective from a focus on trade and investment to a focus on micro-enterprises and sustainable diversified agriculture. Several factors led to the decision to phase down active support of trade and investment, including previous LAC Bureau Action Plan guidance and the issuance of U.S. legislation, namely Section 599, which prohibits providing assistance for certain types of trade and investment activities that might contribute to loss of jobs in the U.S. The Mission determined that in order to be consistent with previous LAC Bureau guidance, and given the poor prospects for "privatization" of the Paraguayan state export/investment promotion agency, "Pro-Paraguay", additional direct support is not justified.

¹⁴ sentenced to 25 years in prison

Table 1: Strategic Objective No. 2

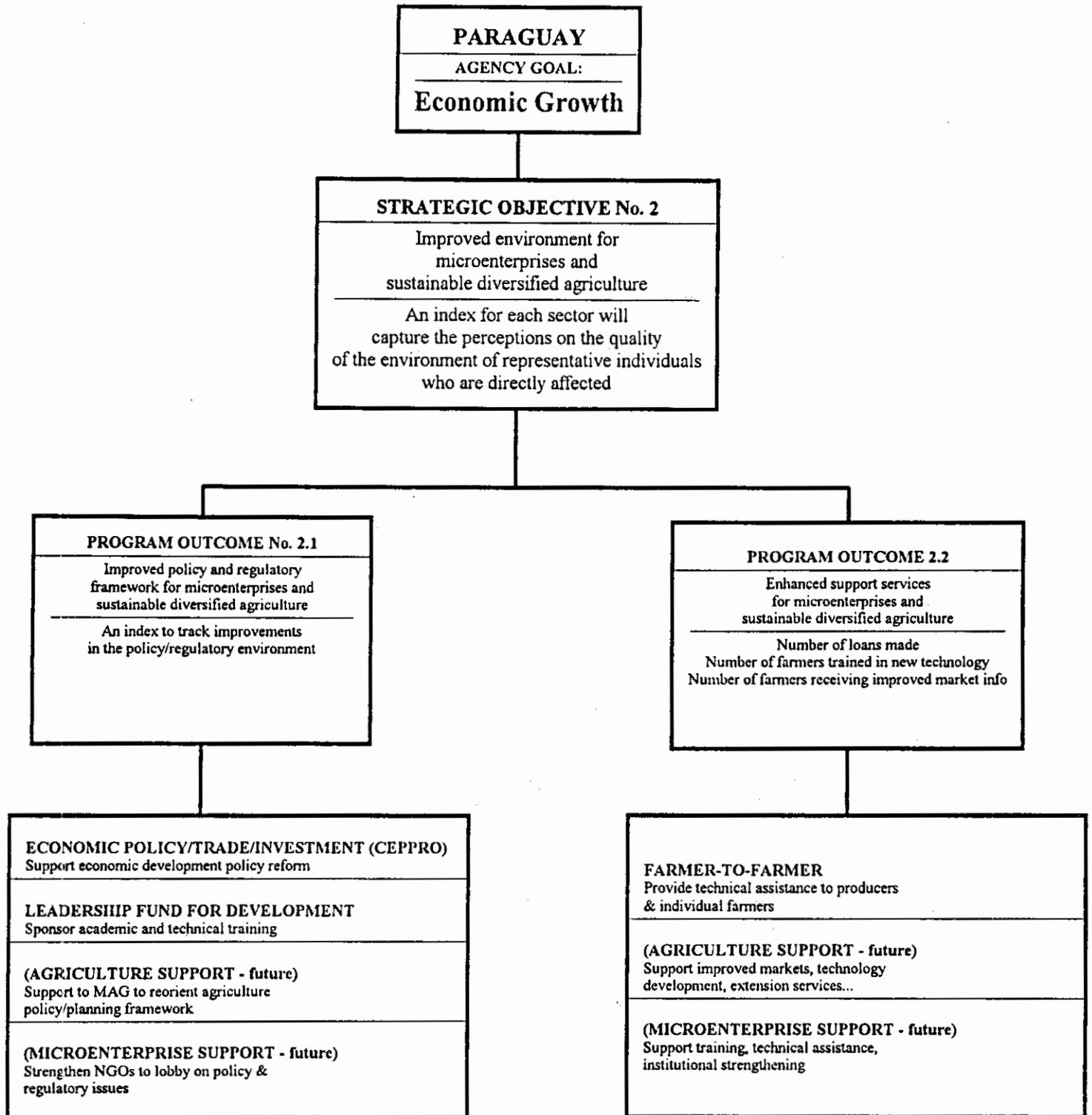


Table 2: STRATEGIC OBJECTIVE 2: BASELINE, EXPECTED RESULTS AND ACTUAL RESULTS

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	EXPECTED AND ACTUAL RESULTS											
		BASELINE DATA		1992		1993		1994		1995		1996	
		YEAR	VALUE	Expd	Actual								
Strategic Objective 2: Improved environment for microenterprises and sustainable diversified agriculture Indicators:													
An index for each sector that would capture the perceptions on the quality of the environment of representative individuals who are directly affected													Unit: 1994 n/a n/a TBD
Program Outcome 2.1: Improved policy and regulatory framework for microenterprises and sustainable diversified agriculture Indicators:													
Develop an Index to track improvements in the policy/regulatory environment													Unit: 1994 n/a n/a TBD
Program Outcome 2.2: Enhanced support services for microenterprises and sustainable diversified agriculture Indicators:													
Number of loans made													Unit: Number n/a n/a TBD
Number of farmers trained in new technology													Unit: Number n/a n/a TBD
Number of farmers receiving improved market information													Unit: Number n/a n/a TBD

USAID/Paraguay Program Approach: USAID/Paraguay has developed a sub-program goal in the economic growth sector of increasing incomes through increased employment. The main target beneficiaries in this strategy are the poor. The Mission has determined that the optimal strategic interventions are to support increased value of production and output in the sectors of micro-enterprise development and sustainable diversified agricultural production for domestic and export markets. Increased profits from micro-enterprises and from diversified agricultural production will lead to increases in employment, and ultimately, increases in incomes. The bulk of the beneficiaries within these two targeted areas will be small "economic actors", such as owners of micro-enterprises, small farmers, and their employees.

USAID/Paraguay's strategy for contributing to the achievement of an improved environment for diversified agriculture and micro-enterprise is based on two approaches: an improved policy and regulatory framework for diversified agriculture and micro-enterprise; and enhanced support services for these sectors. The policy/regulatory environment includes aspects of both the legal framework and the regulatory mechanisms through which laws are carried out. Enhancement of support services means both increased and improved services. It includes strengthening of institutions that deliver services, as well as more direct interventions affecting the quantity and quality of the services themselves. Improved policy and regulatory frameworks and enhanced support services will work together to contribute to achieving an improved environment for diversification and micro-enterprise growth. Improvements in laws and regulations will facilitate the development of improved services, and will provide an improved atmosphere that will enable services to have greater effect.

Performance Indicators: At the Strategic Objective level, the Mission's performance indicators have yet to be defined. A preferred option to "measure" improvements in the environment for micro-enterprises and sustainable diversified agriculture, is to create an index that can capture the perceptions of representatives directly affected in the two connecting sectors.

In the case of micro-enterprises, USAID/Paraguay intends to involve itself in a programmed "second generation" micro-enterprise expansion program. The vehicle will be the new cooperative agreement between USAID/LAC and Acción Internacional. The highly regarded local NGO, the Foundation for Cooperation and Development will implement the activity, which has as its objective to establish a banking window for an expanded program of micro and small business loans outside of Asunción, particularly loans with agro-business potential.

At the Program Output level, for P.O. 1 "improved policy and

regulatory framework for micro-enterprises and sustainable diversified agriculture", a similar index could be developed to track improvements in the policy/regulatory environment. Another option is to track specific key policies or regulations in each sector.

For P.O. 2, "enhanced support services for micro-enterprises and sustainable diversified agriculture", indicators will be easier to conceptualize and develop. Examples of the phenomena the Mission will track include: the number of loans made; number of farmers trained in new technology; and the number of farmers receiving improved market information. The particular indicators selected by the Mission should correspond most closely to the specific interventions undertaken, as determined during the project design process.

Micro-enterprise and diversified agricultural production are not mutually exclusive. For example, small commercial farmers may be considered micro-entrepreneurs, as may small crop processing firms. If there is overlap between the two sectors, it makes it more difficult to measure with distinct index indicators. The problem can be mitigated by making the assumption that micro-enterprises do not include agricultural production. While according to this definition, very small firms involved in agricultural processing would be micro-entrepreneurs, there are probably not significant numbers of micro-entrepreneurs involved in agricultural processing.

Two support activities which can help achieve S.O. 2 are Economic Policy/Trade/Investment and the Leadership Fund for Development. The former is implemented by the Center for the Promotion of Economic Liberty and Social Justice (CEPPRO) a Paraguayan NGO "think-tank" originally established with the help of the Konrad Adenauer Foundation. In the period 1994-96, CEPPRO will continue to provide economic policy advice to the executive and congressional branches, as well as the major political parties. In addition, CEPPRO will continue its analysis of the legal and policy impediments to expanded economic growth, with special emphasis on the agriculture sector, the environment, and the requirements for sustainable diversification. The Leadership Fund for Development will continue to sponsor masters level training in economics and business management in the United States, Chile and Costa Rica, as well as in-country, short-term technical training when appropriate. An increasing share of the scholarships will emphasize agriculture economics. The Government and other donors are expected to contribute to the scholarship fund.

Critical Assumptions: A number of critical assumptions are important to the success of USAID/Paraguay's strategy in S.O.2. One is that the IDB sector loan in support of crop diversification and technology improvement will be approved by

1995 or 1996, since the relatively small interventions undertaken by USAID will be designed to complement the Ministry of Agriculture's national program plan, and to fill niches where the Mission has a strategic advantage. Mission activities alone, while important, cannot achieve significant impact in the agriculture sector.

Another assumption concerning agriculture diversification is that the other donors and agencies will address necessary services that USAID/Paraguay may not be able to address. For example, lack of credit for agriculture crop diversification may be a major constraint but one that the Mission cannot take on, except as part of a broader policy dialogue.

Another assumption is that USAID/Paraguay support to agriculture diversification activities will be focused on environmentally-sound practices that promote sustainable use of natural resources and long-term development. USAID/Paraguay has considerable experience with sustainable, environmentally sound agriculture through its completed project with the Carlos Pfannl Institute in Coronel Oviedo, the cross-roads of commercial agriculture in Paraguay.

Finally, USAID/Paraguay needs to define more clearly the assumed interactions and complementarities between the two segments of this Strategic Objective. The Mission will also need to define precisely the target group of micro-entrepreneurs. It is assumed that there is a potential linkage between diversified crop production and micro-enterprises involved in crop processing and marketing.

The Mission will need considerable assistance from USAID/Washington to complete the design of the Agriculture Marketing and Technology and Micro-enterprise Projects.

Progress to Date: Under the Economic/Trade Investment Policy project, the NGO CEPPO completed an Economic Policy Framework for the leadership of the major political parties and began work on definition and analysis of the policy and legal constraints to increased trade and investment. The Leadership Fund for Development sent twenty participants in 1993-94 for masters degrees in economic and business management, of 120 applicants. The average cost of a two-year Masters Degree in Chile is \$26,000, and \$30,000 in Costa Rica.

C. Agency Goal - The Environment

USAID/Paraguay Strategic Objective 3: Sustainable Management of Natural Resources

In its FY 1994-95 Action Plan submission, USAID/Paraguay

presented its case for a strategic objective in the environment. The LAC Bureau, however, rejected the Mission's rationale. In this Action Plan for FY 1995-96, USAID/Paraguay has decided to define a third strategic objective for the environment, partly because of the Mission's recent designation as a "sustainable development" country. But more importantly, the combination of continued environmental degradation, and an emerging Paraguayan consensus to confront the challenge (before it's too late), prompted the Mission to define and submit a "stand-alone" objective.

USAID/Paraguay Approach: USAID has for some time engaged in environmental activities in Paraguay, including support for the NGO Moises Bertoni Foundation in environmental education and the establishment of the Mbaracayu Forest Reserve working with the "Parks in Peril" program carried out by the Nature Conservancy, and the introduction of a sustainable agriculture curriculum at the Carlos Pfannl Agronomic Institute in Coronel Oviedo.

USAID/Paraguay has defined its Strategic Objective 3 as "more sustainable management of natural resources". This statement reflects the Embassy's and USAID's conviction that achieving fully sustainable management of natural resources in Paraguay is not within its direct manageable interest to achieve in the objective timeframe. However, USAID/Paraguay expects that its efforts can contribute significantly to Paraguay's efforts to move towards sustainable management of resources during the five to seven year period of the objective. The term "management" in the objective statement is intended to encompass both sustainable use of resources and conservation of biodiversity.

While some of the program outcomes and supporting activities are targeted geographically, the scope of the strategic objective itself is nationwide. The Mission's efforts to influence policy through environmental education and technical assistance, and its contribution to development of plans for a system of protected areas have nationwide impact. In fact, through USAID's support for the National Master Plan for Protected Areas (SINASIP), it has already contributed to a significant impact by providing a framework for protection of 44 areas, with representatives of all the major ecosystems of the country.

To support the strategic objective, USAID/Paraguay has identified three program outcomes: 1) a strengthened institutional capacity for pollution control; 2) a strong National Park system; and 3) sustainable economic activities disseminated in target areas. These program outcomes encompass the near-term achievements which the Mission believes are required to address constraints which affect sustainable management of resources in Paraguay:

Table 1: Strategic Objective No. 3

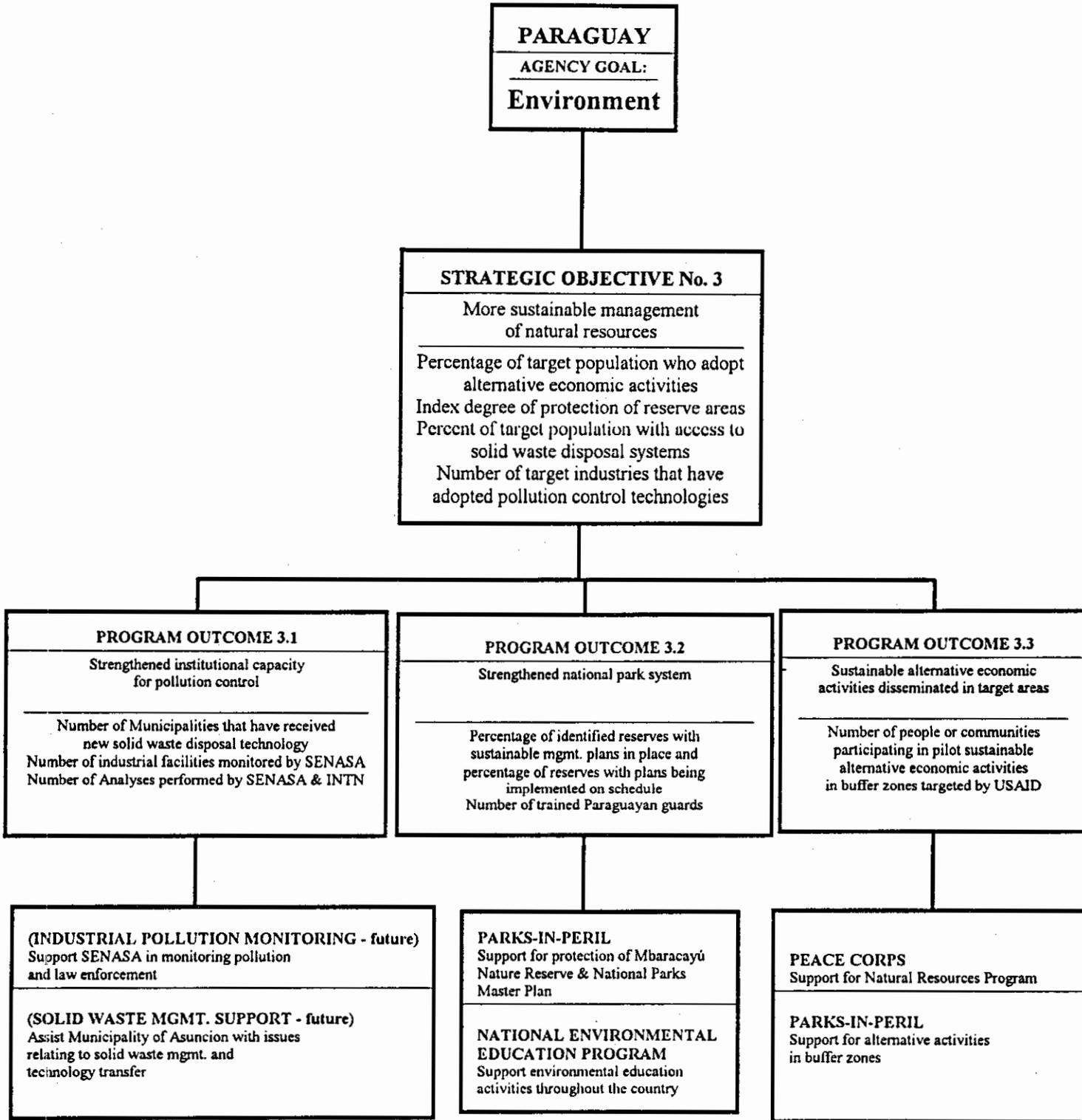


Table 2: STRATEGIC OBJECTIVE 3: BASELINE, EXPECTED RESULTS AND ACTUAL RESULTS

PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BASELINE DATA		EXPECTED AND ACTUAL RESULTS											
		YEAR	VALUE	1992		1993		1994		1995		1996			
				Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual	Expd	Actual		
Strategic Objective 3: More sustainable management of natural resources															
Indicators:															
Percentage of target population who adopt alternative economic activities	Unit: Percent	1994		n/a		n/a									
Index degree of protection of protected areas	Unit: Percent			n/a		n/a									
Percent of target population with access to solid waste disposal systems	Unit: Percent			n/a		n/a									
Number of target industries that have adopted pollution control technologies	Unit: Number			n/a		n/a									
Program Outcome 3.1: Strengthened institutional capacity for pollution control															
Indicators:															
Number of Municipalities that have received new solid waste disposal technology	Unit: Number			n/a		n/a									
Number of industrial facilities monitored by SENASA	Unit: Number			n/a		n/a									
Number of analyses performed by SENASA & INTN	Unit: Number			n/a		n/a									
Program Outcome 3.2: Strengthened national park system															
Indicators:															
Percentage of identified reserves with sustainable mgmt. plans in place and percentage of reserves with plans being implemented on schedule	Unit: Percent			n/a		n/a									
Number of trained Paraguayan guards	Unit: Number			n/a		n/a									
Program Outcome 3.3: Sustainable alternative economic activities disseminated in target areas															
Indicators:															
Number of people or communities participating in pilot sustainable alternative economic activities in buffer zones targeted by USAID	Unit: Number			n/a		n/a									

environmental pollution; sustainable agriculture; and protection of forests and other endangered ecosystems. The program outcomes embody improvements in institutional capabilities that will be needed in the near-term, and that will work together to accomplish the strategic objective. It is expected that continued policy change and its enforcement will support all three program outcomes, as will activities to increase citizen awareness and to improve the information base on environmental status and issues.

Performance Indicators: Proposed indicators for this strategic objective include the following: 1) the number of adopters of sustainable alternative economic activities in pilot areas; 2) an index of degree of protection of protected areas; 3) the number of people/percentage of target population with access to solid waste disposal systems; and 4) the number/percent of target industries that have adopted pollution control technologies.

For P.O. 3.1 "strengthened institutional capacity for pollution control", proposed indicators are: 1) the number of municipalities that have received new solid waste disposal technology; and 2) the number of industrial facilities monitored by the National Environmental Sanitation Service (SENASA); and the number of analyses performed by SENASA's pollution control laboratories.

For P.O. 3.2, "national park system" established, proposed indicators are: 1) the percentage of identified reserves with sustainable management plans in place/percentage of reserves with management plans on schedule; 2) the number of trained park guards; and 3) the number of human incursions in protected areas.

For P.O. 3.3, "sustainable economic activities disseminated in target areas", probable indicators will be: 1) the number of people participating in sustainable alternative economic activities in buffer zones (both absolute number and percentage of producers); and 2) the number of farmers receiving extension services in sustainable agricultural methods in target areas.

Critical Assumptions: Among the critical near-term requirements to achieve the strategic objective is the improvement of sanitation infrastructure, including solid waste and sewerage systems. The assumption is that these systems will be improved with assistance from the World Bank and InterAmerican Development Bank (IDB). An early step in the improvement of sanitation infrastructure is currently being carried out through a study of water and sewerage investment requirements under a Trade Development Agency (TDA) grant.

Alleviation of poverty, or at the least prevention of increases in poverty, is also a critical assumption to achievement of this strategic objective. Abject poverty can lead people to increase unsustainable agricultural practices, overusing land, and causing soil erosion and other depletion of resources. Another major assumption relating to achievement of this strategic objective is that the current favorable climate for improvement of environmental policy will continue.

Performance to Date: USAID has already contributed to a number of significant achievements in the environment. Most notably, USAID contributed \$500,000 to facilitate the purchase of the 62,000 hectare Mbaracayu Forest in Eastern Paraguay and its establishment as a national park. Most recently, USAID/Paraguay supported the development of a nationwide plan for protected areas by the National Parks director and two international consultants working under a contract from the Nature Conservancy's "Parks in Peril" program. The plan, which, identifies 44 existing and proposed protected areas in Paraguay, has been endorsed by the Paraguayan government and hailed as a model for other Latin American countries at the international fora where it has been presented. The next steps in implementation of the plan are: 1) define the status of potential and existing protected areas; 2) negotiate with owners of potential protected areas to include them in the park system; 3) perform basic resource inventories in each area; 4) build capacity within the national park system; and 5) establish preserves in proposed areas.

Alternative economic activities, including agriculture, are currently being carried out in buffer zones of the Mbaracayu Reserve by Peace Corps volunteers and by the Moises Bertoni Foundation. The purpose is to engage people in the buffer zones in alternative activities to reduce their need to exploit forest resources in an unsustainable manner. Activities include chicken raising and cultivation of "yerba mate" and citrus.

USAID-financed awareness programs of the Moises Bertoni Foundation and the Peace Corps have targeted government extensionists, school children, religious leaders, teachers, congressional members, and the public at large. USAID/Paraguay is also considering support for educational activities of an additional NGO. The Mission will seek to access the R&D (Global) GREENCOM Project for technical assistance to create a strategic plan for environmental education nationwide, including incorporation of environmental education in school curricula.

D. Agency Goal - Population/Health

USAID/Paraguay Strategic Objective: None

Although the Mission does not have a separate strategic objective, it is very active in the sector. However, the strong possibility of an expanded population/health program raises the question of the need for a separate, stand-alone strategic objective. For now, family health services will be carried under the category of other activities.

For nearly a generation, the Government of Paraguay neglected the health sector. The Ministry became politicized, and health services deteriorated¹⁵. Modern family planning was discouraged.

Today, less than 35 percent of eligible Paraguayan women have access to modern family planning methods. For many years, Paraguay followed a pro-natalist policy. Under the new Wasmosy government, the Ministry of Health and the Center for Population Studies (CEPEP)¹⁶ have been collaborating on a program of voluntary family health services which provides advice on modern methods of contraception to women of reproductive age. Voluntary family planning is now part of a comprehensive approach to mother-child wellness that includes pre and post-natal checkups, immunizations and nutrition. Contraceptive services includes the distribution of condoms, pills and, when medically justified, surgical procedures. Abortion is illegal in Paraguay.

For the period 1994-1998, USAID/Paraguay envisions the expansion of USAID assistance for voluntary family planning, through the Center for Population Studies (CEPEP) and the Ministry of Health. The scope and funding levels will depend on USAID/Washington's review of the AIDREP's recommendations based on the "Zero Base Review of Family Planning" carried out in October 1993. An annual level of \$ 600-800,000 is plausible and justifiable. Technical assistance would be focused on: 1) expansion of community-based family planning services; 2) improving technical capacity of family planning managers and service providers; 3) policy; and 4) financial sustainability.

USAID/Paraguay has an ongoing project¹⁷ with the Ministry of Health to improve financial accountability systems and the management capacity of Ministry of Health administrators. Within the context of gradual "decentralization", USAID/Paraguay intends to help the Ministry devolve greater

¹⁵ see Annex C for social indicators

¹⁶ local affiliate of the International Planned Parenthood Foundation (IPPF)

¹⁷ Health Management Systems, with an estimated life of project funding of \$1.5 million

responsibility for planning and execution of health service programs to the regional and state levels. The emphasis will be on linking provision of health services to local government plans, which include strong citizen participation. A community-based health delivery service, focused on the preventive aspects of mother-child wellness, is the ultimate objective.

Likewise, a community-based approach should contain a healthy dose of environmental and rural sanitation education. Although USAID/Paraguay staff limitations obviate against working directly at the community level, the U.S. Peace Corps is involved. Volunteers are stationed in rural health posts in many parts of the country, including the local governance target states of Central, Paraguari and Cordillera.

Of the entire donor community, the United States is one of the most active in the population/health sector. USAID's R&D (Global) Population Bureau provides funding through IPPF for the Paraguayan Center for Population Studies (CEPEP) for expansion of modern contraception and through the Association for Voluntary Surgical Contraception (VSC) to the Ministry of Health for voluntary female sterilization. The USAID/Paraguay Mission is now in its third year of assistance to the Ministry of Health to improve management, financial accountability and human resources.

UNICEF, UNFPA and PAHO have small programs, but they are not very well coordinated. Both the World Bank and the IDB are beginning to investigate sectoral needs with possible funding for health services improvement loans in 1996. The Japanese Government is also contemplating a project, scope and focus to be determined, through JICA.

It is not clear how much USAID/Paraguay can or should invest in a second generation health services project with the Ministry of Health or through an NGO intermediary. USAID/Paraguay intends to complete a New Project Design (NPD) for a new three year project in early 1995, for FY 1995-98 funding. The new project would provide technical assistance and training to improve the quality of community-based health services. The project would help bring to fruition decentralization of health services; linking national and local resources, testing alternative service delivery systems, and emphasizing family planning as an integral part of "family health services".

E. Other Activities

USAID/Paraguay has reduced the number of activities in the category to four, of which at least three relate directly to the mission's goal and sub-goal. They are: Low-income Cooperative Housing; Family Health Services, and Labor-

Management Relations. A fourth activity, Drug Awareness and Prevention will be phased out in FY 1995.

1. Low-Income Cooperative Housing Initiative

USAID/Paraguay is already supporting a low-income cooperative home improvement program called Nande-roga with the Peace Corps, the Government housing authority CONAVI, and a federation of cooperatives called CREDICOOP. The Peace Corps fields volunteers who work with CREDICOOP. The latter provides small loans averaging \$1,000 to \$1,500 to eligible applicants among its 80,000 members. The Government of Paraguay has provided the loan funds for on-lending. USAID has funded technical assistance through the Cooperative Housing Foundation (CHF).

In two years, the Nande-roga program has made 989 loans totalling \$ 1.5 million. Remarkably, there has been a 100 percent repayment rate.

The Embassy, USAID and Peace Corps would like to expand the successful Nande-roga program. RHUDO/Quito and the CHF are enthusiastic supporters. Unfortunately, the GOP housing authority, CONAVI, is nearly bankrupt, and there is great doubt that it can continue to provide loan capital for the program. Other sources of funding must be identified.

USAID/Paraguay and RHUDO will propose a \$10 million Housing Guarantee Loan for Paraguay. Preliminary discussions have been held with representatives of the savings and loan industry, the national construction association and the Central Bank, all of whom are enthusiastic about a new housing loan for Paraguay. The local CITIBANK Representative envisions a local currency funding program, using the USAID loan as a guarantee, similar to those operated successfully in Chile. The Government of Paraguay would be asked to "guarantee" loan repayment, which could generate \$15 million in small loans over five years.

An expanded low-income cooperative housing improvement program would complement efforts by the InterAmerican Development Bank to help CONAVI and the private sector meet the demand for new housing. The proposed USAID loan will fund only improvements, which do not qualify under the IDB loan.

USAID/Paraguay believes that the expanded housing initiative would fit perfectly within the Agency's goal of "economic growth with equity".

By meeting expressed demand for housing improvement, estimated at 200,000, the program would benefit low-income cooperative members who cannot find credit, elsewhere. The multiplier effect on the construction industry, i.e.

employment, supplies, transport, will be significant, especially in the peri-urban and rural areas.

A decentralized approach to housing finance and construction, through locally-based member-driven cooperatives also supports the Mission's democratization objective.

An expanded cooperative housing initiative would also serve as a model for the government and CONAVI in its attempt to meet the demand for new houses estimated at 330,000. The initiative will demonstrate clearly the capacity of the private sector -- banks, cooperatives, contractors -- to carry out a large housing program. It will reinforce the notion that CONAVI should be a housing "enabler" not a "do-er".

At present, there is a stark difference between the successful Nande-roga approach, with a 100 percent repayment rate and CONAVI's politicized approach with an estimated 85 percent of its loans in default.

USAID/Paraguay will need a healthy technical assistance package of \$400-800,000 to accompany the proposed \$10 million housing loan.

2. Family Health Services - The Mission's current and proposed involvement in population and health activities are described in detail in Section II D (pp 27).

3. Labor-Management Relations: For FY 1994-1996, the American Institute for Free Labor Development (AIFLD) has budgeted a modest increase for its regional-based labor development activities in Paraguay. The Embassy and USAID/Paraguay endorse AIFLD's 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 respected collective bargaining with Paraguay's main labor union, the Confederación Unitaria de Trabajadores (CUT) increasing its 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 the "democratization" strategic objective, which it supports directly.

4. Drug Awareness and Prevention: 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's is also considered to be a conduit for money laundering. Paraguay is a large producer of marijuana.

Most worrisome is the predilection among Paraguayan youth to experiment with dangerous drugs. An epidemiological study 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.

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 (NGO's). 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. Project MARANDU was created by USAID/Paraguay and the Paraguay-Kansas Committee "Partners of the Americas" to take the lead in drug awareness and education. USAID/Paraguay has provided \$600,000 since FY 1990 to help Project MARANDU get organized and to underwrite the costs of its activities. The principal expected output is the development and initiation of a National Drug Prevention Plan.

It is doubtful that USAID/Paraguay will be in a financial position to provide additional resources for drug education and awareness to Project MARANDU when present funding runs out in 1995. The USAID Mission has been working with MARANDU management and the leadership of the Paraguay-Kansas Committee to identify other active sources of financing, including the government's budget.

Section III. A. New Project Description (NPD)

Agency Objective: Encourage Broad-based economic growth with equity

LAC Bureau Objective: Same

USAID/Paraguay Strategic Objective: Improved Environment for micro-enterprises and sustainable diversified agriculture

1. Basic Data

- (a) Project Title: Agriculture Marketing & Technology
- (b) Funding Source: ITT & LAC TECH
- (c) Duration (Fiscal Years): FY 1995 - 1997
- (d) Proposed LOP funding: \$1.5 million

2. Strategic Fit with Agency/Bureau Goal

The project will support agriculture diversification efforts in Paraguay leading to an increase in rural employment and incomes. By putting in place the appropriate policy/regulatory framework, and introducing marketing and post-harvest technology, the project will contribute to achievement of broad-based economic growth. By working with producer/marketing cooperatives, the project will benefit the appropriate target groups.

(a) Consistency with Mission Strategy

This project will contribute directly to the Mission's new Strategic Objective 2, "improved environment for micro-enterprises and sustainable diversified agriculture". Expected program outputs are: an improved policy and regulatory framework, and enhanced support services for sustainable agriculture diversification.

(b) Problem and Activity Goal

The goal of this project is to contribute to increased rural employment and incomes. Agriculture is the backbone of the Paraguayan economy. It accounts for 28% of GDP and 95% of exports. It provides almost all the food for domestic consumption, provides jobs for 50% of the economically active population, and agribusiness, represents more than 54% of industrial value-added. However, the rural sector is characterized by an over-dependence on traditional crops such as cotton, soybeans and cattle. Timber resources are being exploited at an alarming rate by soybean interests, ranchers and illegal loggers. Small farmer annual per capita income is estimated at only \$97¹⁸. While not abandoning cotton, soybeans, and cattle, the Government of Paraguay is at the conceptual stage of an agriculture diversification program which is expected to break its dependence on the very limited number of traditional crops. Major weaknesses impeding sustainable agriculture diversification include: (1) the narrow focus of the extension service; (2) lack of credit; (3) very poor marketing infrastructure; (4) a scarcity of producer/marketing cooperatives; (5) lack of production/post harvest technology; and (6) little joint planning among the national and local governments and private sector suppliers.

(c) Project Purpose

The purpose of the project is to help Paraguay develop market

¹⁸ National University of Asunción, School of Economics, Accounting and Business Administration, "Production, Incomes, Employment and Social Stratification in Paraguay (p.82), 1993

oriented policies, a regulatory framework and the necessary technology for sustainable crop diversification. These policies will highlight the need for a "demand-side" notion within the Ministry of Agriculture and Livestock's (MAG) delivery services such as in planning, marketing information, crop research and extension, credit, and appropriate technology.

Strategic Objective 2 includes both "improved environment for micro-enterprises" and "sustainable diversified agriculture". The Mission will deal with them as separate but connecting areas of intervention. The former will be dealt with through the centrally-funded grant to Acción Internacional and the latter will be implemented through MAG and selected private sector NGO's. The dual focus is to increase rural employment and incomes.

(d) Anticipated Impact on Poverty Alleviation, Access, and Participation Including Gender Level Impact

National per capita GDP is estimated to be \$1,600¹⁹ in Paraguay. Rural per capita GDP is much less at approximately \$1,000²⁰

An estimated 110,000 landless families²¹ are squatting on lands in an attempt to eke out a subsistence income. Government services -- national or local -- are considered very inadequate. Weak health service delivery, inadequate basic education, limited access to potable water, and a lack of infrastructure have led to a gradual spiralling of rural poverty and a massive increase in foreign migration. Some 9% of the labor force devoted to agriculture are women²².

The project is expected to influence the production pattern and marketing practices of small farmers, including women, in Paraguay by making them more attuned to actual market demand. By facilitating a more sophisticated reading of the intervening forces at work in the market, the activities under

¹⁹ Preliminary estimates by Centro Paraguayo para la Promoción de la Libertad Económica y de la Justicia Social (CEPPRO)

²⁰ *ibid*

²¹ Luz, Karen, "The Possibilities of Redistributive Agrarian Reform Through the Land Market", CPES/Winsconsin Land Tenure Center, Dec. 1991

²² National University of Asunción, School of Accounting and Economics, "Incomes and Economic Policy, Education and Agricultural Employment in Paraguay" (p. 212), 1993

the project will result in the more effective use of production resources, including management of family labor. The result will be a more even distribution of labor, maximizing family labor utilization and reducing seasonal farm labor peaks.

(e) Dialogue Agenda

The proposed project is based on the findings and recommendations of a diagnostic study conducted by the Mission and LAC TECH, at the request of the Ministry of Agriculture and Livestock (MAG). While more specific details of project design and implementation are still under discussion with MAG's Planning Office, there is considerable agreement as to the general areas and objectives to be pursued. Dialogue with MAG and other potential participating organizations will continue, and a reasonable level of agreement is expected to be reached in the near future.

A creative dialogue is needed among MAG representatives, local government entities, the Congress and private sector agriculture organizations to make agriculture diversification a reality. In this regard, the RHUDO/USAID Paraguay Local Governance project, with its geographic focus on specific "departamentos" and technical assistance in local government organization and management, will be very helpful.

(f) Donor Coordination

Several donors are active in the agriculture and livestock sector including Germany through GTZ, Japan through JICA, the World Bank and the IDB. The World Bank \$50 million loan for an integrated rural development and natural resources conservation project in the Alto Parana and Itapua Norte regions is nearing implementation stage. The MAG is also negotiating a \$50 million loan for 1995-96 in agriculture diversification and modernization with the IDB. An earlier attempt at an acceptable local design ended in failure. The proposed USAID project does not duplicate any other donor funded project. In fact, it is intended to fill gaps left unattended or "pilot" activities in marketing information and post-harvest technology.

(g) Policy and Design Issues

The overriding importance of the agricultural sector in a realistic development assistance strategy has led USAID to include an agriculture support project.

The project will provide technical assistance and training to help participating organizations to test different mechanisms that can yield best results for the delivery of market and technological information to small farmer organizations.

Linkage to and utilization of LAC regional programs is an important consideration at this stage of activity development. A buy-in to LAC/DR/ARD and R&D/AGR activities is the obvious option. Other options include a combination of buy-ins and a grant to a local NGO.

Whatever combination of resources is used, project success will depend greatly on the responsiveness of the LAC Bureau through LAC TECH for timely and sustained technical assistance and coordination (from the USAID/W side) of R&D (Global Bureau) technical inputs.

The Mission estimates the need for three-person weeks of technical assistance from USAID/W in developing the project concept into a Project Paper-like document for LAC review.

3. Illustrative Budget for Life of Project
(\$000)

	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>	<u>TOTALS</u>
Technical assistance	350	300	250	900
Participant Training				
-- In Country	50	40	40	130
-- U.S. & 3rd Country	200	120	60	380
Equipment Package for MAG and Local Government	50	40	-	90
	-----	-----	-----	-----
LOP Totals	650	500	350	1500

SECTION III B. PORTFOLIO STATUS

I. OVERVIEW

II. ACTIVITY NARRATIVE BY PROJECT

1. TITLE: INTERCOUNTRY TECHNOLOGY TRANSFER

Number: 598-0616.06

Activities:

- Health Systems Mgt. & Accountability
- Development Services & Training Program
- Drug Abuse Prevention
- National Environmental Education Program
- Economic Policy/Trade/Investment (CEPPRO)
- Peace Corps Training

2. TITLE: HUMAN RIGHTS INITIATIVES

Number: 598-0591.06

Activities:

- Accountability in Government
- Legislative Strengthening (Legislación 2000)
- USAID/USIS Administration of Justice Joint Project

3. TITLE: REGIONAL ADMINISTRATION OF JUSTICE

Number: 598-0642.06

Activities:

- Judicial Reform

4. OTHER USAID/W ACTIVITIES

- Voluntary Family Planning (IPPF)
- Voluntary Surgical Contraception (AVSC)
- Labor-Management Relations - (AIFLD)
- Low-Cost Cooperative Housing (CHF)
- Farmer-to-Farmer (Partners)
- Parks-in-Peril - (The Nature Conservancy)

I. OVERVIEW

This report covers the period April to November, 1993. The report summarizes accomplishments of ongoing activities. Of 11 terminating projects, as of early 1994, four are officially closed-out, and seven projects at different stages of the close-out process. By and large, projects in Paraguay have met proposed objectives and are on schedule. Some examples follow: Civic Education, Legislative Strengthening, and Municipal Development made key contributions in strengthening citizen participation and awareness in Paraguay. Intervention under the Civic Education activity promoted the electorate to participate in the May 1993 general elections under the well-publicized motto of "Votar es mejor" (To vote is better), which resulted in a 75% turnout. Also, seminars specifically targeted to the newly elected governors, mayors, and other local officials made them acquainted with the basic problems and issues related to local government and the relevant experience from other Latin American countries.

The Health Management Accountability (HMA) and the Financial Management Accountability Systems (FMA) projects are both addressing the Mission program outcome of "improved public sector financial management and accountability". The former has helped establish and implement for the first time a rational budgeting/financial information system within the Ministry of Health, replicable to other areas of the Paraguayan government. The technical assistance provided under the FMA project to the Office of the Controller General, provided key technical inputs and training so that the newly created organization can accomplish its job of scrutinizing public expenditures within a public sector plagued with corruption.

Scholarships financed under our "Leadership Fund for Development" and the studies conducted by CEPPO, a local think-tank involved in economic policy, continue being USAID's main-stays, lobbying for an improved environment for sustainable development. CEPPO contributed fundamental ideas on how to develop economic and social policies, based on free market principles, for the benefit of the presidential candidates contending for the May 1993 presidential elections. These activities are scheduled to continue through FY 1994 and 1995. Also, initial steps are underway for a limited policy/planning intervention in the area of agricultural marketing and technology services and in micro-enterprise development, which are also areas of interest for the Mission under its newly revised strategic objectives.

II. ACTIVITY NARRATIVE BY PROJECT

1. Account: INTERCOUNTRY TECHNOLOGY TRANSFER
Number: 598-0616.06

Activities:

Activity Title: Health Systems Mgt. & Accountability
PACD: September 1, 1994
Activity Purpose: To provide technical assistance to the Paraguay Ministry of Health in three key areas:
• costing/budgeting
• reorganization
• management training.
Funding: LOP: \$1,438,000 - Obligations: \$438,262

Brief Overall Assessment of Activity:

In August 1993, there was a change of government in Paraguay and a new Minister of Health appointed. The new Minister made changes in the administrative structure of the Ministry and replaced some key officials responsible for managing the Ministry's activities. The Ministry and USAID agreed on the following project activities for Phase II (October, 1993 - September, 1994):

- Reorganization which will focus on strengthening the administrative/budgeting/financial capacity of the Ministry and completing the development of a model regional administrative structure;
- Management Training will continue as planned; i.e. train approximately 160 MOH officials in basic management using four modules developed by AUPHA;
- Improvement of financial accountability through the development and implementation of a budgeting/financial information system and of a simplified presentation/methodology for costing health services and measuring efficiency/productivity.

Project Designation: A

Activity Title: Development Services & Training Program
PACD: December 31, 1995
Activity Purpose: To support the creation of a cadre of Paraguayans well-trained in economic planning, business management, and in other selected fields for the development of the country.
Funding: LOP: \$887,000 - Obligations: \$620,000

Brief Overall Assessment of Activity:

After a period of training and organization aimed at preparing CIRD's staff in all matters concerning A.I.D. norms for

international participant training programs, a Selection Committee was set up with representatives of the private business sector, the Ministry of Education, the Paraguay-Kansas "Partners" and universities. The first group of candidates was selected out of a total of 77 applicants and 35 eligible candidates. Two participants are now in the U.S.A., one at the University of Illinois and another at Kansas State, Manhattan. Three participants were selected for Chile, two for the Economics program at the Catholic University, and one for the Agricultural Economics program at the same institution. Three other candidates have been placed at INCAE in Costa Rica. Follow-up is ongoing. There have been minor administrative problems, especially concerning the correct interpretation of Handbook 10 in the case of third-country training.

Project Designation: A

Activity Title: Drug Abuse Prevention

PACD: June 30, 1995

Activity Purpose: To provide support and technical assistance services to Project Marandú in institutional strengthening and with programmatic activities in drug awareness education.

Funding: LOP: \$600,000 - Obligations: \$600,000

Brief Overall Assessment of Activity:

Pre-implementation steps leading to the new agreement were carried out during the months of May and June. These consisted mainly in the collection of updated information on the drug situation in Paraguay, the evaluation of previous activities in the same field and the elaboration of the final proposal to be submitted to A.I.D. In the July-September period, the project organized a workshop for school teachers with the purpose of evaluating the teachers guides developed by the project in cooperation with the Ministry of Education. Workshops for parents were held at two schools in Asunción, reaching a total of 130 parents. Alcohol abuse among young students was one of the main interests of parents, and Marandú has participated in several events related to this problem, as well as in preventive action taken by parents, and other groups. Marandú participated actively in the work of the National Alliance of NGOs Working in Drug Abuse Prevention. Conversations with the Ministry of Agriculture were initiated to promote alternative crop solutions for farmers that currently cultivate marijuana. Assistance was provided to the National Anti-Drug Secretariat, to complete the National Drug Prevention Plan. Work in the area of NGO institutional development continued with a seminar on fund-raising and organizational development. Also, the project continued its work with political leaders, with a seminar organized for the Government of Guairá and meetings with

legislators who are members of the Committee on Drug Traffic. In parallel efforts to strengthen the project, an agreement was reached with a Spanish NGO, to expand the work of the Documentation Center with European funding.

Project Designation: A

Activity Title: National Environmental Education Program
PACD: September 30, 1994
Activity Purpose: Education of the general public and influential sectors of society in the areas of Environment and Sustainable Development.
Funding: LOP: \$450,000 - Obligations: \$300,000

Brief Overall Assessment of Activity:

The program is in its second year of implementation. The Moises Bertoni Foundation has concentrated on two types of activities:

- dissemination of educational materials on the environment and sustainable use of natural resources, and
- workshops focusing on individuals who can be "agents of change" within the community-at-large.

Many seminars have been given throughout the country to journalists, religious leaders, agro-extensionists, and others, primarily in areas where the natural resources are most pressured by human activities. Large amounts of published material have also been produced and distributed. Radio and television programs have been produced to reach a larger audience, as well. Approximately 40% of the budgeted amount for FY 92-93 was spent.

Project Designation: A

Activity Title: Economic Policy/Trade/Investment (CEPPRO)
PACD: December 31, 1994
Activity Purpose: To carry out a program of economic policy development .
Funding: LOP: \$750,000 - Obligations: \$250,000

Brief Overall Assessment of Activity:

The first phase of the project, consisting of providing advice to all political parties who participated in the May 9, 1993 presidential and congressional elections, on how to develop economic and social policies which feature free market principles, finished with the presentation of a document "Economic Policy Proposal: A General Outline", for representatives of all the political parties and the Government, before the election date. The second phase will refine the

concept and analysis contained in the original "model program" to fit the needs of the Wasmosy administration. On August 20, 1993, an amendment to the original agreement was signed to increase funding for the project in the amount of \$100,000 for a new total of \$250,000. This increase will allow a review of the legal framework and impediments to economic growth, and an investment incentives study with the Foreign Investment Advisory Service (FIAS) of the World Bank.

Project Designation: A

Activity Title: Peace Corps Training

PACD: N/A

Activity Purpose: To strengthen and expand health and environment sector activities by PCV's and their local counterparts.

Funding: LOP: \$150,000 - Obligations: \$150,000

Brief Overall Assessment of Activity:

The Project trained 160 PCV's and their local counterparts in: design and management of community development projects; agro-forestry and environmental education; soil conservation and environmentally-safe pest management; environmentally-sound income diversification; nutrition and other components of the Ministry of Health's child survival campaign; and the prevention of childhood diseases through community sanitation. In addition, 2,000 copies of the very highly regarded Peace Corps publication "Common Trees of Paraguay" were printed with project funds. This publication is an invaluable resource for all NGO's, academics, and professionals working on environmental issues in Paraguay.

Project Designation: A

2. **Account:** HUMAN RIGHTS INITIATIVES

Number: 598-0591.06

Activities:

Activity Title: Accountability in Government

PACD: May, 1994

Activity Purpose: To strengthen the Office of the Controller General of Paraguay (CGR).

Funding: LOP: \$100,000 - Obligations: \$100,000

Brief Overall Assessment of Activity:

The Ecuadorian consultant finished all the documents related to principles, technical norms, policies, internal rules, and auditing procedures, necessary for the CGR to investigate, audit, analyze, monitor, and report on public expenditures. With respect to training and professional development of the CGR staff, only a small percentage of the total courses planned was carried out due mainly to lack of time of the CGR staff to attend the training courses. It is expected that some more courses will be held before the PACD. Two computers and accessories were also purchased for the CGR under the project. In general terms, the CGR is satisfied with the assistance received through this project.

Project Designation: B

Activity Title: Legislative Strengthening (Legislación 2000)
PACD: December 31, 1995
Activity Purpose: To establish a cooperative mechanism between CEAL and local organizations to provide information, technical assistance and training to modernize the legislative process in Paraguay.
Funding: LOP: \$430,000 - Obligations: \$330,000

Brief Overall Assessment of Activity:

1993 was an election year in Paraguay, and from January to May the political campaign was intense. It was clear from the start that because of substantial modifications introduced by the new Constitution and changes in the electoral law, a significant proportion of the legislators would not be re-elected. Therefore, the project concentrated on training events for congressional staff and journalists. Once the results of the May elections were known, the project organized events for the new legislators, including orientation sessions conducted by the permanent staff and experts invited from Chile. The recordings of previous seminars were used to edit a complete report on the conclusions and discussions of the training events. Consultations and orientation for new legislators were organized. From July, the month in which the new Congress was installed, plans for the 93-94 period were designed together with political leaders of all parties. In September, a delegation from CEAL visited the new authorities, and a public presentation of the project and the work of CIRD and CEAL was done. The first training trip to Chile was held in October.

Project Designation: A

Activity Title: USAID/USIS Administration of Justice Joint Project
PACD: September 30, 1994
Activity Purpose:
Funding: LOP: \$197,500 - Obligations: \$197,500

Brief Overall Assessment of Activity:

- In July 1993, Dr. Rafael Torres Torres, a highly regarded administrator and Judicial training expert from Puerto Rico, traveled to Paraguay to assess the Paraguayan judiciary's administrative sector and to make recommendations. He also gave lectures on "Judicial Organization and Ethics" to judges in the field and in Asunción.
- Judges Nelson Mora and Marcos Riera Hunter attended the American Republic Project "Administration of Justice, the Role of An Independent Judiciary in Democracy" in the United States from September 13 to October 8, 1993.

Project Designation: A

3. **Account:** REGIONAL ADMINISTRATION OF JUSTICE

Number: 598-0642.06

Activities:

Activity Title: Judicial Reform
PACD: September 30, 1995
Activity Purpose:
Funding: LOP: \$500,000 - Obligations: \$300,000

Brief Overall Assessment of Activity:

During this period the project carried out the following activities:

1. Creation and Implementation of a Judicial Training System

- Three seminars were conducted upcountry on civil procedures; "Consejo de la Magistratura", "Jurado de Enjuiciamiento", and "Ley de Eximición de Prisión".
- In April, 1993, members of the Project Management Group observed first-hand the Chilean training system. Materials and ideas on the Judicial School were gathered during the visit.
- In June 1993, a Judicial Training School Working Group was established under the Project. Their mandate is to design

the Paraguayan Judicial School model and a draft law. The work is almost finished.

2. Integrated Program for the Computerized Systematization of Legal Information

USAID/Paraguay has provided funds to set up a system for case tracking and other administrative and budget needs. Procurement of necessary equipment is in process and will be completed at the end of 1993.

3. Court Administration

- In April, 1993, five Paraguayan Judges traveled to Chile to observe that country's court administration system, the most advanced in Latin America. At the Corporación Administrativa del Poder Judicial de Chile, they observed advances in administrative upgrading and decentralization, automated case-tracking systems, and the "Auto Consulta Judicial".
- In July 1993, two judges and three prosecutors also traveled to Chile to attend a conference on "Caseload Reduction", which experience will help in a pilot effort in two of ten Criminal Courts of the First Instance in Asunción.

4. Human Rights Documentation Center

- The Center was established to preserve files and documents of the National Police and Ministry of Interior which chronicle a generation of human rights violations under the Stroessner government.
- The analytical review, classification, cataloguing, and microfilming of the documentation has been completed. The completion date has been extended until December 31, 1993, to allow the inclusion and processing of additional files and comments discovered in other governmental offices.

Project Designation: A

4. Account: OTHER USAID/W ACTIVITIES

Activities:

Activity Voluntary Family Planning (IPPF)

Title:

PACD: January 31, 1995

Activity Purpose: To provide voluntary family services through CEPEP clinics in Asunción and the interior.

Funding: LOP: \$230,533 - Obligations: \$230,533

Brief Overall Assessment of Activity:

The Transition Project provided cash grants of US\$103,533 in 1993, plus AID's in-kind contraceptives valued at \$130,000. It expects to decrease its grants yearly and to increase CEPEP's sustainability in the 1994-97 period. The Transition Project is currently funding three clinics in the interior and their surrounding Community Based Delivery programs, subsidizing

voluntary surgical contraception and providing technical assistance in quality care.

Project Designation: A

Activity Title: Voluntary Surgical Contraception (AVSC)
PACD: July 31, 1993
Activity Purpose: To create a training demonstration site for FP activities, under the auspices of the Ministry of Health.
Funding: N/A

Brief Overall Assessment of Activity:

The surgical area of the model center equipped by AVSC is in operation. A number of physicians have been trained and have already performed minilaparatomies using the local anesthesia and sedation techniques. Ministry officials expressed their satisfaction with the program.

Project Designation: A

Activity Title: Labor Management Relations - AIFLD
PACD: N/A
Activity Purpose: Assist in the promotion of improved labor/management relations.
Funding: LOP: \$200,000 - Obligations: \$200,000

Brief Overall Assessment of Activity:

Basic trade union training and democratic participation education was supported by USAID funding in the form of seminars, workshops, evening, and weekend courses. In total, 2,452 trade unionists (of which 1,964 were women) participated in courses that included topics such as labor's role in a democratic society, constitutional democracy, labor legislation, modern labor-management relations, and basic union development and administration. Assistance also facilitated the work of trade union leaders in organizing campaigns and promoting a new labor code.

Project Designation: A

Activity Title: Low-Cost Cooperative Housing (CHF)

PACD: September 30, 1995

Activity Purpose: To strengthen and/or establish private sector oriented cooperative housing delivery systems in South America through the systematic and sustainable development of national and local structure and systems.

Funding: LOP: \$150,000 - Obligations: \$120,000

Brief Overall Assessment of Activity:

CHF was awarded this grant in late September 1993 but has had a representative in Paraguay since March, 1993. The focus of the project is to build upon the very successful experience of the Nande Roga cooperative home improvement program carried out with the active participation of Peace Corps. One of the main achievements has been the signing of a contract between CONAVI and CREDICOOP providing additional funding (\$550,000) to continue the cooperative home improvement project. CONAVI has made a commitment to provide additional funding in FY 1994 as well as for expanding the project to include financing for new home construction.

Other achievements include a report on low-cost housing in Paraguay, the signing of the CHF/CREDICOOP technical support agreement, and the ongoing negotiations of an agreement to formalize the relationship between CHF and CONAVI to promote a low-cost cooperative housing initiative in Paraguay.

Project Designation: A

Activity Title: Farmer-to-Farmer (Partners)

PACD: N/A

Activity Purpose: To improve the effectiveness of farming and marketing operations in selected Latin American countries (Paraguay) through technical assistance provided by volunteer U.S. farmers.

Funding: LOP: \$100,000 - Obligations: \$100,000

Brief Overall Assessment of Activity:

About 15 volunteer U.S. farmers and project coordinators provided technical assistance in the seven ongoing sub-activities in Paraguay, which focus on dairy and beef production and marketing, fruit and vegetable production and marketing, and cotton production (boll weevil management). The experience generated through the interface between the FTF volunteers and the local producers, as well as the technical recommendations made by the volunteers, are having a positive multiplier effect through

demonstration and extension work implemented by Ministry of Agriculture's extension agents and producer organizations. With small donations (\$5,000) to local groups arranged through the program, an ice-making machine was purchased by a group of small dairy producers (Lechita) to process excess milk during the summer season. Also, citrus growers from Mayor Otaño established a demonstration fruit selection and packaging facility for improved marketing.

Project Designation: A

Activity Title: "Parks in Peril" (The Nature Conservancy)

PACD: N/A

Activity Purpose: To ensure long term protection of Mbaracayú Nature Reserve and prepare a master plan for managing the national parks system of Paraguay.

Funding: LOP: \$599,000 - Obligations: \$199,000

Brief Overall Assessment of Activity:

The PIP program has contributed \$100,000 to the protection of the Mbaracayú Nature Reserve in Northeastern Paraguay and to the elaboration of the "Master Plan for the National Protected Areas System". This Plan will serve as the basis for the long-term maintenance and strategic planning of the country's natural parks system. This program is centrally-funded, but AID/Paraguay oversees some aspects of its execution here in Paraguay.

Project Designation: A

SECTION III. C

Central and Regional Projects

1. 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. Acción Internacional helped create the Paraguayan Foundation for Cooperation and Development, 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 Moises Bertoni Foundation, one of the country's leading environmental NGOs. The University of Wisconsin's Land Tenure Center has pioneered research in agrarian reform with the local Center for Sociological Studies (CPES). The "Partners of the Americas" was instrumental in helping establish the Center for Information Resources for Development (CIRD), which trains other Paraguayan NGO's and is active in the management of several USAID/Paraguay projects.

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 also 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 the Economic Policy project, the Institute of Economics at the Pontifical Catholic University in Santiago, has also established ties with the Centro Paraguayo para la Promoción de la Libertad Económica y de la Justicia Social (CEPPRO).

USAID/Paraguay 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.

2. 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. A new technical assistance vehicle will have to be identified for USAID/Paraguay's second generation Health Services Improvement project proposed for FY 1995.

LAC Local Governance/Municipal Development (FIU/RHUDO): Building on the experience gained from the FY 1992 Mission funded Municipal Development activity, USAID/Paraguay is now at the final design stage of a Local Governance project in selected localities. Technical assistance will come from Florida International University (FIU), Miami Dade County, and RHUDO/Quito.

Agriculture and Rural Development Technical Services (LAC/TECH): USAID/Paraguay intends to design and implement an FY 1995 new start project which complements efforts by the InterAmerican Development Bank (IDB) in agriculture diversification. The Mission will rely heavily on LACTECH to coordinate technical assistance envisioned in marketing and appropriate technology.

3. Supports Strategic Objectives/Less Active Mission Participation

R and D (Global) Population (IPPF/AVSC): USAID/Paraguay recently submitted a "Zero Base Review" of USG assistance for voluntary family planning which recommends up to \$4 million in technical assistance and training for the five-year period 1994-1998. The bulk of the assistance would flow through IPPF to its local affiliate, the Center for Population Studies (CEPEP) and from AVSC to the Ministry of Health.

LAC Parks-in-Peril (TNC): 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 Moises Bertoni Foundation 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 has provided technical assistance to the Direction of National Parks and Wildlife to develop a "National Protected Areas Plan".

LAC Regional Financial Management Improvement Project II: In conjunction with the Mission's Local Governance project, RHUDO and USAID/Paraguay foresee the need to "tap" into the RFMIP II project in FY 1995-97 for pin-pointed technical assistance, conference support and evaluation services.

Table 3: USAID/Paraguay PORTFOLIO -- PROJECT TIMELINE

PROJECT NUMBER/TITLE	FY94				FY95				FY96				FY97				FY98			
	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																		
598-0616.06\Drug Abuse Prev. (Phase II)	X	X	X	X	X	X														
598.0616.06\ Development Serv. & Trng.	X	X	X	X																
598-0616.06\Development Serv. & Trng II					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												
598-0616.06\ Health Svcs. Improvement					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																
598-0591.06\Legislative Strengthening II					X	X	X	X	X	X	X	X	X	X	X	X				
598.0642.06\ Judicial Reform	X	X	X	X																
598.0642.06\ Judicial Reform II					X	X	X	X	X	X	X	X	X	X	X	X				
598-0616.06\ Econ./Trade/Investm. Policy	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X				
598-0616.06\Local Governm. Strengthening									X	X	X	X	X	X	X	X	X	X	X	X
598-0616.06 \ Agriculture Support					X	X	X	X	X	X	X	X	X	X	X	X				
TOTAL PROJECTS (at end of FY 4th Quarter)	6				7				7				6				3			

LAC Civic Education ("Partners of the Americas"): The Mission will rely on this LAC regional project to stimulate civic education, through a network of local NGOs, and with a local government focus.

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 modern history took office in August 1993. Since there is no tradition of close military-civilian collaboration in nation-building and development, the proposed project, should it become a reality, would be ideal for strengthening military-civilian ties and improving planning and accountability skills. The Mission requests that Paraguay be a priority country, and that assistance be based on a country-specific needs assessment.

SECTION IV: Environmental Analysis Update, from 1993

A. Major Conservation Challenges Facing Paraguay

Until recently, Paraguayans did not believe there was a need to protect their natural resources and environment because there have been large extensions of fertile land and seemingly unlimited forests favorable for agriculture, livestock and wood production, on which the economy is based. Therefore, few legal provisions exist to protect these natural resources. In the last thirty years, a different pressure has been working on the natural resources of Paraguay. Forests and other natural vegetation are being cleared to make room for agriculture, livestock grazing and wood products, at an alarming rate. Many cleared lands located on poor, erodible soils, should be protected with some form of vegetation. Economic expansion, social mobility, modern communication technology and expectations of a better quality of life, have created intensive utilization of land, water and wildlife, which is rapidly decreasing and deteriorating these resources. According to the GOP, over the last fifty years, Paraguay has experienced a forty-six percent decrease in its forest cover. The Eastern Region of Paraguay, once covered by over eight million hectares of valuable tropical and sub-tropical forests (55 percent of its surface area), is now covered by less than three million hectares (15 percent of its surface area). Of this forest that is left, sixty percent is degraded and secondary forest, of little commercial value. Most of the forest loss in Paraguay has occurred over the last twenty years.

There have been no major improvements in the status of Paraguay's ecosystems and plant and animal species since the prior reports. According to the National Forestry Service, deforestation of tropical forests declined somewhat as compared to rates in previous years, but continued at the alarming rate of 250,000 hectares last year. The decline has

been attributed to lack of heavy machinery for clearing land (now being utilized in new road construction) rather than to change in natural resources conservation policies and law enforcement. Only one new national park was added by decree (as compensation for impacts of the Yacyretá Dam Project) to the national protected areas' system, but it has yet to be purchased or demarcated. Only 4.4 percent of the total area of the country is presently under some form of protection, and not all representative ecosystems are being protected adequately. The number of critically endangered species remains at twelve mammals, eleven birds, and two reptiles according to official Ministry of Agriculture-CITES (Convention on the International Trade of Endangered Species) figures.

Agricultural development continues to emphasize environmentally-unsound farming and livestock practices. Industrial and municipal sector authorities and policymakers have not adequately addressed the "brown issues" of pollution and solid waste production. Proper land-use planning, watershed protection, erosion control, and reforestation are still not priorities for all GOP planning agencies.

B. Progress During the Past Year

Articles 7 and 8 of Paraguay's new constitution (enacted in 1992) assure the right of all citizens to a healthy and ecologically sound environment. Imports of toxic wastes are banned along with biological, chemical, and nuclear weapons, and requires regulation of exports of genetic resources. The concept of "ecological crime" is adopted and requires repair or compensation for all damage to the environment. In the face of enormous budgetary and political constraints, Paraguay's natural resources conservation authorities continue to take steps toward preservation of tropical forests and biodiversity. The new democratically-elected Congress has a serious, and reasonably well supported, permanent Commission on Natural Resources and Environment. Legislation has been promulgated requiring environmental impact assessments, establishment of protected areas, and for wildlife conservation. The UN Biodiversity Convention and Climate Change Convention have been ratified, as well.

USAID has been instrumental in funding the Master Plan for Protected Areas (SINASIP) through The Nature Conservancy's "Parks-in-Peril" program. This plan, when implemented by the GOP, will protect representatives of all the major ecosystems of Paraguay and increase the percentage of protected areas to almost ten percent of its land cover (the minimum needed to preserve integrity of ecosystems). Local non-governmental environmental organizations (NGO's) have been actively working on projects, lobbying Congress, and assisting the GOP. Environmental NGO's have sprung up in the more rural areas of

the country, demanding more involvement in issues.

This year, Paraguay may also be eligible for inclusion in the "Debt for Environment" facility, pending results of the recent IMF Article IV visit, and USG inter-agency approval. The facility could give needed impetus to carry out long-term environmental conservation activities.

C. Recommended Followup

In 1994-1995 USAID/Paraguay will:

1. Continue implementation of the Environmental Education Program with the Moisés Bertoni Foundation and other NGO's, to support the program outputs of its Strategic Objective #3, "more sustainable management of natural resources".
2. Work closely with the Moisés Bertoni Foundation and the National Parks Directorship, in planning and implementation of the "Parks-in-Peril" activities, including strengthening of the Mbaracayú Reserve and a new park, the Defensores del Chaco National Park.
3. Establish a mechanism, through an NGO intermediary, to support the work of the Bicameral Commission on Natural Resources and Environment.
4. Support the efforts of the Municipality of Asunción in "brown" environmental issues including landfill, refuse collection and recycling, and its technical assistance outreach to other municipalities.
5. Establish contacts with U.S. private companies for assistance in reforestation.
6. Begin to define the requirements for a systematic study of the Chaco region, focusing on preservation of its ecosystems and potential for sustainable agricultural development.

SECTION V: Resource Requirements

A. Program Resources: The program budget proposed for FY 1995-96 takes into consideration the tight budget situation still facing the LAC Bureau in Fy 1995 and the Agency's decision to designate Paraguay as a "sustainable development program" country. Thus, a total level of \$6.5 million is proposed for FY 1995, consistent with the Agency's Congressional Presentation. An "enhanced" level of \$18.5 million is proposed for FY 1996, including \$10 million for a proposed new Housing Investment Guarantee. Modest increases have been proposed in FY 1996 for democracy, population/health, and the environment.

B. Operating Expenses and Staffing: USAID/Paraguay is fortunate to have a very experienced and dedicated cadre of foreign service national (FSN) employees. Nonetheless, the Mission requires the addition of two new USDH staff and one new FSN/PSC in FY 1995 and FY 1996. In FY 1994 the requested operating expenses level was \$350,000. In FY 1995 and FY 1996 the requested OE levels are \$440,000 and \$535,400 respectively. Increases are due to the hiring of additional staff, estimated FSN salary increases, end-of-term travel of the A.I.D. Representative, and travel of the new AIDREP to post, in FY 1996, and the need for additional computers and office equipment. Other costs will continue 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 (\$000)

FUNDING CATEGORY	FY94	FY95	FY96	SO#
LAC BUREAU				
ITT				
Economic Policy, Trade, and Investment	350	400	500	#2
Health Systems Mgmt. and Accountability	400			other
Health Services Improvement ¹⁾		500	500	other
Development Training and Technical Services	1,200	1,200	1,000	#2
Agriculture Marketing and Technology ²⁾		500	500	#2
Environmental Awareness	250	300	300	#3
Peace Corps Training	100	150	150	#3
AOJ/DI				
Judicial Reform I + II ³⁾	500	750	750	#1
Legislative Strengthening I+II ⁴⁾	500	750	750	#1
Local Governance Strengthening ⁵⁾			1,000	#1
Electoral Assistance ⁶⁾			500	#1
OTHER				
Parks-in-Peril	300	400	500	#3
Local Governance/Municipal Development	200	300		#1
Labor-Management Relations	200	200	300	#1
Total Lac Bureau	4,000	5,200	6,500	
OTHER BUREAU-FUNDED				
Population ⁷⁾	600	800	800	other
Cooperative Housing ⁸⁾	200	300	10,500	#1
Civic Education ("Partners of the Americas")	100	100	100	#1
Farmer-to-Farmer ("Partners of the Americas")	100	100	100	#2
Total Non-Lac Bureau	1,000	1,300	11,500	
PROGRAM TOTAL	5,000	6,500	18,000	

¹ Presumes approval of second phase project w/LOP funding of \$2.5 million

² Presumes approval of new project w/LOP funding of \$1.5 million

³ Presumes approval of second phase project w/LOP funding of \$2 million

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

⁵ Presumes approval of new project w/LOP funding of \$5 million

⁶ For 1996 municipal elections

⁷ Presumes positive USAID/W endorsement of "Zero Base Review".

⁸ Presumes approval of a \$10 million Housing Investment Guarantee for Paraguay.

USAID/PARAGUAY

OE Funding Requirements
(\$000)

OE/TRUST FUNDED LEVELS By Major Function Code:	FY 94	FY 95 (A)	FY 96 (A)
U100 U.S. Direct Hire	5.0	25.5	35.5
U200 F.N. Direct Hire	120.3	140.5	146.4
U300 Contract Personnel	129.6	164.6	228.6
U400 Housing	32.2	44.2	56.2
U500 Office Operations	57.9	58.2	63.2
U600 NXP Procurement	5.0	7.0	5.5
Sub-Total-Core Cost	350.0	440.0	535.4
Downsizing Cost: U100	N/A	N/A	N/A
U200	N/A	N/A	N/A
U300	N/A	N/A	N/A
Sub-Total Downsizing Cost	N/A	N/A	N/A
Total OE/TF Costs	350.0	440.0	535.4

REMARKS: (A) FY 95/96 LEVELS INCLUDE COSTS OF ONE ADDITIONAL FSN AND ONE USDH IN FY 95 AND A 3RD USDH AND 3RD USPSC IN FY 96

Mission Staffing Requirements						
	FY 94			FY 95		
	USDH	USPSC	FSN Other*	USDH	USPSC	FSN Other*
Total FTES or Workyear	1	2	7	2	2	8
of which Program funded		1			1	

* Other PASAs and TCNS

SECTION VI. USAID/Paraguay Issues

A. Gearing up for a Sustainable Development Program

The USAID/Paraguay program is in transition. The Mission has redefined its Strategic Objectives to reflect the Paraguayan political and development reality. Consolidation of democracy remains the top priority; strengthening still fragile institutions such as the judiciary, congress, local government, and citizens groups. In the economic growth area, USAID/Paraguay has shifted from its emphasis on export/investment promotion to projects that can affect employment and incomes; micro-enterprise expansion, agriculture diversification, and low-income housing. In response to an emerging Paraguayan consensus to deal with environmental problems, the Mission has also established a stand-alone strategic objective. Finally, despite its pivotal role in population/health, USAID/Paraguay has not proposed a separate strategic objective pending the outcome of USAID/W's decision on the Paraguay "Zero Base Review" of USG support of voluntary family planning, and the outcome of its ongoing Health Management project with the Ministry of Health.

B. Proposed Program Funding Levels

Considering the funding dilemma facing the LAC Bureau, USAID/Paraguay proposed a total FY 1995 program level of \$6.5 million. The Agency endorsed \$6.5 million for Paraguay, as a "sustainable development program" country, in the FY 1995 Congressional Presentation. For FY 1996, the Mission has proposed a program level of \$18 million, of which \$10 million is proposed for a new Housing Investment Guarantee. Absent an approved HIG, the proposed program level would be \$8 million, a modest increase over FY 1995.

C. Proposed Project Portfolio Through FY 1998

USAID/Paraguay has fashioned a "basket" of inter-connected projects to achieve its goal of "increased capacity for sustainable development within a participatory democracy". Nearly every project, such as Judicial Reform II, Legislative Strengthening II, Health Services Improvement and Micro-enterprise Expansion, are second generation activities. The only new initiative is Agriculture Marketing and Technology.

USAID/Paraguay believes that the program is focused, concentrated on the right activities, and within the management reach of the Mission's US and FSN staff resources, as requested. Some projects are Mission-intensive, such as Judicial Reform, Local Government Strengthening and Environmental Awareness. Other activities in family planning, labor-management relations, micro-enterprise, and "Parks-in-Peril" are executed by competent local NGOs, and demand less

intensive management oversight.

D. Mission Staffing

At present, the total USAID/Paraguay staff numbers 10. The Mission proposes a modest increase to 14 by FY 1996. The additional staff include: a USDH Program/Project Officer (95), an FSN Program Assistant (95), a USDH Environmental Officer (96) and a USPSC Evaluation Officer(96). Adequate OE budget support has been proposed. Additional office space will be required within an already cramped Embassy. There will be FAAS budget implications in the out-years.

E. Housing Investment Guarantee (HIG)

USAID/Paraguay believes that a new \$10 million HIG can have dramatic positive impact on employment and incomes in Paraguay. As pointed out in the Action Plan, there is a huge unmet demand for new homes and home improvements, and at a time when the rural economy is stagnant, causing an alarming migration to Argentina and Brazil. The private and cooperative sectors are enthusiastic about a new HIG, as are representatives of the Central Bank and the National Housing Authority. A \$10 million HIG could generate up to \$15 million in local currency-denominated home improvement loans, through a consortium of commercial banks and the cooperative sector over five years. The design, negotiation and execution of a complicated HIG will require intensive technical assistance from RHUDO/Quito, and the Cooperative Housing Foundation (CHF).

F. Voluntary Family Planning

Paraguay is at an historic crossroads in its population/family planning program. A growing consensus is beginning to clamor for wider availability of modern contraceptive services for women. Paraguay's birth rate of 3.1 is one of the highest in Latin America. And less than 35 percent of women of reproductive age have access to family planning services.

The Ministry of Health and local NGOs such as the Center for Population Studies (CEPEP is the local IPPF affiliate) are cooperating closely to expand voluntary family planning services.

After nearly two years of effort, the Mission, the LAC Bureau and R&D (Global)/Population completed a "Zero Base Review" of USG support for voluntary family planning in Paraguay and submitted it for USAID/W review in November 1993. The Mission and Team recommended a program worth \$4 million over five years to broaden community-based family planning services, increase technical capacity of the MOH and CEPEP, and move toward greater sustainability. Other donors such as the UNFPA

are involved.

The Mission requests approval and guidance from USAID/W.

G. Rural Poverty and Stagnation

Poverty has always existed in Paraguay, but during the dictatorship of Stroessner it went un-noticed. With the advent of "democracy", the poor have begun to demand more attention. There are great disparities in income, employment opportunity, land tenure, and social services between the privileged five percent and the rest of the population. And as tension mounts, the Government does not have a strategy and plan to address the poverty issue rationally.

The USAID/Paraguay program responds in part to the need to make the rural sector more productive and to improve basic human needs. Micro-enterprise Expansion, Agriculture Marketing and Technology, Low-income Housing, and Health Services Improvement, for example. A previous project in Education Policy Reform produced the seminal education sector assessment now used widely by the Government and donor community.

During 1994-95, USAID/Paraguay and the Embassy will help to examine the root causes of poverty in the country, including studies and assessments. USAID/W and the LAC Bureau will be asked to collaborate in the months ahead.

ANNEX A
USAID/PARAGUAY
OPERATING EXPENSES - FY 1995

USAID/PARAGUAY BUDGET

OPERATING EXPENSES - F.Y. 1995

U.S. DIRECT HIRE PERSONNEL

<u>U-111/21201 - ASSIGNMENT TO POST TRAVEL</u> Program Assistant & Family FO-02 (4)	\$ 7,000.00
<u>U-112/22001 - FREIGHT HHE/UB</u> Program Assistant & Family (4)	\$ 15,000.00
<u>U-116/21201 - R&R (TRAVEL)</u> AID/Representative & Family (4)	\$ 3,500.00
<u>TOTAL U-100 (U.S. DH PERSONNEL)</u>	<u>\$ 25,500.00</u>

FOREIGN NATIONAL DIRECT HIRE

<u>U-201/11400 - ADJUSTED BASIC SALARY</u>	
1. Dev.Assistance Spec.(11/13)	\$ 41,865.00
2. Program Specialist (10/14)	\$ 33,637.00
3. Secretary (7/15)	\$ 15,898.00
Total ABS	\$ 91,400.00
<u>Plus:</u>	
1. Benefits Allowance	\$ 3,780.00
2. Step increases 5% of 91,400.00	\$ 4,570.00
3. Beverage Allowance	\$ 1,630.00
4. <u>13th Month Bonus</u>	
a. Dev.Assistance Spec.	\$ 3,488.00
b. Program Specialist	\$ 2,800.00
c. Secretary	\$ 1,325.00
	\$ 7,613.00
5. <u>Winter Bonus</u>	
a. Dev.Assistance Spec.	\$ 3,488.00
b. Program Specialist	\$ 2,800.00
c. Secretary	\$ 1,325.00
	\$ 7,613.00
6. 10% Estimated Salary Increase	\$ 11,600.00
TOTAL U-201	\$128,206.00
<u>U-202/11500 - PREMIUM COMPENSATION</u>	\$ 1,000.00
<u>U-204/12900 - INCENTIVE AWARDS, FSNs</u>	\$ 750.00
<u>U-204/12903 - RETIREMENT, GOVNT CONTRIBUTION</u> 7% OF ABS (91,400.00)	\$ 6,398.00
<u>U-204/12904 - HEALTH INSURANCE, GOVNT CONTRIBUTION</u>	\$ 4,200.00
TOTAL U-202 & 204	\$ 12,348.00
<u>TOTAL U-200 (FSNs DH)</u>	<u>\$140,554.00</u>

CONTRACT PERSONNEL

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

1. AID/REP Secretary

Salary:

1. FS-7/1	\$ 18,903.00
2. 10% Estimated Salary increase	<u>\$ 3,780.00</u>

TOTAL U-302/11300

\$ 22,683.00

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

ADJUSTED BASIC SALARY

1. Accounting Technician (08/05)	\$ 19,350.00	
2. Chauffeur (03/07)	\$ 9,028.00	
3. Chief Accountant (11/09)	\$ 36,990.00	
4. Program Assistant (07/01)	\$ 12,610.00	
5. Program Assistant (07/01)	<u>\$ 12,610.00</u>	\$ 90,588.00

Plus:

1. Benefits Allowance		\$ 4,000.00
2. Steps Increases: 5% of \$ 90,588.00		\$ 4,500.00
3. Beverage Allowance		\$ 2,000.00
4. <u>13th month bonus</u>		
Accounting Technician	\$ 1,613.00	
Chauffeur	\$ 752.00	
Chief Accountant	\$ 3,083.00	
Program Assistant	\$ 1,050.00	
Program Assistant	<u>\$ 1,050.00</u>	\$ 7,548.00
5. <u>Winter Bonus</u>		
Accounting Technician	\$ 1,613.00	
Chauffeur	\$ 752.00	
Chief Accountant	\$ 3,083.00	
Program Assistant	\$ 1,050.00	
Program Assistant	<u>\$ 1,050.00</u>	\$ 7,548.00
6. 10% Estimated Salary Increase		\$ 11,618.00
7. Social Security (16.5% of 53,598.00)		\$ 8,843.00
8. Premium Compensation		\$ 1,000.00
9. Site visits (10 trips at \$50.00)		\$ 500.00
10. Health Insurance		\$ 3,000.00
11. Incentive Awards		\$ 750.00

TOTAL U-304/11302

\$141,895.00

TOTAL U-300 (CONTRACT PERSONNEL)

\$164,578.00

HOUSING

<u>U-401/23500 - RESIDENTIAL RENT</u> \$2,000 x 12 mos.		\$ 24,000.00
<u>U-402/23501 - RESIDENTIAL UTILITIES</u> \$ 250 x 12 mos.		\$ 3,000.00
<u>U-403/25900 - MAINTENANCE AND RENOVATION</u>		\$ 1,500.00
<u>U-404/12700 - QUARTERS ALLOWANCE</u>		\$ 12,000.00
<u>U-407/25900 - SECURITY GUARDS</u>		\$ 2,000.00
<u>U-409/25200 - REPRESENTATION ALLOWANCE</u>		\$ 500.00
<u>U-408/25401 - OFFICIAL RESIDENCE ALLOWANCE</u>		\$ 1,200.00
<u>TOTAL U-400 (HOUSING)</u>		<u>\$ 44,200.00</u>

OFFICE OPERATIONS

U-508/25904 - FURNITURE/EQUIPMENT/VEHICLW REPAIRS & MAINTENANCE

XEROX Machine	\$ 1,500.00	
PCs	\$ 2,000.00	
Typewriters, Calculators	\$ 150.00	
Furniture	\$ 300.00	
Vehicles	\$ 800.00	\$ 4,750.00

U-509/23000 - COMMUNICATIONS

Telephone Fees (ANTELCO) (two lines)
\$1,900 x 12 mos. \$ 22,800.00

Commercial Courier (DHL)
To Buenos Aires: 1 mailing x 40 x 12 mos. \$ 480.00
To USA: 1 mailing x 50 x 12 mos. \$ 600.00
To Bolivia: 2 mailing x 50 x 12 mos. \$ 1,200.00

USAID/La Paz Expenses (Telephone & Courier)
\$100 x 12 mos. \$ 1,200.00 \$ 26,280.00

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. AOJ Regional Officer (2 Trips) \$ 1,000.00
2. Other (1 Trip) \$ 2,500.00 \$ 3,500.00

U-519/26001 - SUPPLIES AND MATERIALS

Office Supplies	\$	700.00	
Spare parts, vehicles	\$	1,200.00	
Gasoline, \$150 x 12	\$	1,800.00	
Newspapers, \$50 x 12	\$	600.00	
Uniform, AID Driver	\$	300.00	
Others	\$	100.00	\$ 4,700.00

U-599/25910 - MISCELLANEOUS CONTRACTUAL SERVICES

1. Secretarial Services	\$	2,000.00	
2. Insurance AID Vehicles	\$	1,000.00	
3. Miscellaneous Services	\$	2,738.00	\$ 5,738.00

TOTAL U-500 (OFFICE OPERATIONS) \$ 58,168.00

NON-EXPENDABLE PROCUREMENTS

U-604/31003 - OFFICE FURNITURE \$ 3,000.00

U-605/31005 - Office Equipment \$ 3,000.00

U-698/22010 - Freight Code U-600 \$ 1,000.00

TOTAL U-600 (NEP PROC.) \$ 7,000.00

GRAND TOTAL \$440,000.00

ANNEX B
USAID/PARAGUAY BUDGET
OPERATING EXPENSES - FY 1996

USAID/PARAGUAY BUDGET

OPERATING EXPENSES - F.Y. 1996

U.S. DIRECT HIRE PERSONNEL

<u>U-111/21201 - RETURN TRIP OF AID REP</u>	
1- Travel (4 persons)	\$ 5,000.00
2- Freight-UB	\$ 5,000.00
<u>U-111/21201 - ASSIGNMENT TO POST TRAVEL</u>	
Program Assistant & Family FO-04 (4)	\$ 7,000.00
<u>U-112/22001 - FREIGHT</u>	\$ 15,000.00
Program Assistant & Family FO-04	
<u>U-116/21201 - R&R (TRAVEL)</u>	
Program Assistant & Family FO-02 (4)	\$ 3,500.00
<u>TOTAL U-100 (U.S. DH PERSONNEL)</u>	<u>\$ 35,500.00</u>

FOREIGN NATIONAL DIRECT HIRE

<u>U-201/11400 - ADJUSTED BASIC SALARY</u>	
1. Dev.Assistance Spec. (12/04)	\$ 41,865.00
2. Program Specialist (10/14)	\$ 33,637.00
3. Secretary (7/15)	\$ 15,898.00
Total ABS	\$ 91,400.00
<u>Plus:</u>	
1. Benefits Allowance	\$ 3,780.00
2. Step increases 5% of 91,400.00	\$ 4,570.00
3. Beverage Allowance	\$ 1,630.00
4. <u>13th Month Bonus</u>	
a. Dev.Assistance Spec.	\$ 3,488.00
b. Program Specialist	\$ 2,800.00
c. Secretary	\$ 1,325.00
	\$ 7,613.00
5. <u>Winter Bonus</u>	
a. Program Specialist	\$ 3,488.00
b. Program Specialist	\$ 2,800.00
c. Secretary	\$ 1,325.00
	\$ 7,613.00
6. 15% Estimated Salary Increase	\$ 17,400.00
TOTAL U-201	<u>\$134,006.00</u>
<u>U-202/11500 - PREMIUM COMPENSATION</u>	\$ 1,000.00
<u>U-204/12900 - INCENTIVE AWARDS, FSNs</u>	\$ 750.00
<u>U-204/12903 - RETIREMENT, GOVNT CONTRIBUTION</u> 7% OF ABS (91,400.00)	\$ 6,398.00
<u>U-204/12904 - HEALTH INSURANCE, GOVNT CONTRIBUTION</u>	\$ 4,200.00
TOTAL U-202 & 204	<u>\$ 12,348.00</u>
<u>TOTAL U-200 (FSNs DH)</u>	<u>\$146,354.00</u>

CONTRACT PERSONNEL

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

1. AID/REP Secretary

Salary:

1. FS-7/1	\$ 18,903.00	
2. 10% Estimated Salary increase	<u>\$ 3,780.00</u>	\$ 22,683.00

2. U.S PSC PROGRAM ASISTANT

a. Salary FS 5/5	\$ 32,500.00	
b. Post Differential	3,250.00	
c. Allowances	9,300.00	
d. Travel (4 persons)	5,000.00	
e. Freight, HHE, US to post	10,000.00	
f. Other Direct Costs	950.00	
g. FICA/Medicare	<u>3,000.00</u>	\$ 64,000.00

TOTAL U-302/11300

\$ 86,683.00

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

ADJUSTED BASIC SALARY

1. Accounting Technician (08/05)	\$ 19,350.00	
2. Chauffeur (03/07)	\$ 9,028.00	
3. Chief Accountant (11/09)	\$ 36,990.00	
4. Program Assistant (07/01)	\$ 12,610.00	
5. Program Assistant (07/01)	<u>\$ 12,610.00</u>	\$ 90,588.00

Plus:

1. Benefits Allowance		\$ 4,000.00
2. Steps Increases: 5% of \$ 90,588.00		\$ 4,500.00
3. Beverage Allowance		\$ 2,000.00
4. <u>13th month bonus</u>		
Accounting Technician	\$ 1,613.00	
Chauffeur	\$ 752.00	
Chief Accountant	\$ 3,083.00	
Program Assistant	\$ 1,050.00	
Program Assistant	<u>\$ 1,050.00</u>	\$ 7,548.00
5. <u>Winter Bonus</u>		
Accounting Technician	\$ 1,613.00	
Chauffeur	\$ 752.00	
Chief Accountant	\$ 3,083.00	
Program Assistant	\$ 1,050.00	
Program Assistant	<u>\$ 1,050.00</u>	\$ 7,548.00
6. 10% Estimated Salary Increase		\$ 11,618.00
7. Social Security (16.5% of 53,598.00)		\$ 8,843.00
8. Premium Compensation		\$ 1,000.00
9. Site visits (10 trips at \$50.00)		\$ 500.00
10. Health Insurance		\$ 3,000.00
11. Incentive Awards		\$ 750.00

TOTAL U-304/11302

\$141,895.00

TOTAL U-300 (CONTRACT PERSONNEL)

\$228,578.00

HOUSING

<u>U-401/23500 - RESIDENTIAL RENT</u> \$2,000 x 12 mos.	\$ 24,000.00
<u>U-402/23501 - RESIDENTIAL UTILITIES</u> \$ 250 x 12 mos.	\$ 3,000.00
<u>U-403/25900 - MAINTENANCE AND RENOVATION</u>	\$ 1,500.00
<u>U-404/12700 - QUARTERS ALLOWANCE</u> 24,000.00	\$
<u>U-407/25900 - SECURITY GUARDS</u>	\$ 2,000.00
<u>U-409/25200 - REPRESENTATION ALLOWANCE</u>	\$ 500.00
<u>U-408/25401 - OFFICIAL RESIDENCE ALLOWANCE</u>	<u>\$ 1,200.00</u>
<u>TOTAL U-400 (HOUSING)</u>	<u>\$ 56,200.00</u>

OFFICE OPERATIONS

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

XEROX Machine	\$ 1,500.00	
PCs	\$ 2,000.00	
Typewriters, Calculators	\$ 150.00	
Furniture	\$ 300.00	
Vehicles	<u>\$ 800.00</u>	<u>\$ 4,750.00</u>

U-509/23000 - COMMUNICATIONS

<u>Telephone Fees (ANTELCO) (two lines)</u> \$2,000 x 12 mos.	\$ 24,000.00	
<u>Commercial Courier (DHL)</u> To Buenos Aires: 2 mailing x 40 x 12 mos.	\$ 480.00	
To USA: 1 mailing x 50 x 12 mos.	\$ 600.00	
To Bolivia: 1 mailing x 50 x 12 mos.	\$ 1,200.00	
<u>USAID/La Paz Expenses (Telephone & Courier)</u> \$100 x 12 mos.	<u>\$ 1,200.00</u>	<u>\$ 27,480.00</u>

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; 3 Regional Courses \$ 7,500.00

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

U-518/210 - OTHER OPERATIONAL TRAVEL
1. AOJ Regional Officer (2 Trips) \$ 1,300.00
2. Other (2 Trips) \$ 3,000.00 \$ 4,300.00

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	\$ 2,500.00	
2. Insurance AID Vehicles	\$ 1,000.00	
3. Miscellaneous Services	\$ 2,538.00	\$ 6,038.00

TOTAL U-500 (OFFICE OPERATIONS) \$ 63,268.00

NON-EXPENDABLE PROCUREMENTS

U-604/31003 - OFFICE FURNITURE \$ 2,500.00

U-605/31005 - Office Equipment \$ 2,000.00

U-698/22010 - Freight Code U-600 \$ 1,000.00

TOTAL U-600 (NEP PROC.) \$ 5,500.00

GRAND TOTAL \$535,400.00

ANNEX C
PARAGUAY
SOCIO-ECONOMIC DATA

PARAGUAY

Basic Socio-Economic Data

<u>Social Statistics</u>	<u>Paraguay</u>	<u>Argentina</u>	<u>Bolivia</u>	<u>Brazil</u>	<u>Source</u>	<u>Year</u>
Land Area (Km2)	406,752	2,767,000	1,099,000	8,512,000	World Bank	1993
Population (Thousands)	4,397	33,100	7,500	154,100	UNICEF	1994
Population (Average Annual Growth Rate) (CEPEP)	3.1	1.2	2.4	2	AID/Wash	1992
Estimated Population at Year 2025 (Millions)	9	43	14	224	World Bank	1993
Population Under 16 (Millions)	1.9	10.3	3.2	55.2	UNICEF	1994
Population Under 16 (Percentage of Total Pop.)	43.21	31.12	42.66	35.82	UNICEF	1994
Rural (Percent of Total Pop.)	51.9	13	48	23	UNICEF	1994
Density (Population per Km2) (CEPEP)	10.1	n/a	n/a	n/a	CPES	1990
Crude Birth Rate (Per 1,000 Population) (CEPEP)	33.04	20	35	24	UNICEF	1994
Crude Death Rate (per 1,000 Population)	33	21	36	24	World Bank	1993
Infant Mortality Rate, Children under 1 (per 1,000 Live Births)	28	22	80	54	UNICEF /World Bank	1994/ 1993
Infant Mortality Rate, Children under 5 (per 1,000 Live Births)	34	24	118	65	UNICEF	1994
Life Expectancy at Birth (Years)	67.3	71.4	61.4	66.4	AID/Wash & World Bank	1993
Total Fertility Rate (CEPEP)	4.3	2.8	4.5	2.7	AID/Wash	1,993
Maternal Mortality (per 100,000 live births)	300	140	371	140	World Bank	1993
Assumed year of reaching net reproduction rate of 1	2025	2000	2025	2000	World Bank	1993
Married woman of childbearing age using contraception (percent) (CEPEP)	32	n/a	30	65	World Bank	1989

Annual Rates of Coverage with DPT 3 Vaccine	79	84	58	75	AID/Wash	1991
Percentage of Children Age 12-23 Months of adequate nutritional status	93	n/a	81	91	AID/Wash	
Percentage of babies with low birth weight	8	8	12	11	UNICEF	1994
Percentage of Children exclusively breast fed	7	n/a	17	n/a	AID/Wash	1990
Daily Calorie Supply Per Capita (Percentage Required)	116	131	84	114	UNICEF	1994
Adult Literacy Rate	90	95	78	81	UNICEF	1990
Gross School Enrollment Ratio	107	111	82	108	UNICEF	1994
Percentage of 1st Grade students to reach 6th Grade	57	n/a	50	22	UNICEF	1988
Gross High School Enrollment Ratio	30	74	34	34	UNICEF	1994
Rural Population with access to safe water (Percentage)	24	17	27	61	UNICEF	1994
Urban Population with access to safe water (Percentage)	50	73	77	95	UNICEF	1994
Percentage of Rural Population with access to Health Services (CEPEP)	16	21	36	n/a	UNICEF	1994
Percentage of Urban Population with access to Health Services	61	80	90	n/a	UNICEF	1994
Births attended by Health staff (Percentage)	22	n/a	36	73	World Bank	1993
Nationally protected areas (thousands of square km)	12	93.9	98.6	257.6	World Bank	1993
Number of Nationally protected areas	14	112	27	186	World Bank	1993
Nationally protected areas (as a percentage of the total area)	3	3.4	9	3	World Bank	1993

Support of Projects

a. 1. Project Leader must have one or more years of analytical experience, a good understanding of records management theory/principles, one or more years of experience as a files custodian with heavy emphasis on files maintenance, a good understanding of records management theory and principles, ability to write comprehensive reports and conduct briefings.

a. 2. The file analyst and file and file clerk shall have one or more years of experience working in an office environment and the ability to follow detailed instructions.

b. Staffing

The contractor's senior person for each delivery order will be the project leader with on-site responsibility for project coordination, site management, and supervision. The project leader shall be identified by the contractor for A.I. D. approval.

Project Leader is the senior person and will serve as the project officer. Project Leader should have at least five years of relevant work experience. Experience may include a full 4-year training in an accredited college or university leading to a bachelors degree and three years of experience in library science, administrative, professional, research, technical, managerial or other responsible work; or any equivalent combination of the above education and experience. Project Leader must have knowledge of government standards according to Government Printing Office Style Manual and the General Records Schedule (GRS) applicable to U.S. Government agencies.

The file analyst should have at least 2 years of relevant work experience. Experience may include a 2-year course in an accredited college leading to an associates degree and two years of experience in library science, administrative or other responsible work; or any equivalent combination of the above educational experience. File Analyst must have knowledge of the General Records Schedule (GRS) applicable to U.S. Government Agencies.

Organization and Services Offered

B&F will structure Printing and Graphics records under this requirement:

1. Requests requiring that B&F staff reorganize and rename exiting files and/or purge them.
2. Requests requiring that we identify files subject to disposition and prepare them for same.
3. Requests requiring that B&F assist in the provision of records management training, requiring the conduct of needs assessment interviews with A.I.D. staff.

Services may be provided in A.I.D./Washington offices or in overseas Missions and posts. The size of staff to be provided will be anywhere from two to whatever maximum number the work order dictates.

participate in meetings with Agency personnel during which the task parameters and goals will be discussed;

brief Agency personnel (periodically and at task completion) on problems encountered and solutions implemented;

provide recommendations on how to ensure that all reorganized/purged/purged files are maintained properly; and,

if required by the task order train personnel in the various requirements of Handbook 21, Part II.

Methodological Plan

To ensure that staff who are candidates to be assigned for work on the project are familiar with A.I.D.'s records management practices, all staff will be given copies of Handbook 21, Part II, to read and study. The organization has clear lines of authority and few management layers. The records analysts cannot stress enough the importance of focusing the study on the the three aspects mentioned (delegation of authority, functional statements, and final disposition). Time and cost of the technical services is thereby minimized).

Reorganize all graphics/printing (electronic, automated, disketts, SF-1 Forms) in accordance with Handbook 21, Part II to be scanned according to regulation provided by M/FA/AS/ISS/RM. All documents shall be placed in folders in chronological order with the latest date on top.

6. The material should be arranged alphabetically, numerically, and chronologically as specified in contract to keep pace with organizational and technological changes.
7. Return segregated and duplicated materials to the appropriate office staff for disposal.
8. Development of automated files plans to aid files custodians in determining filing and disposition information for new records.
Complete AID Form 520.0 Files Plan. Input data on Wordperfect 5.1 and submit one disk copy to the Client Analyst.
9. An S.F. 115, Request for Disposition Authority or S.F. 258, Transfer of Custody forms shall be completed for any record series not found in Handbook 21, Part II.
10. Screen each folder of material to be reorganized and separate out record in A.I.D. functional statement; (periodicals, circular, catalogs and similar printed material, graphics copies of correspondence, and commercial contract jobs, directives, reproductions masters, draft copies of official records); classified and misfiled supporting document because of functional statement.
11. Prepare for retirement Records eligible for retirement to the Washington National Records Center in accordance with the instructions as found in Chapter 6 of Handbook 21, Part II. This task includes the preparation of a shelf list.
12. Measure and record both the volume of material remaining in the reorganized records and the material disposed of retired or destroyed.
13. Use data collection sheet developed by the Records Management Branch to inventory records. Data inventory sheets are to be provided to the Records Management Branch.

The technical assistance in this Branch will adhere to the following:

It will be necessary for the contractor to make a listing of each file folder, transfer documents from one file folder into the new file folder and place them into the legal file cabinets.

Each file label (reflecting the subject numeric, P.O. number, contract number, BPA's etc.,) shall be placed on a yellow label. The file label information will then be transferred to the AID Files Plan, AID Form 520.2. The Files Plan shall be completed in accordance with instructions outlined in Handbook 21, Part II.

Contractor shall identify by series or system to operate the muti-services to serve the Vital Records Program. The Files Plan should be completed in accordance with instructions outlined in Chapter 7 of Handbook 21, Part II.

LEVEL OF EFFORT

1. Before beginning each delivery order, be briefed by the Contracting Officer's Technical Representative (COTR) of any new policy or procedural changes to ensure continued compliance with established regulations both external and internal. (See Section G for a definition of the COTR and Project Manager).
2. Attend a pre-start up briefing with the Records Management Client Analyst Linda M. Porter to assure that all parties have a current understanding of the project direction, dimensions and goals; methodologies to be employed; and the responsibilities of each party.
3. Provide experienced and knowledgable staff, in sufficient numbers to complete the work within the established timeframe. The minimum number of employees for this work site shall be two.
4. Sort all official and personnel documents that are valueless, extraneous, and inapplicable.
5. Several data of electronic developments in FY 93 is a new reporting requirement for implementing this Branch document retrieval system. As an Agency-wide network with associated capabilities for managing obligating expenses, procuring equipment and supplies, inventorying of records are managed in electronic form. These documents should be incorporated as part of the technical assistance.

requisitions and administrative files system. The accumulation of 20 cu. ft. unfiled document in 2 drawer file cabinets and on top of desk and inside desk drawers will be incorporated within the new files initiated by B&F. Extensive labelling information is crucial to the Branch in that a log-in numbering, requisition and control numbers are assigned by the Branch Chief, budget analyst, graphic analyst and administrative operator.

PRINTING EQUIPMENT PURCHASE

COPY MACHINE NETWORK

Printing equipment is purchased as new technologies for Printing and Graphics meet the needs of the Agency Clients. The analyst has responsibilities for placing special equipment for special purposes to meet unique office needs. The equipment under service contract is to protect the agencies property under exemptions authorized under section 201 (a) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481) for new in house products, in house commercial printing or altering existing ones and for users seeking access to A.I.D. records. Equipment and supplies are procured for specialized equipment and covering the cost of computer interface between the specialized computer equipment by clients and tracking system on BPA's and purchase orders. SF-1 is required to be used by this Agency not only for intended purpose, but for the procurement actions under the IQC's. The requisitions are sent to outside vendors with inclusive IQC work orders for purchases. In addition, some contracts are independently done for printing and graphics services as part of their program-funded activities. The amount of justifiable purchases depends on positioning strategy.

Services, CENTECH, AID Handbooks, AID Forms, Prtg Equip/Rental/Repair/Maint, Prtg Supplies and commercial business documents contracted independently and their are no real liaison with the Agency client. Based on the volume of cubic feet of records of purchase orders under the IQC, the ratio of records is 2 to 1. There are also different records dispositions for requisitions for printing, etc; to the GPO from those jobs performed under commercial contract jobs and in-house. The R code is printed directly on product or on attached label manually. It allows computers to monitor labor distribution, inventory level, quality losses, and tool location. Analyst quickly obtains printouts of plans and specification for a part or product filed using the numerically controlled systems and alphabetically. The two methods used are the storage and retrieval system. Service improvement might be achieved through heavy emphasis on files maintenance, a good understanding of records management theory and principles and upgrading this office skills.

50% of Art/Graphics Services are designed drawings on a display monitor and instructs the computer to show several views of subjects according to specified dimensions. Analyst stores, retrieve, and classify data about various commercial graphic and other Art/Graphic Services. The analyst can quickly access and modify old designs better to meet the customer needs. The heart of CAD is a powerful desktop computer and software that allows a designer to manipulate geometric shapes. The Graphic system automatically schedule in house graphic by offices/division, timeframe and volume (certificates, photographs) one man operation. Clients/Customers reported varying quality and timeliness of service from this office. Desk top publishing are replacing drafting traditionally done by hand. Using the design data stored in the computer's memory, manufacturing engineers and other users can quickly obtain printouts of plans and specifications for a part or product. File improvement for this analyst will be converted for in-house graphic and commercial/art graphic. The accumulation of one 2 drawer cabinet and unfiled disketts and paper documents. Extensive labelling is crucial to the analyst to retrieve by a name and requisition number.

Graphic unique system is computerized designed process for creating new in house products, (certificates, photographs) in house commercial Art/Graphic or Other Art/Graphic Services. This network includes small purchases for services function assigned to geographic bureaus or commercial vendors. Graphic is being procured on SF-1 required to be used by this Agency not only for intended purpose, but for the procurement actions under the BPA's. The requisitions are sent to outside vendors with inclusive work orders for purchases. In addition, some contracts are independently done for graphics services as part of their program-funded activities.

Files improvements for approximately 3500 files will need to be converted to in-house graphics/comercial printing, BPA/vendors,

85% automated material handling in both manufacturing and service industries, how, when, and by whom materials are handled is an important technological choice. The Branch serves as liaison with Joint Committee on Printing of the U.S. Congress, the Government Printing Office and other government agencies on printing matters. The amount of justifiable (quality paper, equip/supplies) material handling automation depends on positioning strategy.

Specifically, the contractors' activity shall be directed toward the converting of a 7 five drawer file cabinets which comprise of electronic mail, facsimile, fixed automation, programmable automation, and videotex service and administrative subject material and FTE . The material handling system keep track of labor and sends instructions to computer screens at workstations along the assembly lines, thus eliminating paperwork. It is recommended that the files be maintained in the designated item number as found in Chapter 2 Files Maintenance and Disposition. Copies of routine communication that are needed for record purposes should be eliminated or avoided.

Printing Management Services

This section (one man operation) has several contracts, BPA's, & Purchase Orders, DHL, and determine that the Contracting in A.I.D. has the Official Files. They provide international courier services, system maintenance and initial distribution for publications and related material. Provides technical advice, develops and administers contracts, initiates obligating documents with commercial and government printing and graphic services required by their clients. In an interview with the Branch Chief, it was ascertained that this Branch responds directly to GSA for AID/W only.

Printing and graphic unique system is computerized designed process for creating new in house products, in house commercial printing or altering existing ones. The system is currently designed to create SF-1 requisitions, for IQC Work Orders, BPA/vendors, commercial businesses, printing and distribution request coded by R codes for Printing Management Services, Printing Equipment Purchase , Copy Machine Network and Art/Graphic Services and other specified dimensions. This network includes small purchases for services function assigned to either Government Printing Office or commercial vendors. The SF-1 is required to be used by this Agency not only for intended purpose, but for the procurement actions under the IQC's. The requisitions are sent to outside vendors with inclusive IQC work orders for purchases. In addition, some contracts are independently done for printing and graphics services as part of their program-funded activities.

It was ascertain by the analyst that the functional statement for in house printing, on specific Government Publication Procurement, Congressional Presentational, Printing Procurement

Statement of Work
Records Management Technical Assistance

BACKGROUND AND OBJECTIVE

The printing and graphics function, both policy and operations, is administered by the Printing and Graphics Branch with most work contracted out a small, quick response facility in the basement of Main State and with the balance of headquarters printing contracted to either the Government Printing Office or commercial vendors. In Bureau of Management requires specified Records Management services to Office Of Administrative Services, Information Support Service Division, Mail Management Branch, Records Management, and Printing and Graphics into an establishment of files organizational arrangement and disposal of valueless media. In addition to automated Files Plan in accordance to policies and procedures in Handbook 21, Part II, Records Management disposition authority, official communication will be ordinate by Divisional function. The Branch has responsibility for the development, coordination and implementation of the Agency's worldwide records program through various functions for the Records Administration and other Government Agencies. This availability of resources assures expert, appropriate assistance at any stage of a given task.

Scope of Work

The contractor staff shall PROVIDE THE SERVICES LISTED BELOW:

The Contractor shall provide shor-term records management professionals in sufficient numbers to respond, on short notice, to technical service requests from A.I.D. U.S. offices and its overseas Missions. Specific Contractor activity shall be directed toward the organizational arrangement of designated Agency records into a structured system of records so as to further Agency compliance with the Federsl Information Resources Management Regulations (FIRMR) 201-45.101-1 and implement the General Records Schedule applicable to Federal Agencies. The Contractor shall also provide professional staff with expertise in developing training to professional staff with expertise in records knowledge to ensure uniformity and quality of information dispensed during reorganizing the records material in accordance with Handbook 21, Part II. Training is particularly needed in skills related to electronic recordkeeping.

Work Ordered

Work will begin 5 business days from date of acceptance of the delivery order and be completed in 30 consecutive business days from this date. The contractor shall provide personnel as shown below:

The estimated number of person days, by position is as follows:

PERSONNEL	NUMBER OF WORKDAYS	DAILY RATE
Project Leader	33	\$453
Files Analyst	100	\$260
Files Clerk	100	\$136

The esimated timeframe for task completion is 2 months, allowing time for project start-up and interaction with AID reviews and for such activities as training, production, and printing.. Work will begin 5 business days from date of acceptance of the delivery order and be completed in 20 consecutive business days from this date. The contractor shall provide personnel as shown below:

Period of Performance

The period of performance shall begin on _____ and end o/a _____. All work ordered under this delivery order shall be performed in the Printing and Graphic Branch located at 320 21st Street, N.W. Room B-929.