

(D) ABS 192

01

PARAGUAY

ANNUAL BUDGET SUBMISSION (ABS)

FISCAL YEARS 1994-1995

# Paraguay

## SECTION I. AN OVERVIEW OF THE ENVIRONMENT FOR DEVELOPMENT

### Program Objectives

The USG's major policy objectives in Paraguay are: 1) strengthen democracy; 2) promote economic growth; and 3) eradicate the trafficking and use of drugs. 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 "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 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 60 percent of the program is administered through local private voluntary entities.

### Paraguay is Not a More Developed Country

Paraguay's social and political indicators do not justify its inclusion in the community of "more developed countries". Paraguay has the second highest birth rate in South America, 3.4 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. Only 48 percent of eligible women of reproductive age have access to safe, voluntary family planning. And social services ministries, such as health and education, have been overlooked for a

<sup>1</sup> "Economic and Social Indicators of Paraguay", Center for Sociological Studies (CPES), March 1992

generation.

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

Due in part to the informal economy, the reported high per capita income of \$986 masks an actual vast disparity between a wealthy three to five percent and the majority of the population. There is a very small middle class, which is only now beginning to demand political change.

For these factual reasons, the Embassy and USAID believe that the Agency should establish a "stand-alone", bilateral assistance Paraguay program, focused on democracy-building and sustainable development.

An increase of LAC Bureau funds to \$5 million in FY 1994 and FY 1995, with a modest impact on operating expenses, is both justified and worthwhile.

It should be noted that it will be two to three years before the bulk of the international banks' loan programs materialize. In the interim, an "enhanced" A.I.D. program in Paraguay is justified both as a "democracy dividend", in recognition of the dramatic political changes that have taken place, and based on development needs.

### 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 civilian president 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.

Traditional bastions of power -- the military, the Colorado party, state entities -- now face a more modern and progressive coalition of the media, an opposition Congress, the Church, and citizen groups. They demand allegiance to civilian authority by the military, a commitment by the Executive Branch to tackle a panorama of serious social problems, and accountability in the use of public resources.

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 oversight role and intends to make the budget process more transparent and accountable to the people. Technical assistance from CEAL enables the Congress to organize itself for a daunting agenda of political, social and economic issues, which includes economic restructuring, the social sector, environmental policy, civil-military relations and public sector reform.

In the past few months, a stronger consensus has emerged on the key role that the judiciary plays in the democratic transition. Judges and prosecutors have cooperated against corruption, taken an active role in human rights, and have defined priorities to reform the sector. USAID/Paraguay and the Paraguayan judiciary have reached agreement on a more-focused program of activities which form the basis of mutual cooperation in judicial reform for the period 1993-95.

The Supreme Court has now created a permanent Judicial Reform Management Group, which includes judges, prosecutors, support staff, and full-time Paraguayan consultants. Working Groups are actively involved in judicial training, court administration, revising the criminal code, case-load reduction, and management information systems.

After decades of "top-down", patron-style government, the new Constitution calls for decentralized political systems and development. Mayors and governors are now elected directly by the people in the country's 17 departamentos, but local government is young and inexperienced. Capacity to plan, finance and carry out sustainable development is extremely weak. An LAC Bureau regional project to strengthen local governance and municipal development will build on the preliminary work of USAID/Paraguay to increase capacity for planning and executing local development.

An important element in democratization is civic education. USAID/Paraguay will support the new Paraguayan non-government organization SUMANDO, and other NGOs, to stimulate civic consciousness and build positive pressure for change.

### Economic Growth

The Paraguayan economy sputtered in 1992. Inflation rose from 11.8 percent, the lowest in Latin America, to 17.8 percent and continues to climb. Paraguay's export earnings dropped dramatically from \$737 million in 1991 to \$591 million in 1992, reflecting the country's continued dependence on cotton, soybeans, livestock, and timber and on low world prices.

A primary goal of the Wasmosy Government is to make the economy more productive. In Paraguay, a relatively small portion of the gross domestic product derives from industry. About 95 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 Argentina and Brazil in search of employment.

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 is before the Paraguayan Congress for ratification. The IDB and the World Bank have substantial potential lending programs on the drawing boards for 1993-95 in private sector development, agriculture, the environment, infrastructure, local government, and the social sector.

#### Making Agriculture More Productive

Paraguayan planners and the donor community are beginning to conceptualize a major agriculture modernization and diversification program. The IDB is expected to provide the bulk of the 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 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 the logical way to increase employment and incomes in the rural sector, and to increase exports. USAID/Paraguay will contribute by facilitating overseas training of Ministry of Agriculture staff, and by providing technical assistance in organization, management and planning. Within the scope of Strategic Objective No. 2, an agriculture support activity is now planned for 1994-96.

## A Threatened Environment

Until recently, Paraguayans have felt little necessity to protect their natural resources and environment because there have been large extensions of fertile land and forests favorable to agriculture, livestock and wood production, on which the economy is based. Few legal provisions protect these natural resources. In the last 30 years, forests and other natural vegetation have been cleared at an accelerating rate for wood products, and to make room for agriculture and livestock. Many cleared lands are located on poor, erodible soils that should be protected with some form of vegetation.

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

USAID/Paraguay is contributing to environmental awareness with a grant to the Moises Bertoni Foundation which conducts seminars, workshops and education campaigns. The LAC Bureau's "Parks-in-Peril" program supports the strengthening of national parks and nature reserves such as the 60,000 hectare Mbaracayu 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 be developing a money laundering problem. Paraguay is one of the world's largest producers of marijuana. Anti-drug authorities destroyed more than 634 metric tons of marijuana in 1992 and captured 674 kgs. of cocaine.

Most worrisome is the predilection among Paraguayan youth to experiment with dangerous drugs. An epidemiological study<sup>2</sup> of

---

<sup>2</sup> "Estudio Nacional sobre Salud Mental y Habitos Toxicos en el Paraguay" H. Miguez - M.C. Pecci, November 1991

FROM 0024210141

drug prevalence funded by USAID/Paraguay in 1991 revealed that 19.6 percent of Paraguayan youth (12-24) saw no harm in trying hard drugs such as cocaine or heroin, if available. USAID/Paraguay is supporting the education and awareness program of the Ministry of Health through Project MARANDU, a public-private partnership dedicated to drug education and prevention.

#### The Proposed USAID Program for FY 1993-95

USAID/Paraguay cannot maintain a meaningful program in "sustainable development" -- democracy, economic growth, health and the environment -- at an annual IAC Bureau OYB funding level of less than \$3 million. Given the country's demonstrated progress toward democratic systems, and based on socio-economic grounds, an "enhanced" OYB level of \$4 million is requested for FY 1994 and FY 1995.

Despite the significant potential investment envisioned by the IDB and World Bank, Paraguay's political and development institutions are not ready to absorb such assistance. A.I.D. has the institutional experience and networking ability to make a significant contribution. Presently, the United States is the only donor -- albeit modest -- helping in legislative and judicial strengthening, social sector management, and local government. USAID assistance is helping Paraguay absorb better the significant investment in health and basic education, municipal development, and democratization that is in the offing, but two or three years away.

A total of 11 projects funded before FY 1992 were identified by USAID/Paraguay for closeout that did not conform with approved strategic objectives of: 1) strengthen democratic institutions, systems and practices; and 2) improve environment for sustainable trade and investment. A collaborative Regional Inspector General and USAID/Paraguay systems audit resulted in better accountability systems for USAID program funds. These two steps cleared the decks for the design and implementation of a program which fits squarely within the approved strategic objective framework and which can adjust to the budget resources available.

For the period FY 1993-95, USAID/Paraguay will manage seven inter-connected mission-funded projects. Some activities, such as Health Systems Management, Judicial Reform and Agriculture Support will require hands-on, intensive USAID/Paraguay management. Projects such as Development Training and Technical Services, Environmental Education, and Economic Policy are implemented through experienced local NGO's and thus require less intensive management.

Since the FY 1994-95 Action Plan Review, USAID/Paraguay has decided to discontinue technical assistance to the Controller General's Office and to PRO-PARAGUAY, the state export and investment promotion agency. The Embassy concurs in these changes.

#### Repercussions of Reduced OYB Levels

At a level in FY 1994 and FY 1995 of 75 percent of the FY 1993 \$3.1 million base, USAID/Paraguay would have to make a very difficult choice among on-going and proposed project activities. At an OYB of \$2.4 million, USAID/Paraguay might be forced to: 1) drop the Economic Policy project, a top priority of the Embassy; 2) reduce dramatically on-going assistance under Health Systems Management; 3) discontinue funding of high-impact Peace Corps training in the environment; and 4) forgo the proposed Agriculture Support activity.

At a level of 50 percent of the base on FY 1995, USAID/Paraguay would be forced to terminate all activities under Strategic Objective 2 and concentrate only on democratization activities under Strategic Objective 1, such as Judicial Reform, Legislative Strengthening and Civic Education.

Given the very modest amount required to have dramatic impact, an "enhanced" OYB level of \$4 million for FY 1994 and FY 1995 is justified and reasonable.

USAID/PARAGUAY

ATTACHMENT 1

FY 1994 PROGRAM BY STRATEGIC OBJECTIVE (\$000)

Strategic Objective	Policy Area	FY 1994 OYB Base Level		
		75% of base	100% of base	Enhanced level
<b>1. Strengthen democratic institutions, systems and practices</b>				
	democracy	1,238	1,650	1,750
<b>2. Improve Environment for Sustainable Trade &amp; Investment</b>				
	growth	675	900	1,850
	environment	113	150	250
<b>3. Other</b>				
	Peace Corps	113	150	150
	drug aware	225	300	n/a
<b>TOTAL</b>		<b>2,364</b>	<b>3,150</b>	<b>4,000</b>

USAID/PARAGUAY

ATTACHMENT 2

FY 1995 PROGRAM BY STRATEGIC OBJECTIVE (\$000)

Strategic Objective	Policy Area	BASE: 100% FY 1993 OYB Level			
		50% of base	75% of base	100% of base	Enhanced Level
<b>1. Strengthen Democratic institutions, systems &amp; practices</b>					
	democracy	825	1,238	1,650	1,750
<b>2. Improve Environment for Sustainable Trade &amp; Investment</b>					
	growth	440	675	900	1,550
	environmental	75	113	150	250
<b>3. Other</b>					
	Peace Corps	75	113	150	150
	drug awareness	150	225	300	n/a
TOTAL		1,170	2,061	2,700	

## SECTION II. OPERATING EXPENSE REQUIREMENTS

USAID/Paraguay is submitting its FY 1994-95 operating expense (OE) budget at three levels: 75 percent, 100 percent and an "enhanced" level of 110 percent of the FY 1993 base level.

Enhanced Level -- 110 Percent of base: the "enhanced" FY 1994-95 level of \$442,678 represents a 10 percent increment above the FY 1993 OE base. This level is necessary to carry out a modest program expansion, as proposed in the ABS narrative. It includes funds to hire an additional FSN Project Management Assistant and \$57,100 as USAID/Paraguay's estimated contribution to the FAAS.

100 Percent of Base: At the FY 1993 OE level, USAID/Paraguay would be hardpressed to manage an expanded assistance program.

75 Percent of Base: A 25 percent reduction from the base would result in a reduction-in-force of two current PSC staff; the AIDREP's Executive Secretary and the newly-hired Project Management Assistant. A severe cutback in travel and staff training would be required, as well as curtailment of FSN salary increases and performance awards, equipment purchase, and AIDREP housing and office expenses.

At the reduced level, USAID/Paraguay would be forced, at a minimum, to drop projects from the current project portfolio.

**USAID/PARAGUAY BUDGET**  
**OPERATING EXPENSES - F.Y. 1994 (1104)**

**U.S. DIRECT HIRE PERSONNEL**

U-111/21201 - HOME LEAVE (TRAVEL)  
AID/Representative & Family (4) \$ 5,500.00

**TOTAL U-100 (U.S. DH PERSONNEL)** \$ **5,500.00**

**FOREIGN NATIONAL DIRECT HIRE**

**U-201/11400 - ADJUSTED BASIC SALARY**

1. Program Specialist (11/13)	\$ 33,900.00	
2. Program Specialist (10/14)	\$ 30,000.00	
3. Secretary (7/15)	\$ 14,600.00	
Total ABS		\$ 78,500.00

**Plus:**

1. Benefits Allowance		\$ 2,900.00
2. Step increases 5% of 63,900.00		\$ 3,195.00
3. Beverage Allowance		\$ 1,200.00
4. <u>13th Month Bonus</u>		
a. Program Specialist	\$ 2,825.00	
b. Program Specialist	\$ 2,500.00	
c. Secretary	\$ 1,217.00	\$ 6,542.00
5. <u>Winter Bonus</u>		
a. Program Specialist	\$ 2,825.00	
b. Program Specialist	\$ 2,500.00	
c. Secretary	\$ 1,217.00	\$ 6,542.00
6. 15% Estimated Salary Increase		\$ 11,775.00

**TOTAL U-201** \$ **110,654.00**

U-202/11500 - PREMIUM COMPENSATION \$ 1,500.00

U-204/12900 - INCENTIVE AWARDS, FSNS \$ 1,500.00

U-204/12903 - RETIREMENT, GOVNT CONTRIBUTION  
7% OF ABS ( 78,500.00) \$ 5,495.00

U-204/12904 - HEALTH INSURANCE, GOVNT CONTRIBUTION \$ 3,300.00

**TOTAL U-204** \$ **10,295.00**

**TOTAL U-200 (FSNS DH)** \$ **122,449.00**

CONTRACT PERSONNEL

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

AID/REP Secretary

Salary:

1. FS-7/1	\$ 19,345.00
2. 10% Estimated Salary increase	\$ 1,935.00
TOTAL U-302/11300	\$ 21,280.00

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

ADJUSTED BASIC SALARY

1. Accounting Technician (08/05)	\$ 17,602.00	
2. Chauffeur (04/02)	\$ 8,514.00	
3. Chief Accountant (11/09)	\$ 31,990.00	
4. Program Assistant (07/01)	\$ 11,295.00	
5. Program Assistant (09/01)	\$ 19,120.00	\$ 87,521.00

Plus:

1. Benefits Allowance		\$ 3,389.00
2. Steps Increases: 5% of \$ 87,521.00		\$ 4,376.00
3. Beverage Allowance		\$ 1,528.00
4. 13th month bonus		
Accounting Technician	\$ 1,467.00	
Chauffeur	\$ 710.00	
Chief Accountant	\$ 2,666.00	
Program Assistant	\$ 941.00	
Program Assistant	\$ 1,510.00	\$ 7,294.00
5. Winter Bonus		
Accounting Technician	\$ 1,467.00	
Chauffeur	\$ 710.00	
Chief Accountant	\$ 2,666.00	
Program Assistant	\$ 941.00	
Program Assistant	\$ 1,510.00	\$ 7,294.00
6. 15% Estimated Salary Increase		\$ 13,128.00
7. Social Security (16.5% of 55,531.00)		\$ 9,163.00
8. Premium Compensation		\$ 2,000.00
9. Site visits (20 trips at \$50.00)		\$ 1,000.00
10. Health Insurance		\$ 3,500.00
11. Incentive Awards		\$ 2,000.00
TOTAL U-304/11302		\$142,193.00

TOTAL U-300 (CONTRACT PERSONNEL) \$163,473.00

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-407/25900 - SECURITY GUARDS</u>	\$ 2,000.00
<u>U-409/25200 - REPRESENTATION ALLOWANCE</u>	\$ 800.00
<u>U-408/25401 - OFFICIAL RESIDENCE ALLOWANCE</u>	\$ 1,000.00
<u>TOTAL U-400 (HOUSING)</u>	<u>\$ 32,300.00</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	\$ 600.00	
Vehicles	\$ 1,000.00	\$ 5,250.00

U-509/23000 - COMMUNICATIONS

Telephone Fees (ANTELCO)  
\$1,600 x 12 mos. \$ 19,200.00

Commercial Courier (DHL)  
To Buenos Aires: 2 mailing x 40 x 12 mos. \$ 960.00  
To USA: 1 mailing x 50 x 12 mos. \$ 600.00  
To Bolivia: 1 mailing x 50 x 12 mos. \$ 600.00

USAID/La Paz Expenses (Telephone & Courier)  
\$100 x 12 mos. \$ 1,200.00 \$ 22,560.00

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

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

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

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

U-518/210 - OTHER OPERATIONAL TRAVEL  
1. AOJ Regional Officer (2 Trips) \$ 1,300.00  
2. Other (1 Trip) \$ 1,500.00 \$ 2,800.00

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 \$ 2,546.00 \$ 6,046.00

TOTAL U-500 (OFFICE OPERATIONS) \$ 54,856.00

NON-EXPENDABLE PROCUREMENTS

<u>U-604/31003 - OFFICE FURNITURE</u>	\$ 2,000.00
<u>U-605/31005 - Office Equipment</u>	\$ 2,000.00
<u>U-698/22010 - Freight Code U-500</u>	<u>\$ 3,000.00</u>
TOTAL U-600 (NEP PROC.)	<u>\$ 7,000.00</u>
<u>GRAND TOTAL</u>	<u>\$385,578.00</u>

DOC: OEBUDFY.94 (110%)

Expense Category	Function Code	FY 1994 BASE (75%)			FY 1994 TARGET (100%)			FY 1994 ENHANCED (110%)		
		Dollars	Trust Funds	Total	Dollars	Trust Funds	Total	Dollars	Trust Funds	Total
<b>PARAGUAY</b>										
U.S. Direct Hire	U100	0	0	0	0	0	0	0	0	0
Other Salary	U105	0	0	0	0	0	0	0	0	0
Educ. Allow's	U106	0	0	0	0	0	0	0	0	0
COLA	U108	0	0	0	0	0	0	0	0	0
Other Benefits	U110	0	0	0	0	0	0	0	0	0
Post Assign Trv	U111	0	0	0	0	0	0	0	0	0
Post Assign Frt	U112	0	0	0	0	0	0	0	0	0
Home Lv Trv	U113	5,000	0	5,000	5,000	0	5,000	5,500	0	5,500
Home Lv Frt	U114	0	0	0	0	0	0	0	0	0
Educ Trv	U115	0	0	0	0	0	0	0	0	0
R&R Trv	U116	0	0	0	0	0	0	0	0	0
Other Trv	U117	0	0	0	0	0	0	0	0	0
Subtotal		5,000	0	5,000	5,000	0	5,000	5,500	0	5,500
F.N. Direct Hire	U200	0	0	0	0	0	0	0	0	0
F.N. Basic Pay	U201	103,818	0	103,818	108,840	0	108,840	110,854	0	110,854
Overtime/Holiday Pay	U202	0	0	0	2,000	0	2,000	1,800	0	1,800
All other Code 11 - FN	U203	0	0	0	0	0	0	0	0	0
All Other Code 12 - FN	U204	7,295	0	7,295	8,475	0	8,475	10,295	0	10,295
Benefits - Former F.N.	U205	0	0	0	0	0	0	0	0	0
Accrued Severance	U206	0	0	0	0	0	0	0	0	0
Subtotal		111,813	0	111,813	120,315	0	120,315	122,449	0	122,449
Contract Personnel	U300	0	0	0	0	0	0	0	0	0
U.S. PSC Sal/Benef.	U302	0	0	0	23,214	0	23,214	21,280	0	21,280
All other US PSC Costs	U303	0	0	0	0	0	0	0	0	0
FN PSC Sal/Benef.	U304	85,639	0	85,639	106,315	0	106,315	142,193	0	142,193
All Other FN PSC Costs	U305	0	0	0	0	0	0	0	0	0
Manpower Contracts	U306	0	0	0	0	0	0	0	0	0
Accrued Severance	U307	0	0	0	0	0	0	0	0	0
Subtotal		85,639	0	85,639	129,529	0	129,529	163,473	0	163,473
Housing	U400	0	0	0	0	0	0	0	0	0
Res. Rent	U401	24,000	0	24,000	24,000	0	24,000	24,000	0	24,000
Res. Utilities	U402	2,400	0	2,400	3,000	0	3,000	3,000	0	3,000
M&R	U403	850	0	850	1,500	0	1,500	1,500	0	1,500
LOA	U404	0	0	0	0	0	0	0	0	0
Security Guards	U407	1,000	0	1,000	2,000	0	2,000	2,000	0	2,000
ORE	U408	1,000	0	1,000	1,000	0	1,000	1,000	0	1,000
Rep	U409	400	0	400	800	0	800	800	0	800
Subtotal		29,650	0	29,650	32,300	0	32,300	32,300	0	32,300
Office Operations	U500	0	0	0	0	0	0	0	0	0
Office Rent	U501	0	0	0	0	0	0	0	0	0
Office Utilities	U502	0	0	0	0	0	0	0	0	0
Bldg. M&R	U503	0	0	0	0	0	0	0	0	0
Equip. M&R	U508	3,750	0	3,750	4,750	0	4,750	5,250	0	5,250
Communications	U509	18,480	0	18,480	22,560	0	22,560	22,560	0	22,560
Security Guards	U510	0	0	0	0	0	0	0	0	0
Printing	U511	0	0	0	0	0	0	0	0	0
Site Visit - Mission	U513	250	0	250	500	0	500	500	0	500
Site Visit - AID/W	U514	0	0	0	5,000	0	5,000	5,000	0	5,000
Info Meetings	U515	0	0	0	0	0	0	0	0	0
Training	U516	0	0	0	7,500	0	7,500	8,000	0	8,000
Conference Attendance	U517	0	0	0	2,700	0	2,700	2,700	0	2,700
Other Ops Travel	U518	0	0	0	4,300	0	4,300	2,800	0	2,800
Supplies	U519	5,000	0	5,000	5,000	0	5,000	5,000	0	5,000
FAAS	U520	57,100	0	57,100	57,100	0	57,100	57,100	0	57,100
Cont Consult Svcs.	U521	0	0	0	0	0	0	0	0	0
Cont Mgt/Prof Svcs.	U522	0	0	0	0	0	0	0	0	0
Spec Studies/Analysis	U523	0	0	0	0	0	0	0	0	0
ADP H/W Leases/Maint.	U525	0	0	0	0	0	0	0	0	0
ADP S/W Leases/Maint.	U526	0	0	0	0	0	0	0	0	0
Trans/Freight US00	U598	0	0	0	0	0	0	0	0	0
All Other Cont. Svcs.	U599	3,618	0	3,618	5,546	0	5,546	6,046	0	6,046
Subtotal		88,198	0	88,198	114,956	0	114,956	111,986	0	111,986

Expense Category	Function Code	FY 1994 BASE (75%)			FY 1994 TARGET (100%)			FY 1994 ENHANCED (110%)		
		Dollars	Trust Funds	Total	Dollars	Trust Funds	Total	Dollars	Trust Funds	Total
<b>PARAGUAY</b>										
NXP Procurement	U600	0	0	0	0	0	0	0	0	0
Vehicle	U601	0	0	0	0	0	0	0	0	0
Rec. Furniture	U602	0	0	0	0	0	0	0	0	0
Rec. Equipment	U603	0	0	0	0	0	0	0	0	0
Office Furniture	U604	0	0	0	2,000	0	2,000	2,000	0	2,000
Office Equipment	U605	0	0	0	2,000	0	2,000	2,000	0	2,000
Other Equipment	U606	0	0	0	1,000	0	1,000	3,000	0	3,000
ADP H/W Purchases	U607	0	0	0	0	0	0	0	0	0
ADP S/W Purchases	U608	0	0	0	0	0	0	0	0	0
Trans/Freight U600	U696	0	0	0	0	0	0	0	0	0
Subtotal		0	0	0	5,000	0	5,000	7,000	0	7,000
Total OE Expense Budget		320,100	0	320,100	407,100	0	407,100	442,678	0	442,678
Less FAAS							57,100	57,100	0	57,100
Total OE Expense Budget		263,000	0	263,000	350,000	0	350,000	385,578	0	385,578
636(c)	U999	0	0	0	0	0	0	0	0	0
Grand Total OE Expense Budget		263,000	0	263,000	350,000	0	350,000	385,578	0	385,578
USDH FTEs		1			1			1		
FNDH FTEs (U200)		3			3			3		
US PSC FTEs (300)		0			1			1		
TCN PSC FTEs (U300)		0			0			0		
FN PSC FTEs (U300)		3			4			5		
OTHER CONTRACTS FTEs (U300)		0			0			0		

USAID/PARAGUAY BUDGET

OPERATING EXPENSES - F.Y. 1995 (1109)

U.S. DIRECT HIRE PERSONNEL

U-111/21201 - HOME LEAVE (TRAVEL)  
AID/Representative & Family (4) \$ 3,500.00

TOTAL U-100 (U.S. DH PERSONNEL) \$ 3,500.00

FOREIGN NATIONAL DIRECT HIRE

U-201/11400 - ADJUSTED BASIC SALARY

1. Program Specialist (11/13) \$ 33,900.00  
2. Program Specialist (10/14) \$ 30,000.00  
3. Secretary (7/15) \$ 14,600.00

Total ABS \$ 78,500.00

Plus:

1. Benefits Allowance \$ 2,900.00  
2. Step increases 5% of 63,900.00 \$ 3,195.00  
3. Beverage Allowance \$ 1,200.00  
4. 13th Month Bonus  
a. Program Specialist \$ 2,825.00  
b. Program Specialist \$ 2,500.00  
c. Secretary \$ 1,217.00 \$ 6,542.00

5. WINTER ALLOWANCE  
a. Program Specialist \$ 2,825.00  
b. Program Specialist \$ 2,500.00  
c. Secretary \$ 1,217.00 \$ 6,542.00

6. 15% UNEMPLOYMENT BENEFIT, SURVIVOR \$ 11,775.00

TOTAL U-201 (FNS& DH) \$ 117,624.00

U-202/11500 - PREMIUM COMPENSATION \$ 1,500.00

U-204/12900 - INCENTIVE AWARDS, FSN& \$ 1,500.00

U-204/12903 - RETIREMENT, GOVNT CONTRIBUTION \$ 5,495.00  
7% OF ABS ( 78,500.00)

U-204/12904 - HEALTH INSURANCE, GOVNT CONTRIBUTION \$ 3,300.00

TOTAL U-204 \$ 10,295.00

TOTAL U-200 (FSN& DH) \$122,449.00

CONTRACT PERSONNEL

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

AID/REP Secretary

Salary:

1. FS-7/1	\$ 19,345.00
2. 10% Estimated Salary increase	\$ 1,935.00
TOTAL U-302/11300	\$ 21,280.00

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

ADJUSTED BASIC SALARY

1. Accounting Technician (08/05)	\$ 17,602.00	
2. Chauffeur (04/02)	\$ 8,514.00	
3. Chief Accountant (11/09)	\$ 31,990.00	
4. Program Assistant (07/01)	\$ 11,295.00	
5. Program Assistant (09/01)	\$ 18,120.00	\$ 87,521.00

Plus:

1. Benefits Allowance		\$ 3,389.00
2. Steps Increases: 5% of \$ 87,521.00		\$ 4,376.00
3. Beverage Allowance		\$ 1,528.00
4. 13th month bonus		
Accounting Technician	\$ 1,467.00	
Chauffeur	\$ 710.00	
Chief Accountant	\$ 2,666.00	
Program Assistant	\$ 941.00	
Program Assistant	\$ 1,510.00	\$ 7,294.00
5. Winter Bonus		
Accounting Technician	\$ 1,467.00	
Chauffeur	\$ 710.00	
Chief Accountant	\$ 2,666.00	
Program Assistant	\$ 941.00	
Program Assistant	\$ 1,510.00	\$ 7,294.00
6. 15% Estimated Salary Increase		\$ 13,128.00
7. Social Security (16.5% of 55,531.00)		\$ 9,163.00
8. Premium Compensation		\$ 2,000.00
9. Site visits (20 trips at \$50.00)		\$ 1,000.00
10. Health Insurance		\$ 3,500.00
11. Incentive Awards		\$ 2,000.00
TOTAL U-304/11302		\$142,193.00

TOTAL U-300 (CONTRACT PERSONNEL) \$163,473.00

HOUSING

U-401/23500 - RESIDENTIAL RENT

\$2,000 x 12 mos. \$ 24,000.00

U-402/23501 - RESIDENTIAL UTILITIES

\$ 250 x 12 mos. \$ 3,000.00

U-403/25900 - MAINTENANCE AND RENOVATION

\$ 1,500.00

U-407/25900 - SECURITY GUARDS

\$ 2,000.00

U-409/25200 - REPRESENTATION ALLOWANCE

\$ 800.00

U-408/25401 - OFFICIAL RESIDENCE ALLOWANCE

\$ 1,000.00

TOTAL U-400 (HOUSING) \$ 32,300.00

OFFICE OPERATIONS

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

XEROX Machine	\$ 1,500.00	
PCs	\$ 2,000.00	
Typewriters, Calculators	\$ 150.00	
Furniture	\$ 600.00	
Vehicles	\$ 1,000.00	\$ 5,250.00

U-509/23000 - COMMUNICATIONS

Telephone Fees (ANTELCO)  
\$1,600 x 12 mos. \$ 19,200.00

Commercial Courier (DHL)  
To Buenos Aires: 2 mailing x 40 x 12 mos. \$ 960.00  
To USA: 1 mailing x 50 x 12 mos. \$ 600.00  
To Bolivia: 1 mailing x 50 x 12 mos. \$ 600.00

USAID/La Paz Expenses (Telephone & Courier)  
\$100 x 12 mos. \$ 1,200.00 \$ 22,560.00

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) \$ 1,300.00  
2. Other (1 Trip) \$ 1,500.00 \$ 2,800.00

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 \$ 2,546.00 \$ 6,046.00

TOTAL U-500 (OFFICE OPERATIONS) \$ 54,856.00

NON-EXPENDABLE PROCUREMENTS

<u>U-604/31003 - OFFICE FURNITURE</u>	\$ 3,000.00
<u>U-605/31005 - Office Equipment</u>	\$ 3,000.00
<u>U-698/22010 - Freight Code U-600</u>	\$ 3,000.00
TOTAL U-600 (NEP PROC.)	\$ 9,000.00
<u>GRAND TOTAL</u>	<u>\$385,578.00</u>

DOC: OEBUDFY.95 (110%)

Expense Category	Function Code	FY 1995 BASE (75%)			FY 1995 TARGET (100%)			FY 1995 ENHANCED (110%)		
		Dollars	Trust Funds	Total	Dollars	Trust Funds	Total	Dollars	Trust Funds	Total
<b>PARAGUAY</b>										
U.S. Direct Hire	U100	0	0	0	0	0	0	0	0	0
Other Salary	U105	0	0	0	0	0	0	0	0	0
Educ. Allow's	U106	0	0	0	0	0	0	0	0	0
COLA	U108	0	0	0	0	0	0	0	0	0
Other Benefits	U110	0	0	0	0	0	0	0	0	0
Post Assign Trv	U111	0	0	0	0	0	0	0	0	0
Post Assign Frit	U112	0	0	0	0	0	0	0	0	0
Home Lv Trv	U113	3,500	0	3,500	3,500	0	3,500	3,500	0	3,500
Home Lv Frit	U114	0	0	0	0	0	0	0	0	0
Educ Trv	U115	0	0	0	0	0	0	0	0	0
R&R Trv	U116	0	0	0	0	0	0	0	0	0
Other Trv	U117	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>		<b>3,500</b>	<b>0</b>	<b>3,500</b>	<b>3,500</b>	<b>0</b>	<b>3,500</b>	<b>3,500</b>	<b>0</b>	<b>3,500</b>
F.N. Direct Hire	U200	0	0	0	0	0	0	0	0	0
F.N. Basic Pay	U201	103,618	0	103,618	106,840	0	106,840	110,854	0	110,854
Overtime/Holiday Pay	U202	0	0	0	2,000	0	2,000	1,500	0	1,500
All other Code 11 - FN	U203	0	0	0	0	0	0	0	0	0
All Other Code 12 - FN	U204	7,885	0	7,885	8,475	0	8,475	10,285	0	10,285
Benefit - Former F.N.	U205	0	0	0	0	0	0	0	0	0
Accrued Severance	U206	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>		<b>111,613</b>	<b>0</b>	<b>111,613</b>	<b>120,315</b>	<b>0</b>	<b>120,315</b>	<b>122,449</b>	<b>0</b>	<b>122,449</b>
Contract Personnel	U300	0	0	0	0	0	0	0	0	0
U.S.PSC Sal/Benef.	U302	0	0	0	23,214	0	23,214	21,280	0	21,280
All other US PSC Costs	U303	0	0	0	0	0	0	0	0	0
FN PSC Sal/Benef.	U304	85,639	0	85,639	106,316	0	106,316	142,193	0	142,193
All Other FN PSC Costs	U305	0	0	0	0	0	0	0	0	0
Manpower Contracts	U306	0	0	0	0	0	0	0	0	0
Accrued Severance	U307	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>		<b>85,639</b>	<b>0</b>	<b>85,639</b>	<b>129,529</b>	<b>0</b>	<b>129,529</b>	<b>163,473</b>	<b>0</b>	<b>163,473</b>
Housing	U400	0	0	0	0	0	0	0	0	0
Res. Rent	U401	24,000	0	24,000	24,000	0	24,000	26,000	0	24,000
Res. Utilities	U402	2,400	0	2,400	3,000	0	3,000	3,000	0	3,000
M&R	U403	850	0	850	1,500	0	1,500	1,500	0	1,500
LQA	U404	0	0	0	0	0	0	0	0	0
Security Guards	U407	1,000	0	1,000	2,000	0	2,000	2,000	0	2,000
ORE	U408	1,000	0	1,000	1,000	0	1,000	1,000	0	1,000
Rep	U409	400	0	400	800	0	800	800	0	800
<b>Subtotal</b>		<b>29,650</b>	<b>0</b>	<b>29,650</b>	<b>32,300</b>	<b>0</b>	<b>32,300</b>	<b>32,300</b>	<b>0</b>	<b>32,300</b>
Office Operations	U500	0	0	0	0	0	0	0	0	0
Office Rent	U501	0	0	0	0	0	0	0	0	0
Office Utilities	U502	0	0	0	0	0	0	0	0	0
Blg. M&R	U503	0	0	0	0	0	0	0	0	0
Equip. M&R	U508	4,250	0	4,250	5,250	0	5,250	5,250	0	5,250
Communications	U509	18,480	0	18,480	22,580	0	22,580	22,580	0	22,580
Security Guards	U510	0	0	0	0	0	0	0	0	0
Printing	U511	0	0	0	0	0	0	0	0	0
Site Visit - Mission	U513	250	0	250	500	0	500	500	0	500
Site Visit - AD/W	U514	0	0	0	5,000	0	5,000	5,000	0	5,000
Site Meetings	U515	0	0	0	0	0	0	0	0	0
Training	U516	0	0	0	7,500	0	7,500	5,000	0	5,000
Conferences Attendance	U517	0	0	0	2,700	0	2,700	2,700	0	2,700
Other Ops Travel	U518	0	0	0	4,300	0	4,300	2,800	0	2,800
Supplies	U519	5,500	0	5,500	5,000	0	5,000	5,000	0	5,000
FAAS	U520	57,100	0	57,100	57,100	0	57,100	57,100	0	57,100
Cent Consult Svcs.	U521	0	0	0	0	0	0	0	0	0
Cent Mgt/Prof Svcs.	U522	0	0	0	0	0	0	0	0	0
Spec Studies/Analysis	U523	0	0	0	0	0	0	0	0	0
ADP H/W Leases/Maint.	U525	0	0	0	0	0	0	0	0	0
ADP S/W Leases/Maint.	U526	0	0	0	0	0	0	0	0	0
Trans/Freight USDO	U598	0	0	0	0	0	0	0	0	0
All Other Cent. Svcs.	U599	4,118	0	4,118	6,046	0	6,046	6,046	0	6,046
<b>Subtotal</b>		<b>88,885</b>	<b>0</b>	<b>88,885</b>	<b>115,956</b>	<b>0</b>	<b>115,956</b>	<b>111,856</b>	<b>0</b>	<b>111,856</b>

Expense Category	Function Code	FY 1995 BASE (75%)			FY 1995 TARGET (100%)			FY 1995 ENHANCED (110%)		
		Dollars	Trust Funds	Total	Dollars	Trust Funds	Total	Dollars	Trust Funds	Total
<b>PARAGUAY</b>										
ADP Procurement	U600	0	0	0	0	0	0	0	0	0
Vehicle	U601	0	0	0	0	0	0	0	0	0
Res. Furniture	U602	0	0	0	0	0	0	0	0	0
Res. Equipment	U603	0	0	0	0	0	0	0	0	0
Office Furniture	U604	0	0	0	2,500	0	2,500	3,000	0	3,000
Office Equipment	U605	0	0	0	2,000	0	2,000	3,000	0	3,000
Other Equipment	U606	0	0	0	1,000	0	1,000	3,000	0	3,000
ADP H/W Purchases	U607	0	0	0	0	0	0	0	0	0
ADP S/W Purchases	U608	0	0	0	0	0	0	0	0	0
Trans/Freight U600	U698	0	0	0	0	0	0	0	0	0
Subtotal		0	0	0	5,500	0	5,500	9,000	0	9,000
Total OE Expense Budget		320,100	0	320,100	407,100	0	407,100	442,678	0	442,678
Less FAAS	U520	57,100	0	57,100	57,100	0	57,100	57,100	0	57,100
Total OE Expense Budget		263,000	0	263,000	350,000	0	350,000	385,578	0	385,578
636(c)	U999	0	0	0	0	0	0	0	0	0
Grand Total OE Expense Budget		263,000	0	263,000	350,000	0	350,000	385,578	0	385,578
USDH FTEs		1			1			1		
FNDH FTEs (U200)		3			3			3		
US PSC FTEs (300)		0			1			1		
TCN PSC FTEs (U300)		0			0			0		
FN PSC FTEs (U300)		3			4			5		
OTHER CONTRACTS FTEs (U300)		0			0			0		

**PARAGUAY : ANNUAL BUDGET SUBMISSION**

**(ABS), FISCAL YEARS 1994 - 1995**

**PARAGUAY**

**ANNUAL BUDGET SUBMISSION (ABS)**

**PD-ABL-892**

**1 OF 1 (24X)**

**1993**