

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



**ANNUAL BUDGET SUBMISSION
FY 1979**

USAID PARAGUAY

**DEPARTMENT
OF
STATE**

JUNE 1977



PARAGUAY
FY 1979 Annual Budget Submission
Table of Contents

	<u>Page</u>
A. Summary Narrative Statement	1
B. Long Range Planning (FY 1979-FY 1983)	
1. Table I - Long Range Program Plan	9
2. DAP Documentation Schedule	10
C. FY 1977-FY 1979 Programs	
1. Table II - FY 1977-FY 1979 Program Levels by Appropriation Account	11
2. Table III - ABS/CP Summary, FY 1977-FY 1979 Funding by Project	12
a. Table IV - Ongoing Project Budget Date	14
b. Project Narrative Statements	26
c. Table V - Project Priority Sequence	27
3. Technical Assistance to Cooperatives	28
4. Population Planning - Commodities	29
D. Mission Evaluation Schedule	33
E. Project Identification Documents	
1. Small Farmer Land Registration	35
2. Small Farm Land Resources Identification	42
3. Market Planning and Technical Assistance	49
4. Minifundia Crop Intensification	57
5. Population II	67
6. Primary Education Improvement I	73
7. Small Manufacturing Industry Development	81

SUMMARY NARRATIVE STATEMENT

A. Strategy

USAID/Paraguay is submitting a revised Development Assistance Program (DAP) concurrently with the FY 1979 Annual Budget Submission (ABS). Therefore, this narrative is a summary of our DAP strategy statement which should be consulted for detail. The only new information presented here is how our program relates to Section 102 (d) of the Foreign Assistance Act.

The Mission has selected two major groups within the poor majority as targets for assistance: farm families with holdings of twenty hectares or less, and rural families who work in crafts and small industries. We estimate these groups contain more than one million of the rural poor, drawn from 140,000 farm families with small land holdings and 63,000 families dependent on employment in crafts and small industry outside of Asuncion. This selection is based on data from the Small Farmer Sub-Sector Assessment (1976) and from a 1974 study conducted by the United Nations and the Government of Paraguay (GOP), in both cases the most recent data available. According to the only available study on income distribution, average annual per capita income for the rural poor was less than \$175 in 1973.

The GOP's National Development Plan for 1977-1981 puts special emphasis on three factors: exports, agroindustries, and import substitution. The Plan says very little about improving income distribution and very much about raising the rate of growth. It should be noted that these two goals are not necessarily mutually exclusive, except perhaps in the short run.

Our development assistance strategy must focus on orienting specific low-income groups toward the development process. The Paraguayan economic system is predominantly market-oriented and market-directed, and the basic strategy of development toward the external market is sound. In the Mission's view, the best way to assure the poor majority a share in the output which is distributed through the market is to equip and assist them to secure a place on the production and employment side of the market. In short, USAID proposes to encourage balanced economic growth by incorporating to the maximum extent possible the poor majority into the national development process.

To implement our development strategy, we have selected three means of increasing opportunities for low-income rural households:

a. By identifying alternative agricultural products for which there are expanding internal or external markets.

b. By stimulating non-farm alternative opportunities for labor employment.

c. By strengthening the socio-economic infrastructure (institutions) in rural areas.

B. Section 102 (d) of the Foreign Assistance Act

We find that our strategy and proposed program are consistent with the concerns expressed by the Congress in Section 102 (d). These concerns and our comments are listed below.

1. Increase agricultural productivity per unit of land through small farm, labor-intensive agriculture.

Both the GOP and USAID are committed to increasing agricultural production, although the latter limits its attention to the small farm sector in keeping with the Agency's emphasis on the poor majority. The GOP seeks to increase production and improve its quality as a national agricultural sector goal through the following activities: 1) encouragement of production for export through specific crop programs, credit, research and extension activities; 2) promotion of agroindustries and import substitution through preferential treatment for cooperatives and tax incentives for priority investments, and 3) opening new, potentially more fertile lands for colonization.

While it is hard to measure the impact of GOP policies on small farmers, the rural poor have enjoyed some obvious benefits. In 1961, no small farm-produced crop earned more than \$1.5 million in the aggregate, whereas in 1976 small farm production accounted for 40% of the country's agricultural exports. Cotton and tobacco exports, both primarily produced on small farms, earned \$34.6 million and \$14.7 million respectively in 1976. Since initiation of the land reform institute in 1963, some 88,600 families have been settled on new land under colonization programs.

Constraints to further agricultural development identified by the Mission are the low productivity of land and labor, the poor use of human and natural resources, the inadequate marketing structure, an insufficient agricultural data base, and insufficient funding for the Ministry of Agriculture (MAG).

A.I.D. projects are specifically designed to increase the productivity per unit of land in the following ways:

- 1) improvement of credit and marketing facilities
- 2) support for cooperatives and community development groups

- 3) support for crop intensification research and promotion, including production, processing, and marketing of alternative small farm products
- 4) rationalization of natural resources, including land title improvement, a soil and water survey and small farm land resource identification
- 5) development and promotion of appropriate technologies for small farm use
- 6) marketing research
- 7) rural road improvement
- 8) loan-funded budget support for the MAG

All Mission projects contribute to improvement of the agricultural data base.

2. Reduce infant mortality

The Ministry of Health (MCH) lists reduction of infant mortality as a primary objective in its National Plan. Data from the Plan show that the rate of mortality (per 1,000) for infants of less than one year of age fell from 101.7 in 1968 to 84.2 in 1973, a level still unacceptably high. The reduction in infant mortality is not explained and may reflect weaknesses in reporting and statistics rather than health improvements. Causes of death for children less than five years of age are generally agreed upon: diarrhea related fatalities, followed in declining order by pneumonia, malnutrition, and intestinal parasites. Among infants of less than one year, prematurity and tetanus are the chief causes of death, with poor sanitation and inadequate diet important contributing factors.

The major structural constraint faced by the Ministry of Health is its low budget, which permits a per capita expenditure of only \$2.51 in 1977. The MOH does not have funds to implement public health activities at levels necessary to satisfy the country's needs. At present, the MOH supports 90 health centers and 160 health posts to serve rural areas, with salaries claiming the great part of the budget for rural health. Implementation of a better program for maternal/child care will require greater financial inputs.

A.I.D. projects in education and agriculture contribute to reduction of the infant mortality rate through instruction on sanitation and child care, and assistance which leads to better and more varied small farm production for home consumption. Also,

health gains can be expected from increases in farm family income, an aim of many of our projects. More directly, our ongoing population project assists families to space children and limit their number. Family size and intervals between children are closely related to the incidence of infant mortality among the poor.

USAID/Paraguay proposes a health sector assessment in 1977-1978 to define Mission strategy in this field. Based on the assessment, we will propose a health sector loan in FY 1980 which will likely focus on the problem of infant mortality.

3. Control population growth

The GOP has no population policy, and it is not likely that a policy will be formulated within the near future. Paraguay's current growth rate is about 3%, a rate above the Latin American average of 2.8% and a figure which would be viewed with alarm in many other countries. The population is increasing faster than Paraguay's ability to provide jobs and basic services such as health care and elementary education. Because of low population density, large amounts of land still available for settlement and historic cultural factors, the national attitude is that the country is underpopulated.

At the personal attitude level, however, where the individual must consider what the addition of each child means to levels of family health and income, there is increasing acceptance for family planning. The MOH is implementing a vigorous program, which has grown from 12 clinics and 5,000 acceptors in 1972 to 43 clinics and 32,000 acceptors in 1976. The MOH is moving toward targets of 263 health facilities which offer family planning services and 50,000 acceptors by the end of 1977.

The major constraints the MOH faces are national attitudes toward population which are reflected by the lack of GOP policy and the low budget allocated to the Ministry, not only for family planning but for all of its activities. USAID/Paraguay proposes to continue financial and technical assistance to the MOH in support of family planning.

4. Promote greater equality of income distribution, including measures such as more progressive taxation and more equitable returns to small farmers.

The GOP directly addresses this Congressional concern in three ways -- First, small farmers who belong to cooperatives receive tax exemptions on items imported and exported through the cooperative system. Second, farmers who settle land through the national land reform system are exempt from property taxes for 15 years after receipt

of title to their land. Third, as a matter of administrative practice rather than an official policy, the GOP's Real Property Tax Office does not pursue tax claims against holdings of less than ten hectares.

A.I.D. provides assistance to a cooperative federation which now has about 10,000 small farmer members. We are proposing three new projects which should further benefit small farmers by assisting the land titling process, promoting community organizations, and stimulating small industries run under the auspices of cooperatives.

5. Reduce rates of underemployment and unemployment

The Government of Paraguay's long-term strategy related to the utilization of its human resources is to promote increased economic (primarily agricultural and industrial) growth so that the economy can absorb more workers. Specifically, the GOP anticipates that the construction of two hydroelectric plants on the Paraná River will create the necessary energy infrastructure to permit industrial takeoff. The GOP also encourages the development of export markets for agricultural products. The hydroelectric facilities will come into production in the 1980s. At present, the Ministry of Industry and Commerce (MIC) encourages investments through Laws 349, 549 and 550 which give preferential treatment to cooperatives, artisans, and certain industries. The Ministries of Education and Labor are promoting technical and vocational education to upgrade the skills of the population. The GOP also seeks to absorb landless rural dwellers through its colonization projects and provides employment through its expenditures in public works and the military.

The major constraints or development problems which, in the Mission's opinion, hinder fuller utilization of labor resources are the following:

- a) An underdeveloped industrial sector,
- b) Seasonal fluctuations in the demand for agricultural labor,
- c) Low skill levels of agricultural and industrial workers,
- d) Lack of adequate vocational training,
- e) Underutilization of existing human resources, especially women,
- f) Undercapitalization of artisan and other non-farm enterprises, and
- g) Loss of talents and economic input due to sizeable emigration.

A.I.D. is sponsoring or proposes projects in the agricultural, educational and industrial sectors which seek to reduce unemployment/underemployment and, in particular, provide non-farm employment opportunities. These activities are described below by sector.

Agriculture:

- a) Development and promotion of labor-intensive crops in minifundia areas to absorb unemployed/underemployed family labor,
- b) Assistance to settlers in colonization projects,
- c) Provision of credit to municipalities for community development projects and agricultural and market-related enterprises,
- d) Promotion of agroindustrial enterprises (processing and packaging).

Education:

- a) Promotion of agricultural and vocational education,
- b) Improvement of teacher-training programs in agriculture and vocational training.

Industry:

- a) Promotion of agroindustrial enterprises,
- b) Provision of credit for small industrial concerns, including artisans,
- c) Provision of off-farm employment opportunities.

A.I.D. projects, hence, complement the Government of Paraguay's strategy of creating more employment opportunities through continued economic growth in the agricultural and industrial sectors.

C. Decision Packages

Our selection of priorities is based on Mission strategy, which takes into account GOP policy, the needs of the rural poor, and our understanding of current AID/W guidance.

The largest element in our minimum decision package is a community/primary education loan because we believe that its potential for upgrading rural labor force skills makes the most important contribution to implementation of our strategy. Another education project will continue its work on better teaching of the Spanish language to the rural poor, whose lack of Spanish limits employment opportunities and participation in public affairs. Also included at the minimum level are three agricultural projects, two of which focus on rural families and their organization into groups which participate in developmental activities. The third project will assist in research and extension of information on better production practices and alternative crops in the minifundia. Special Development Activities is included because of its success in involving target group participation in community betterment projects and for its value in promoting U.S. interests.

In the current level decision package, assistance to population is continued as an element of our strategy of increasing access to socio-economic institutional infrastructure in rural areas. Rural non-formal education is extended to promote better transfer of technology by both public and private organizations. Three new agricultural projects would be initiated, two of which focus on rural family access to land. Land registration is a project which will be a first step toward bringing order to the property title system; land resource identification is aimed at bringing better planning to the resettlement process. Market planning and technical assistance will focus on identifying constraints in the present marketing system and making recommendations for improvements which lead to higher net income for the rural poor. Technical support components are included at this level to fund consultants and studies related to new project development and to complement program implementation activities.

In the proposed level decision package, we increase the size of the community/primary education improvement loan in order to increase the number of rural communities which can be served under the project. We also would start a small manufacturing industry development project aimed at stimulating market and employment opportunities for rural families.

The program to be implemented at the funding level of the minimum decision package can be carried out with the workforce assumed to be on board at the close of FY 1978, that is 18 U.S. and 34 foreign national direct hire positions. At the level of the current decision package, a workforce increase is required. In this package, a population project is funded with the attendant need to add one U.S. and two foreign national direct hire personnel to implement the project. There are no additions to the workforce planned at the funding level of the proposed decision package.

Operating expense levels are consistent with the program funding levels and the estimated workforce requirements. With the proposed funding increase from the minimum to the current program level, additional operating expense funding will be necessary to cover needed support costs (household furnishings, office equipment, vehicles, etc.) of both the direct hire and contract personnel implied by the new projects proposed for initiation. No additional funding is considered necessary at the program level of the proposed decision package.

Country/Program: Paraguay

Table I

Long Range Program Plan
(OOOs)

	<u>1978</u>	<u>1979</u> <u>Request</u>	<u>Planning Period</u>			
			<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
Food/Nutrition						
Grants	1.716	1.939	1.438	827	900	700
Loans	7.500	--	10.500	15.000	12.000	5.000
Population						
Grants	530	550	500	450	525	475
Loans	--	--	--	--	--	--
Health						
Grants	100	30	350	325	275	250
Loans	--	--	5.000	--	--	5.000
Education						
Grants	655	410	550	600	550	300
Loans	--	8.000	--	4.000	--	--
Selected Develop- ment Activities						
Grants	50	221	209	350	300	200
Loans	--	--	--	--	--	--
Total Functional Accounts						
Grants	3.051	3.150	3.047	2.552	2.550	1.925
Loans	7.500	8.000	15.500	19.000	12.000	10.000
Housing Investment Guaranties (non-add) ^{1/}	(1.500)	(1.500)	(1.000)	--	--	--
Productive Credit Guarantee Program (non-add) ^{2/}	(500)	(500)	(500)	--	--	--

^{1/} Guarantee authority for \$4 million authorized August 5, 1975.

^{2/} Guarantee authority for \$1.5 million authorized on May 13, 1977.

DAP DOCUMENTATION SCHEDULE

PROGRAM YEAR	DOCUMENTS TO BE USED AS BASIS FOR PROGRAM PLANNING	DATE APPROVED OR SENT TO AID/W
FY 1979	Original DAP DAP Revision Analytical Description of Poor Majority Summary Strategy Statement Sector Assessment (Specify): <u>Small Farm Sub-Sector</u> <u>Education</u> Other (Specify): _____	<u>November, 1973</u> <u>May, 1977</u> <u>May, 1977</u> <u>May, 1977</u> <u>August, 1976</u> <u>April, 1977</u>
FY 1980	Original DAP DAP Revision Analytical Description of Poor Majority Summary Strategy Statement Sector Assessment (Specify): <u>Health</u> <u>Agriculture</u> Other (Specify): _____	_____ _____ _____ _____ <u>April, 1978</u> <u>November, 1978</u> _____
FY 1981	Original DAP DAP Revision Analytical Description of Poor Majority Summary Strategy Statement Sector Assessment (Specify): _____ _____ Other (Specify): _____	_____ _____ <u>February, 1979</u> <u>February, 1979</u> _____ _____

Country: PARAGUAY

Table II

Funding Levels for FY 1977, FY 1978, FY 1979
(in \$CCO)

	<u>FY 1977</u>	<u>FY 1978</u>	<u>FY 1979</u>
Food/Nutrition			
Grants	653	1,716	1,939
Loans	10,000	7,500	-
Population/Health			
Grants	369	630	580
Loans	-	-	-
(Population)			
(Grants)	(369)	(530)	(550)
(Loans)	-	-	-
(Health)			
(Grants)	-	(100)	(30)
(Loans)	-	-	-
Education			
Grants	491	655	410
Loans	-	-	8,000
Selected Development Activities			
Grants	50	50	221
Loans	-	-	-
Sub-Total			
Grants	1,563	3,051	3,150
Loans	10,000	7,500	8,000
Total	11,563	10,551	11,150

AGENCY FOR INTERNATIONAL DEVELOPMENT ABS/CP SUMMARY - TABLE III				1. TRANSACTION CODE A = ADD C = CHANGE D = DELETE			2. ABS/CP DOCUMENT CODE 6			
3. COUNTRY/ENTITY PARAGUAY		4. DOCUMENT REVISION NO. []	5. OPERATIONAL YEAR FY [78]		6. BUREAU/OFFICE A. SYMBOL LA [] D. CODE [05]		7. GEOGRAPHIC CODE [526]			
8. TYPE DATA [1] 1 = ABS 2 = ABS REVISION 3 = CP 4 = CP NOTIFICATION					9. TYPE ASSISTANCE [1] 1 = PROJECT 2 = PROGRAM					
10. PROJECT SEQUENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. QTR. FOR OBLIG.	13. EST. FY AUTH. OBLIG. FINAL	14. APPRO. PRIA-TION	15. PRIMARY PURPOSE CODE	16. LOAN/GRANT INDICATOR	17. BUDGETS (IN \$ 000)			
							AY	OY	BY	LOP
<u>72-11X1023</u>										
<u>New</u>										
0115	Small Farmer Land Registration	1	79	FN	231	GN	-	-	150	150
0116	Small Farm Land Resources Identification	2	81	FN	233	GN	-	-	335	800
0117	Market Planning and Technical Assistance	-	81	FN	133	GN	-	-	385	795
0118	Minifundia Crop Intensification	-	81	FN	253	GN	-	-	475	1,500
<u>Ongoing</u>										
0100	Technical Support	1	Cont	FN	190	GC	204	110	45	Cont
0101	Credit Unions	2	80	FN	243	GC	320	306	249	2,006
0103	Small Farmer Livestock Production	-	77	FN	124	GC	129	-	-	503
0108	Community Based Rural Development	2	79	FN	242	GN	-	300*	300	600
0109	Small Farmer Sector Program	2	78	FN	180	GN	-	1,000	-	1,000
		1	78	FN	180	L	-	7,500*	-	7,500
0111	Rural Roads	-	77	FN	133	L	5,000	-	-	5,000
0112	Market Town Development	-	78	FN	280	L	5,000	-	-	5,000
<u>72-11X1024</u>										
<u>New</u>										
0305	Population II	-	81	PH	443	GC	-	-	550	1,500
<u>Ongoing</u>										
0300	Technical Support	1	Cont	PH	594	GC	-	100	30	Cont
0085	Population	-	78	PH	443	GC	369	530	-	3,152
*Deviation from FY 1978 C. P.										
						18. DATE DOCUMENT RECEIVED IN AID/W				
						MM	OD	YY		

AGENCY FOR INTERNATIONAL DEVELOPMENT ABS/CP SUMMARY - TABLE III		1. TRANSACTION CODE A A = ADD C = CHANGE D = DELETE		2. ABS/CP DOCUMENT CODE 6	
3. COUNTRY/ENTITY PARAGUAY		4. DOCUMENT REVISION NO. <input type="checkbox"/>	5. OPERATIONAL YEAR FY 78	6. BUREAU/OFFICE A. SYMBOL LA D. CODE 05	7. GEOGRAPHIC CODE <input type="checkbox"/> 526 <input type="checkbox"/>
8. TYPE DATA <input type="checkbox"/> 1 1 = ABS 3 = CP 2 = ABS REVISION 4 = CP NOTIFICATION			9. TYPE ASSISTANCE <input type="checkbox"/> 1 1 = PROJECT 2 = PROGRAM		

10. PROJECT SEQ. - UENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. QTR. FOR OBLIG	13. EST. FY. AUTH. OBLIG FINAL	14. ARI-PRO TION	15. PRIMARY PURPOSE CODE	16. LOAN/GRANT INDICATOR	17. BUDGETS (IN \$ 000)			
							AY	OY	BY	LOP
	<u>72-11X1025</u>									
<u>New</u>										
0505	Primary Education Improvement I	-	79	EH	624	L	-	-	8,000	8,000
<u>Ongoing</u>										
0500	Technical Support	1	Cont	EH	690	GC	153	183	20	Cont
0501	Rural Non-Formal Education	-	80	EH	611	GC	115	-	150	820*
0502	Rural Radio Education	3	78	EH	622	GC	173	187	-	601
0503	Bilingual Education	1	81	EH	623	GN	-	215*	240	800
0506	Community Services for Women (FVO)	2	78	EH	660	GN	50	70*	-	120
	<u>72-11X1026</u>									
<u>New</u>										
0603	Small Manufacturing Industry Development	-	80	ST	733	GN	-	-	171	330
<u>Ongoing</u>										
0601	Special Development Activities	1	Cont	ST	799	GC	50	50	50	Cont
	*Deviation from FY 1978 C. P.									
					13		18. DATE DOCUMENT RECEIVED IN AID/W			
							MM	DD	YY	

COUNTRY/PROGRAM PARAGUAY	PROJECT TITLE TECHNICAL SUPPORT AGRICULTURE	AS APPROVED FY 1976	REVISION FY	DATE PP/REVISION
		AS APPROVED FY CONT.	REVISION FY	DATE LAST PAR
		AS APPROVED CONT.	REVISION	DATE NEXT PAR
PROJECT NUMBER 526-0100	APPROPRIATION FN	INITIAL OBLIGATION	FINAL OBLIGATION	TOTAL COST
U. S. DOLLAR COST (\$ 000)				

PROJECT INPUTS	ESTIMATED FY 1977-1/			ESTIMATED FY 1978			ESTIMATED FY 1979			
	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	FUND PERIOD (FR-TO)
PROJECT TOTAL	240	170	66	110	161	15	45	60		
Long term advisor for PCGP	40	15	25	20	45					
Small farmer research specialist for establishment of Small Farmer Research Program			17	10	27					3/78-6/78
Technical assistance for project development	144	124	24	80	89	15	45	60		10/78-12/79
One engineer and one sociologist for the development of the Rural Road Loan		11								
Technical assistance for Financial Sector Survey	20									
HOST COUNTRY INPUT										

PERSONNEL ON BOARD AS OF	PARTICIPANTS PROGRAMMED				1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYS LEVEL SHOWN IN TABLE 11
	FY 1977	FY 1978	FY 1979		
DH	9/30/77	9/30/78	9/30/79		
PASA					
CONTRACT	1				

2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS
 3/ LONG-TERM - INCLUDES 9 MONTHS OR MORE
 4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.

COUNTRY/PROGRAM PARAGUAY		PROJECT TITLE CREDIT UNIONS				DATE PP/REVISION June, 1977	
ONGOING PROJECT BUDGET DATA - TABLE IV		PROJECT NUMBER 526-0101		APPROPRIATION FN		DATE LAST PAR June 30, 1976	
		INITIAL OBLIGATION		AS APPROVED FY 1969		REVISION FY	
		FINAL OBLIGATION		AS APPROVED FY 1977		REVISION FY 1980	
		TOTAL COST		AS APPROVED \$1,301		REVISION \$2,006	
						DATE NEXT PAR October, 1977	

U. S. DOLLAR COST (\$ 000)

PROJECT INPUTS	ESTIMATED FY 1977				ESTIMATED FY 1978				ESTIMATED FY 1979			
	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	4/ FUND- PERIOD (FR-TO)	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	4/ FUND- PERIOD (FR-TO)	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	4/ FUND- PERIOD (FR-TO)
Personnel	320	344	119		306	321	104		249	259	94	
Two long term U.S. contract technicians	110	115	55		130	128	57	4/78-3/79	135	127	65	4/79-3/80
Equipment and Supplies	35	11	30		35	40	25	6/78-5/79	15	30	10	5/79-12/79
Local Costs												
Marketing operations, reserves	70	72			50	50		1/78-12/78	35	35		1/79-12/79
In-country travel, training and per diem	23	25	3		22	20	5	1/78-12/78	15	15	5	1/79-12/79
Operating expenses of central office and Credit Unions	82	121	31		69	83	17	1/78-12/78	49	52	14	1/79-12/79
HOST COUNTRY INPUT	794				1,115				1,705			

PERSONNEL ON BOARD AS OF	PARTICIPANTS PROGRAMMED			NON-CONTRACTS: LONG-TERM	SHORT-TERM	CONTRACTS: LONG-TERM	SHORT-TERM
	FY 1977	FY 1978	FY 1979				
DH	9/30/77	9/30/78	9/30/79				
PASA							
CONTRACT	2	2	2				

1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYS LEVEL SHOWN IN TABLE II

2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS

3/ LONG-TERM - INCLUDES 9 MONTHS OR MORE

4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.

COUNTRY/PROGRAM PARAGUAY	PROJECT TITLE COMMUNITY BASED RURAL DEVELOPMENT		AS APPROVED FY 1978	REVISION FY	DATE PP/REVISION March, 1978
ONGOING PROJECT BUDGET DATA - TABLE IV	PROJECT NUMBER 526-0108		AS APPROVED FY 1979	REVISION FY	DATE LAST PAR
	APPROPRIATION FW		AS APPROVED 600	REVISION	DATE NEXT PAR April, 1979

U. S. DOLLAR COST (\$ 000)

PROJECT INPUTS	ESTIMATED FY 1977				ESTIMATED FY 1978				ESTIMATED FY 1979			
	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	FUND- PERIOD (FR-TO)	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	FUND- PERIOD (FR-TO)	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	FUND- PERIOD (FR-TO)
PROJECT TOTAL	300	130	170		300	130	170		300	285	185	
U.S. Technicians	135	60	75	3/78- 2/79	135	60	75	3/78- 2/79	135	130	80	3/79- 2/80
Host Country Technicians	60	25	35	3/78- 12/78	60	25	35	3/78- 12/78	60	55	40	1/79- 12/79
Support Costs	55	25	30	3/78- 12/78	55	25	30	3/78- 12/78	55	45	40	1/79 12/79
Feasibility Studies, Pilot Projects	50	20	30	3/78- 12/78	50	20	30	3/78- 12/78	50	55	25	1/79 12/79
HOST COUNTRY INPUT	100				100				100			

1/ PERSONNEL ON BOARD AS OF	2/ PARTICIPANTS PROGRAMMED			
	FY 1977	FY 1978	FY 1979	
DH	9/30/77	9/30/78	9/30/79	
PASA				
CONTRACT	-	2	2	

1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYB LEVEL SHOWN IN TABLE II

2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS
 3/ LONG-TERM - INCLUDES 9 MONTHS OR MORE
 4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.

AID 1330-8 (2-77)

COUNTRY/PROGRAM PARAGUAY	PROJECT TITLE SMALL FARMER SECTOR PROGRAM				INITIAL OBLIGATION	AS APPROVED FY 1978	REVISION FY	DATE PP/REVISION September, 1977
ONGOING PROJECT BUDGET DATA - TABLE IV	PROJECT NUMBER 526-0109				FINAL OBLIGATION	AS APPROVED FY 1978	REVISION FY	DATE LAST PAR
	APPROPRIATION FN				TOTAL COST	AS APPROVED 8,500	REVISION	DATE NEXT PAR December, 1978

U. S. DOLLAR COST (\$ 000)

PROJECT INPUTS	ESTIMATED FY 1977				ESTIMATED FY 1978				ESTIMATED FY 1979			
	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	FUND- PERIOD (FR-TO)	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	FUND- PERIOD (FR-TO)	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	FUND- PERIOD (FR-TO)
PROJECT TOTAL	8,500	1,800	730		1,000	200	800	4/78- 4/82	360	360	370	
Grant:												
Personnel - 18 technician years of contract consultants					550	550		"				
Loan:												
Establish Small Farmer Research Program					390	390		"				
Seed Distribution System					400	400		"				
Planning and Studies					2,000	2,000		"				
Training Fund												
Extension Fund												
HOST COUNTRY INPUT					388				769			

PERSONNEL ON BOARD AS OF	PARTICIPANTS PROGRAMMED				SHOULD BE CONSISTENT WITH LATEST APPROVED OYS LEVEL SHOWN IN TABLE II			
	FY 1977	FY 1978	FY 1979	FY 1979				
DH	9/30/77	9/30/78	9/30/79					
PASA								
CONTRACT		6	6					

1/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS
2/ LONG-TERM - INCLUDES 9 MONTHS OR MORE
3/ For funding period, indicate starting and ending date
4/ by month and year of obligations for each project
element; e.g., 2/78-10/79.

COUNTRY/PROGRAM PARAGUAY	PROJECT TITLE TECHNICAL SUPPORT HEALTH		AS APPROVED FY 1978	REVISION FY	DATE PP/REVISION
ONGOING PROJECT BUDGET DATA - TABLE IV	PROJECT NUMBER 526-0300	APPROPRIATION PH	AS APPROVED FY Cont.	REVISION FY	DATE LAST PAR
			AS APPROVED Cont.	REVISION	DATE NEXT PAR

U. S. DOLLAR COST (\$ 000)

PROJECT INPUTS	ESTIMATED FY 1977			ESTIMATED FY 1978			ESTIMATED FY 1979			
	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	FUND PERIOD (FR-TO)
PROJECT TOTAL				100	100		30	30		
18 technician months of contract consultants to conduct a health sector assessment				85	85					12/77- 5/78
Local support costs of assessment team				10	10					12/77- 5/78
Technical assistance for project development				5	5		30	30		7/78- 8/78
HOST COUNTRY INPUT										
3/ PERSONNEL ON BOARD AS OF	2/ PARTICIPANTS PROGRAMMED			1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYB LEVEL SHOWN IN TABLE II						
	FY 1977	FY 1978	FY 1979							
DH	9/30/77	9/30/78	9/30/79	NON- CONTRACT; LONG- TERM						
PASA				SHORT- TERM CONTRACT;						
CONTRACT				LONG- TERM SHORT- TERM						

1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYB LEVEL SHOWN IN TABLE II
 2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS
 3/ LONG- TERM - INCLUDES 9 MONTHS OR MORE
 4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.

COUNTRY/PROGRAM PARAGUAY	PROJECT TITLE POPULATION		INITIAL OBLIGATION	AS APPROVED FY 1969	REVISION FY	DATE PP/REVISION April 2, 1976
ONGOING PROJECT BUDGET DATA - TABLE IV	PROJECT NUMBER 526-0085		FINAL OBLIGATION	AS APPROVED FY 1978	REVISION FY	DATE LAST PAR September 23, 1976
	APPROPRIATION PH		TOTAL COST	AS APPROVED 3,304	REVISION 3,152	DATE NEXT PAR September, 1977

U. S. DOLLAR COST (\$ 000)

PROJECT INPUTS	ESTIMATED FY 1977-1/			ESTIMATED FY 1978			ESTIMATED FY 1979		
	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE
PROJECT TOTAL	369	431	122	530	585	67			67
Contraceptives - AID/W procured	89	89		280	280				
Central Administration, supervision, and training	80	82	23	75	83	15	1/78- 1/79		15
Clinic support	115	136	29	100	104	25	"		25
Information, education, communication	24	34	9	25	27	7	"		7
Cytology laboratory	20	20	5	20	20	5	"		5
Studies	10		10	10	15	5	"		5
Clinical office, laboratory and audio- visual equipment and supplies	31	70	46	20	56	10	"		10
HQST COUNTRY INPUT	515			550					

1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYB LEVEL SHOWN IN TABLE II

2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS

3/ LONG-TERM - INCLUDES 9 MONTHS OR MORE

4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.

PERSONNEL ON BOARD AS OF	PARTICIPANTS PROGRAMMED		
	FY 1977	FY 1978	FY 1979
DH			
PASA			
CONTRACT			

COUNTRY/PROGRAM PARAGUAY	PROJECT TITLE TECHNICAL SUPPORT EDUCATION		AS APPROVED FY 1975	REVISION FY	DATE PP/REVISION
	PROJECT NUMBER 526-0500		AS APPROVED FY Cont.	REVISION FY	DATE LAST PAR
	APPROPRIATION EH		AS APPROVED Cont.	REVISION	DATE NEXT PAR
ONGOING PROJECT BUDGET DATA - TABLE IV					

U. S. DOLLAR COST (\$ 000)

PROJECT INPUTS	ESTIMATED FY 1977			ESTIMATED FY 1978			ESTIMATED FY 1979			
	OBLIGATION	EXPENDITURES	PIPE-LINE	OBLIGATION	EXPENDITURES	PIPE-LINE	OBLIGATION	EXPENDITURES	PIPE-LINE	FUND PERIOD (FR-TO)
PROJECT TOTAL	153	179	38	183	205	16	20	36		
Bilingual Education specialists	48	38	10							
Short term advisors to conduct Education Sector Assessment	50	50								
Long term PASA cadaster advisor		49		76	60	16		16		
Technical Assistance for project development	28	12	26	29	55			20		1/79-4/79
Education Planning Studies				25	25					
Harvard team in Education Policy composed of 3 specialists in Education Statistics Education Planning, and Testing Theory and Methods	15	15		53	53					
Training of counterpart personnel in the U.S.	12	15	2		2					
HOST COUNTRY INPUT										

PERSONNEL ON BOARD AS OF	PARTICIPANTS PROGRAMMED			SHOULD BE CONSISTENT WITH LATEST APPROVED OYS LEVEL SHOWN IN TABLE II		
	FY 1977	FY 1978	FY 1979			
DH	9/30/77	9/30/78	9/30/79			
PASA	1	1				
CONTRACT	1					

1/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS
 2/ LONG-TERM - INCLUDES 9 MONTHS OR MORE
 3/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.
 4/

COUNTRY/PROGRAM PARAGUAY		PROJECT TITLE RURAL NON-FORMAL EDUCATION		INITIAL OBLIGATION	AS APPROVED FY 1975	REVISION FY	DATE PP/REVISION April 26, 1976
ONGOING PROJECT				FINAL OBLIGATION	AS APPROVED FY 1977	REVISION FY 1980	DATE LAST PAR November 11, 1976
BUDGET DATA - TABLE IV		PROJECT NUMBER 526-0501		TOTAL COST	AS APPROVED 520	REVISION 820	DATE NEXT PAR August, 1977

U. S. DOLLAR COST (\$ 000)

PROJECT INPUTS	ESTIMATED FY 1977-1/			ESTIMATED FY 1978			ESTIMATED FY 1979		
	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE
PROJECT TOTAL	115	168	265	175	90	150	181	59	
Long term contract specialist in non-formal education and materials production	62	50	72	62	10	67	66	11	10/78-2/80
Short term consultants in training, instructional materials, audio-visual usage and administration	3	13	3	3		15	15	8	10/78-12/78
Audio-visual aids, printing equipment, office and teaching supplies, and one vehicle		45	20	20		18	10	8	10/78-12/79
Training of counterpart staff in the U.S. and third-countries	10		10	10		15	15	40	10/78-9/79
Local travel and per diem and local personnel services	40	60	160	80	80	35	75	40	10/78-12/79
HOST COUNTRY INPUT	40					55			

1/ PERSONNEL ON BOARD AS OF	2/ PARTICIPANTS PROGRAMMED			3/ LONG-TERM CONTRACTS	4/ SHORT-TERM CONTRACTS
	FY 1977	FY 1978	FY 1979		
DH	9/30/77	9/30/78	9/30/79		
PASA		2	3		
CONTRACT	2	2	2		

1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYB LEVEL SHOWN IN TABLE II

2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS

3/ LONG-TERM - INCLUDES 9 MONTHS OR MORE
4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.

COUNTRY/PROGRAM PARAGUAY	PROJECT TITLE RURAL RADIO EDUCATION	AS APPROVED FY 1976	REVISION FY	DATE PP/REVISION September 25, 1975
ONGOING PROJECT BUDGET DATA - TABLE IV	PROJECT NUMBER 526-0502	AS APPROVED FY 1978	REVISION FY	DATE LAST PAR
	APPROPRIATION EH	AS APPROVED 601	REVISION	DATE NEXT PAR January, 1978
		TOTAL COST		

U. S. DOLLAR COST (\$ 000)

PROJECT INPUTS	ESTIMATED FY 1977				ESTIMATED FY 1978				ESTIMATED FY 1979				
	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	PIPE- LINE	FUND- PERIOD (FR-TO)	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	FUND- PERIOD (FR-TO)
PROJECT TOTAL	173	160	250	250	187	274	163	163					
Long and short term contract advisory personnel	100	70	141	141	94	141	94	94	1/79- 12/79		94		
Training in various aspects of rural radio education, curriculum development and administration	10		10	10	15	20	5	5	10/77- 11/78		5		
Local costs of materials, training and contract services	43	46	68	68	63	78	53	53	10/77- 6/79		53		
Acquisition of recording, mixing and reproduction equipment, printing machines, typewriters, materials and supplies	20	34	31	31	15	35	11	11	10/77- 12/78		11		
Purchase of a vehicle for supervisors		10											
HOST COUNTRY INPUT	58				62								
1/ PERSONNEL ON BOARD AS OF	9/30/77	9/30/78	9/30/79		1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYB LEVEL SHOWN IN TABLE 11								
DH					2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS								
PASA					3/ LONG-TERM - INCLUDES 9 MONTHS OR MORE								
CONTRACT	2	2	1		4/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.								

COUNTRY/PROGRAM PARAGUAY	PROJECT TITLE COMMUNITY SERVICES FOR WOMEN	AS APPROVED FY 1977	REVISION FY	DATE PP/REVISION June, 1977
ONGOING PROJECT BUDGET DATA - TABLE IV	PROJECT NUMBER 526-0506	AS APPROVED FY 1978	REVISION FY	DATE LAST PAR
	APPROPRIATION EH	AS APPROVED 120	REVISION	DATE NEXT PAR
		TOTAL COST		

U. S. DOLLAR COST (\$ 000)

PROJECT INPUTS	ESTIMATED FY 1977-1/				ESTIMATED FY 1978				ESTIMATED FY 1979			
	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	FUND- PERIOD (FR-TO)	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	FUND- PERIOD (FR-TO)	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	FUND- PERIOD (FR-TO)
PROJECT TOTAL	50	8	42		70	78	34		33			
Salary support and office supplies for PVO	15	3	12		16	18	10	6/78- 5/79	-	10		
Salary support and supplies for sub-projects of PVO affiliates	19	4	15		22	23	14	6/78- 5/79	-	14		
In-country training costs	3	-	3		6	7	2	1/78- 12/78	-	2		
Third country training costs	6	-	6		12	16	2	1/78- 12/78	-	2		
Audio-visual and vocational training equipment, and other commodities	6	1	5		12	12	5	1/78- 12/78	-	5		
Local transportation and project promotion costs	1	-	1		2	2	1	1/78- 12/78	-	-		
HOST COUNTRY INPUT	16				23							

3/ PERSONNEL ON BOARD AS OF	3/ PARTICIPANTS PROGRAMMED				1/ SHOULD BE CONSISTENT WITH LATEST APPROVED OYB LEVEL SHOWN IN TABLE II
	FY 1977	FY 1978	FY 1979	FY 1979	
9/30/77	9/30/78	9/30/79			
DH					
PASA					
CONTRACT					

2/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS
3/ LONG-TERM - INCLUDES 9 MONTHS OR MORE
4/ For funding period, indicate starting and ending date
by month and year of obligations for each project
element; e.g., 2/78-10/79.

COUNTRY/PROGRAM PARAGUAY	PROJECT TITLE SPECIAL DEVELOPMENT ACTIVITIES	INITIAL OBLIGATION	AS APPROVED FY 1964	REVISION FY	DATE PP/REVISION
ONGOING PROJECT BUDGET DATA - TABLE IV	PROJECT NUMBER 526-0601	FINAL OBLIGATION	AS APPROVED FY CONT.	REVISION FY	DATE LAST PAR
	APPROPRIATION ST	TOTAL COST	AS APPROVED Cont.	REVISION	DATE NEXT PAR

U. S. DOLLAR COST (\$ 000)

PROJECT INPUTS	ESTIMATED FY 1977			ESTIMATED FY 1978			ESTIMATED FY 1979			
	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	OBLIG- ATION	EXPEN- DITURES	PIPE- LINE	FUND- PERIOD (FR-TO)
PROJECT TOTAL	50	55	5	50	53	2	50	50	2	4/
Building supplies and miscellaneous equipment	40	45	5	40	43	2	40	40	2	
Specialized skilled local labor	10	10		10	10		10	10		

HOST COUNTRY INPUT	PARTICIPANTS PROGRAMMED			SHOULD BE CONSISTENT WITH LATEST APPROVED OYB LEVEL SHOWN IN TABLE II		
	FY 1977	FY 1978	FY 1979			
PERSONNEL ON BOARD AS OF	9/30/77	9/30/78	9/30/79			
DH						
PASA						
CONTRACT						

1/ EXCLUDES CONSULTANTS PROGRAMMED FOR LESS THAN 90 DAYS
 2/ LONG-TERM - INCLUDES 9 MONTHS OR MORE
 3/ For funding period, indicate starting and ending date by month and year of obligations for each project element; e.g., 2/78-10/79.

PROJECT NARRATIVE STATEMENTS

1. Community Based Rural Development (0108)

The FY 1978 planned obligation has been reduced by \$25,000. Project Development work carried out to date indicates that the revolving fund, an earlier planned \$160,000 input, will not be necessary. Moreover the project has been reduced from three to two years, with a resultant life of project cost reduction of \$200,000.

2. Small Farmer Sector Program (0109)

Cost of loan component of project has increased by \$2 million in order to include in the program support of the extension service, a change required to strengthen the design of the project.

3. Rural Non-Formal Education (0501)

A two year extension of the project is now planned, with funding required for FYs 1979-1980. A PP revision will be prepared to extend the life of the project and to add \$300,000 to total project cost.

4. Bilingual Education (0503)

FY 1978 funding is increased by \$46,000 in order to allow earlier procurement of project commodities and because of higher than planned costs of contract technicians. Life of project cost remains unchanged.

5. Community Services for Women (0506)

A second year has been added to the project as a result of further development of the project design, adding \$70,000 to total project cost. The second year will provide assurance that the project activities can become institutionalized within the FVO and will permit the implementation of more sub-projects by the affiliates of the FVO.

TABLE V - FY 1979 PROPOSED PROGRAM RANKING

RANK	DECISION PACKAGES/PROGRAM ACTIVITY/SUPPORT ITEM	DESCRIPTION	APPROPRIATE ACCT	DECISION UNIT PARAGUAY	REVISOR	RESOURCE REQUIREMENTS			PROGRAM FUNDING (000)	CUMULATIVE PROGRAM FUNDING (000)	
						Y89 ONLY					
						INCREM	CUMULATIVE	INCREM			
						US	FN	US	FN		
	<u>Decision Package - Minimum</u>										
		Workforce and Operating Expenses									
1	0101	Credit Unions (GO)	FN	312	18	32	18	32	32	249	249
2	0503	Bilingual Education (GO)	EH		-	-	18	18	32	240	489
3	0601	Special Development Activity (GO)	ST		-	-	18	18	32	50	539
4	0108	Community Based Rural Development (GO)	FN		-	-	18	18	32	300	839
5	0118	Minifundia Crop Intensification (GN)	FN		-	-	18	18	32	475	1,314
6	0505	Primary Education Improvement I (L)	EH		-	-	18	18	32	5,000	6,314
	<u>Decision Package - Current</u>			539							
7	0305	Population II (GN)	PH		1	2	19	19	34	550	6,864
8	0501	Rural Non-Formal Education (GO)	EH		-	-	19	19	34	150	7,014
9	0115	Small Farmer Land Registration (GN)	FN		-	-	19	19	34	150	7,164
10	0116	Small Farm Land Resource Identification (GN)	FN		-	-	19	19	34	335	7,499
11	0117	Market Planning and Technical Assistance (GN)	FN		-	-	19	19	34	385	7,884
12	0100	Technical Support (GO)	FN		-	-	19	19	34	45	7,929
13	0500	Technical Support (GO)	EH		-	-	19	19	34	20	7,949
14	0300	Technical Support (GO)	PH		-	-	19	19	34	30	7,979
	<u>Decision Package - Proposed</u>			539							
15	0505	Primary Education Improvement I (L)	EH		-	-	19	19	34	3,000	10,979
16	0603	Small Manufacturing Industry Development (GN)	ST		-	-	19	19	34	171	11,150

Country: PARAGUAY

Technical Assistance to Cooperatives
(\$000)

<u>Grant</u>	<u>FY 1977</u>	<u>FY 1978</u>	<u>FY 1979</u>
526-0101 Credit Unions	320	306	249

Table 1

Program Analysis for the Oral and Condom Supplies Needed to Achieve Full Availability

	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
A. "Full Supply" Analysis						
1. Married women of reproductive age - (See Annex A)						
2. 65% of line A.1. (Contracepting women required to achieve replacement fertility)	409	422	435	448	462	477
3. 50% of line A.1. (Contracepting women utilizing orals and condoms)	265	274	283	291	300	310
4. Annual stock requirements for "full availability"	204	211	217	224	231	238
a. Orals - 1/2 of line A.3. x 13 monthly cycles (75%)	1,989	2,056	2,115	2,184	2,251	2,320
b. Condoms - 1/2 of line A.3. x 100 units (25%)	5,100	5,275	5,425	5,600	5,775	5,950
B. Annual New Supply From Non-AID Bilateral Sources						
1. Private Commercial Sector						
a. Orals	341	358	375	394	414	434
b. Condoms	437	437	437	437	437	437
2. Other Donors						
a. Orals	150	228	255	286	320	355
b. Condoms	68	76	85	95	107	115
3. Host Country Government Procurement						
a. Orals	0	0	0	0	0	0
b. Condoms	0	0	0	0	0	0
4. Total In-Country New Supply						
a. Orals	491	586	630	680	734	789
b. Condoms	505	513	522	532	544	552

Table 1 - Page 2
 Program Analysis for the Oral and Condom Supplies Needed to Achieve Full Availability

	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
C. Gap to be Filled to Achieve "Full Availability"						
1. Orals (line A.4.a. less line B.4.a.)	1,498	1,470	1,485	1,504	1,517	1,531
2. Condoms (line A.4.b. less line B.4.b.)	4,595	4,762	4,903	5,068	5,231	5,398
D. AID Bilateral Supply Objectives						
1. Orals	0*	260	320	598	500	550
2. Condoms	161	576	2,667	2,016	2,062	2,374
E. Total New Supply						
1. Orals (line B.4.a. plus line D.1.)	491	846	950	1,278	1,234	1,339
2. Condoms (line B.4.b. plus line D.2.)	666	1,089	3,189	2,548	2,606	2,926
F. Remaining Supply Gap						
1. Orals (line A.4.a. less line E.1.)	1,498	1,210	1,165	906	1,017	981
2. Condoms (line A.4.b. less line E.2.)	4,434	4,186	2,236	3,052	3,169	3,024
G. People Gap						
1. Orals (line F.1. divided by 13)	115	77	89	69	78	75
2. Condoms (line F.2. divided by 100)	44	42	22	31	32	30
3. Total (line G.1. plus line G.2.)	159	119	111	100	110	105

*Commodities were received in country but not released for distribution during the year.

Table 2

AID Bilateral Logistic and Financial Analysis
of Orals

A. AID Inventory Analysis	Calendar Year				
	1977	1978	1979	1980	1981
1. Beginning of year stock	224	259	219	362	368
2. Add: Scheduled deliveries (See Annex B)	260	320	598	500	550
3. Less: Expected Use	225	360	455	494	546
4. End of Year Stock	259	219	362	368	372

To be completed by AID/Washington

B. Financial Analysis (FY 78)

1. CY 1979 deliveries (Line A 2 above)
2. Estimated cost per unit in FY of purchase
3. Estimated total cost for FY 78 (to be determined by AID/W)

C. Financial Analysis (FY 79)

1. CY 1980 deliveries (Line A 2 above)
2. Estimated cost per unit in FY of purchase (To be determined by AID/W)
3. Estimated total cost for FY 1979 (To be determined by AID/W)

Table 3

AID Bilateral Logistic and Financial Analysis of Condoms

A. AID Inventory Analysis	Calendar Year				
	1977	1978	1979	1980	1981
1. Beginning of year stock	64	280	1,862	1,903	1,872
2. Add: Scheduled deliveries (See Annex B)	576	2,667	2,016	2,062	2,374
3. Less: Expected Use	360	1,730	1,903	2,093	2,302
4. End of year stock	280	1,217	1,330	1,299	1,371

To be completed by AID/Washington

B. Financial Analysis (FY 78)

1. CY 1978 deliveries (Line A 2 above)
2. Estimated cost per unit in FY of purchase
3. Estimated total cost for FY 78 (to be determined by AID/W)

C. Financial Analysis (FY 79)

1. CY 1979 deliveries (Line A 2 above)
2. Estimated cost per unit in FY of purchase (to be determined by AID/W)
3. Estimated total cost for FY 1979 (to be determined by AID/W)

Country: PARAGUAY

Period Covered: October 1, 1977, through September 30, 1979

Date: May 25, 1977

MISSION EVALUATION SCHEDULE FOR FY 1978 AND FY 1979

Project Title and Number/Project	Last Submission Date	Number of Last PAR	Date of Submission		Period Covered Next Evaluation	Remarks
			FY 78	FY 79		

FOOD AND NUTRITION

Grant						
Credit Unions (526-0101)	6/30/76	76-10	10/77 1/	10/78	18 mo.	
Small Farmer Livestock Prod. (526-0103)	5/10/77	77-4	4/78	4/79	12	
Ag. Planning & Statistics (526-0104)	3/24/77	77-3	2/78	-	11	
Farm Management Services (526-105)	4/12/76	76-5 2/	2/78	-	8	
Community Based Rural Dev. (526-0108)	-	-	-	3/79	12	

Loan

Small Farmer Development (526-0113)	-	-	10/77 1/	10/78	18	
Rural Enterprises (526-0107)	-	-	10/77	10/78	10	
Rural Roads (526-0111)	-	-	-	11/78	12	
Small Farmer Sector Prog. (526-0109)	-	-	-	12/78	10	
Market Towns Development (526-0112)	-	-	8/78	8/79	9	

POPULATION PLANNING AND HEALTH

Grant						
Population (526-0085)	9/23/76	TQ 2 3/	7/78	7/79	12	

EDUCATION AND HUMAN RESOURCES

Grant						
Rural Non Formal Education (526-0501)	11/11/76	TQ 3 4/	8/78	8/79	12	
Rural Radio Education (526-0502)	-	-	1/78 5/	6/79	12	
Bilingual Education (526-0503)	-	-	-	1/79	10	
Labor Development (410-101)	1/17/77	77-2	1/78	1/79	12	

<u>Project Title and Number/Project</u>	<u>Last Evaluation Submission Date</u>	<u>Number of Last PAR</u>	<u>Date of Submission</u>		<u>Period Covered Next Evaluation</u>	<u>Remarks</u>
			<u>FY 78</u>	<u>FY 79</u>		
<u>Loan</u> Cadastral Survey (526-0703)	12/2/76	77-1	11/77	11/78	12 mo.	
<u>Loan</u> Municipal Development (526-0801)	5/19/76	76-6 6/	-	-	16	
Private Development Bank (526-0802)	3/5/76	76-4 7/	-	-	18	
Production Credit Guarantee	-	-	-	12/78	12	
HIG	-	-	6/78	6/79	12	

SELECTED DEVELOPMENT PROBLEM

- 1/ FY evaluation originally planned for February 1977 was rescheduled to August-September to coincide with the agricultural crop year and to provide a better base for assessment.
- 2/ FY 77 PAR will be submitted in July 1977.
- 3/ FY 77 PAR will be submitted in September 1977.
- 4/ FY 77 PAR will be submitted as planned, August 1977.
- 5/ Project activities started in January 1977. The FY 77 evaluation planned for June 1977 will be postponed to December 1977 to cover one complete school year.
- 6/ Since project terminates in June 1977, the FY 77 PAR planned for May 1977 was rescheduled to August 1977 and will constitute the final review.
- 7/ Project will terminate in third quarter of 1977. Therefore, the FY 77 evaluation will be made during that period and final PAR will be submitted September 1977.

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 A A = ADD
 C C = CHANGE
 D D = DELETE

PID
 2. DOCUMENT CODE 1

3. COUNTRY/ENTITY
 PARAGUAY

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS) 526-0115

6. BUREAU/OFFICE
 A. SYMBOL LA B. CODE 05

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)
 SMALL FARMER LAND REGISTRATION

8. PROPOSED NEXT DOCUMENT
 A. 3 2 = PRP 3 = PP B. DATE MM YY 05 7 18

10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = \$ 126)

FUNDING SOURCE	PAGES
A. AID APPROPRIATED	150
B. OTHER U.S.	
C. HOST COUNTRY	50
D. OTHER DONOR(S)	
TOTAL	200

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 a. INITIAL FY 7 9 b. FINAL FY 8 0

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) FN	233	055		125		150	
(2)							
(3)							
(4)							
TOTAL				125		150	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)
 BS EQTY

14. SECONDARY PURPOSE CODE

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)
 To improve the land tenure rights of small farmers in Paraguay.

16. PROJECT PURPOSE (MAXIMUM 460 CHARACTERS)
 To assist the GOP to modernize its Property Registry Office and to begin to decentralize property registration.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)
 None.

18. ORIGINATING OFFICE CLEARANCE
 Signature _____
 Title _____

19. DATE DOCUMENT RECEIVED BY AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
 35 MM DD YY

I. Summary of the Problem to be Addressed and the Proposed Solution

The land registration system in Paraguay is at the root of one of the basic problems affecting the social and economic well-being of a large portion of the country's rural population. That problem is one of a widespread lack of clear land titles, resulting in precarious land ownership situations and the existence of a large class of secondary tenancies. The USAID/Paraguay Development Assistance Program (1978-82) identifies this problem as a major constraint to agricultural development in Paraguay.

While owners of urban lots and medium-to-large-sized rural land holdings in Paraguay with few exceptions possess registered deeds to their land, only a very small percentage of rural small holders 1/ utilize the land registration system. There are three principal reasons for small farmers' alienation from Paraguay's land registration system: (a) the legal process for recording land transactions is complex, time-consuming and expensive; (b) the Property Registry Office for the entire country is located in the capital city of Asunción, which makes it virtually inaccessible to small property owners outside the Central Zone; and (c) the Registry Office is vastly underbudgeted, overcrowded and inefficient.

The insecurity resulting from the lack of satisfactory land-tenure conditions affects the economic and social well-being of Paraguay's small farmers in the following ways:

1. Lack of access to credit. Many sources of credit require a land title as a prerequisite for loans, and even the most lenient of credit sources requires land as security for intermediate-term loans for capital improvements.

2. Lack of incentive to invest in land improvements (levels of fertilization and liming which are beneficial over the long term, but do not provide immediate responses; drainage; fencing and farm buildings) without a secure land title or long-term rental agreement.

3. Continued movement of renters by land owners to avoid the possibility of the renter possessing a particular piece of land for sufficient time to acquire "squatters" rights.

1/ Based on 1969 Ministry of Agriculture data, there are an estimated 141,216 farm units in Eastern Paraguay with less than 21 hectares of land.

4. Cases of disputed ownership and possession sometimes erupt in fighting and acts of violence in the countryside.

5. Reported cases of abuses of small farmers' legitimate rights to land resources by individuals who were better-informed about the process of acquiring legal rights to property.

The situation in recent years has worsened, rather than improved, as a consequence of programs undertaken by Paraguay's agrarian reform agency (IBR). In establishing colonies, IBR has neglected to set up an adequate system of record keeping. As the AID-funded cadastral survey has discovered, the majority of the recipients of "provisional titles" from IBR have failed to register these titles in the Real Property Registry, as required by law, often with unfortunate consequences. To cite one example, a problem arose recently between colonists and owners of large land holdings in the Department of Alto Paraná caused by the existence of unregistered IBR titles and registered documents for the same land. The problem emerged as land prices in the area skyrocketed, attracting both land speculators and unscrupulous document forgers.

In the Mission's judgment, such cases of acute rural unrest are likely to occur with greater frequency as the economic picture of the country improves. The result will be that the land tenure problem which currently exists in a more or less dormant stage throughout much of rural Paraguay could eventually be converted into a situation of severe agrarian instability.

The lack of clear land titles in Paraguay is caused by the inherent flaws of a system of land registration which was developed without benefit of adequate descriptions of the land holdings, which through the years have been the subject of numerous transactions and recordings.

Although the original entry in the Property Registry was a land title, subsequent transactions based on faulty or otherwise inadequate property descriptions gradually converted the land title system into nothing more than a register of documents--i.e., a deeds register. As land transactions occurred, the deeds register grew increasingly voluminous, making it more and more difficult to establish "root of title" by means of a search of recorded deeds, a search which must go back at least 30 years, and often even further to the date of the original entry.

Moreover, since small rural land parcels generally result from the subdivision of larger holdings without benefit of survey, the recorded deeds for the new small land units are even more subject to ambiguous descriptions, further complicating the title search process. In addition, the owner/occupant of such a unit runs the risk of litigation due to a faulty description of his land.

Bearing the brunt of the confused, inefficient and precarious registry operation is the small farmer--in proportion to his income and isolation from Asunción. As a first step, toward eventual improvement of his land tenure rights, the Mission proposes to assist the GOP to modernize its Property Registration Office and to begin to decentralize property registration.

With a modest two-year grant, all Property Registry Office documents, many of which are now in danger of becoming completely worn out and illegible, will be microfilmed, with microfilm readers provided for title search, and steps will be taken to protect original documents from further damage. Under a follow-on project, land registration offices will be established in each department or other selected zones, and a land commission created for each regional registry.

The project will provide the Property Registry Office, a dependency of the Ministry of Justice and Labor, with the equipment and supplies^{1/}needed to modernize its operations and the services of a property registration specialist to work with the Ministry in developing the legal and administrative changes and detailed project proposal required for the follow-on decentralization activity.

In discussions with the host country about the proposed Project, informal agreement was reached on the nature of GOP inputs to the Project as follows: First, the Property Registry Office will establish larger and better physical facilities and will be provided with a larger operating budget to improve the efficiency of the registry function and to undertake the microfilm/research/document-preservation activities; and, second, the Ministry of Justice and Labor will create a special group to work with the contracted property registration specialist.

By the end of the project, the following will have been accomplished:

1. The microfilming and preservation of recorded deeds for an estimated 400,000 land holdings, including an estimated 150,000 small farms;
2. Draft legislation prepared for the decentralization of the Registry Office and for the creation of a land commission to deal with the registration of small farms; and

^{1/} Included are microfilm camera with lights and table, microfilm readers, film developer unit, film cutter, card mounter and storage cabinets, IBM card filing cabinets, index card files, typewriters, rolls of 35 mm microfilm, chemicals, IBM window cards, cellophane or plastic envelopes, and post binders and covers.

3. A project document prepared, outlining the second phase - an FY 1981 loans - of the land tenure modernization effort.

Major assumptions pertinent to project success include the following: (a) that a qualified Spanish-speaking property registration specialist can be contracted by A.I.D. for a one-year period; (b) that the GOP will maintain the interest and cooperation it has demonstrated to date toward the project; and (c) that larger land holders do not offer organized opposition to the Project or to the proposed follow-on activity.

Although there is no other donor activity, either current or planned, in the land tenure area, A.I.D. has been assisting the GOP since 1974 through a \$2.3 million loan to carry out a cadastral survey of Eastern Paraguay, an area which contain 99% of the country's population. Completion of the project is scheduled for CY 1979, at which time property locations in almost all of the small-farmer areas will have been identified.

The cadastral loan and the proposed land registration project are perfect complements. While the cadastral survey is mapping all land holdings, the land registry will be recording rights to these holdings based, for perhaps the first time, on fully accurate property descriptions. Apart from recording straight ownership rights, the register should also record basic "occupancy" rights which are established by working and living on a particular plot of land for a given number of years. This is of special importance to the small farmer for whom occupancy or "squatting" is the most common type of land tenure relation at the 0-6 hectare farm-size level. 1/

The Mission sees no alternative to the preservation of registry records as part of a longer range goal to provide the fullest possible security of tenure to the small rural-land holder.

The operating condition of the registry office and the resultant inefficiency are almost beyond description. The deeds presented for registration are copied longhand in ink on official paper. After the proper seals and signatures are affixed, the copies deeds are bound into volumes using string, and these irregular volumes, filed by department and district, are stacked on shelves from floor to ceiling in small crowded rooms. The continuous handling and use of these precarious volumes for title search is destroying the majority of the older records. Pages are torn, the ink is fading and the volumes are coming apart.

1/ The 1976 Small Farmer Sub-Sector Assessment reported, based results of the 1972-73 small farm survey, that the average farmer with less than seven hectares of total land owns only about one-third of the land he has, while farmers with larger farms own more than two-thirds of the land they use.

Because the legal basis for land ownership in Paraguay rests with these registered deeds, their preservation is of utmost importance. If they are destroyed, the government will have no legal basis for protecting property and land rights, and the consequences might lead to complete disorder in some areas of the country, particularly those which experience substantial increases in land prices. If this happens, the results are predictable, and the small rural land holders will suffer most.

The small holder will be the primary beneficiary of the proposed Project. With over 140,000 small farms in Paraguay of 21 hectares or less, the spread potential of the Project is considerable.

II. Financial Requirements and Plans

It is estimated the Project will cost \$200,000, of which \$150,000 will be provided in grant funds by AID and \$50,000 by the GOP through in-kind contributions in services and facilities. The AID contribution would be apportioned as follows:

	<u>FY 79</u>		<u>FY 80</u>		<u>Total</u>	
	\$	TM	\$	TM	\$	TM
<u>Personnel</u>						
1 property registration specialist	40	12	--	--	40	12
1 photographic reproduction specialist	5	1	--	--	5	1
<u>Commodities</u>	75		20		95	
<u>Other Costs</u>						
Total	\$125		\$25		\$150	

Although it is expected that the modernization of the Property Registry Office to be accomplished under this Project will become institutionalized during the life of the project, a second phase to decentralize the registry function is proposed for FY 81 loan funding. These combined efforts should contribute significantly to improving the land tenure rights of small farmers in Paraguay.

III. Development of the Project

Because of the small-funding requirement of the Project, the Mission will dispense with the PRP and move directly to the Project Paper. The PP can be developed by the USAID staff for submission in May, 1978.

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 A A = Add
 C C = CHANGE
 D D = DELETE

PID
 2. DOCUMENT CODE
 1

3. COUNTRY/ENTITY
 PARAGUAY

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)

6. BUREAU/OFFICE
 A. SYMBOL LA B. CODE 05

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)

8. PROPOSED NEXT DOCUMENT
 A. 2 = PRP
 3 = PP
 B. DATE

10. ESTIMATED COSTS
 (\$000 OR EQUIVALENT, \$1 = \$ 126)

FUNDING SOURCE		BASES
A. AID APPROPRIATED		800
B. OTHER		
1. U.S.		
2. OTHER		
C. HOST COUNTRY		400
D. OTHER DONOR(S)		
TOTAL		1,200

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 a. INITIAL FY
 b. FINAL FY

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY <u>79</u>		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) FN	233	090				800	
(2)							
(3)							
(4)							
		TOTAL				800	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)
 0902 0903 0905 0906 200

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)
 BS EQTY ENV

14. SECONDARY PURPOSE CODE

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

15. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

17. PLANNING RESOURCE REQUIREMENTS (staff/months)
 2 person months, rural land-use planner or land classification specialist,
 \$10,000.

18. ORIGINATING OFFICE CLEARANCE
 Signature _____
 Title _____
 Date Forwarded

19. DATE DOCUMENT RECEIVED BY
 AID/W, or FOR AID/W DOCUMENTS.
 DATE OF DISTRIBUTION

I. Summary of Problem and Proposed Solution

One of the objectives of the Government of Paraguay, as set forth in the 1977-81 Plan, is the rational use of land resources. This includes the proper exploitation of land suitable for agricultural production as well as conservation of land which should not be brought under cultivation. Such an objective is difficult, if not impossible, without accurate information about existing land resources as a guide for planning.

Rural development projects to date have often been carried out in the belief that there are vast areas of arable lands throughout the country that are either underutilized or lying idle. This supposition has caused planners to make many premature and ill-considered selections of lands for colonization and other agricultural development activities. Planners selected such lands rather arbitrarily, with little consideration of their potential agricultural productivity. As a result, several of these projects created undue hardships on large numbers of small farmers, while causing irreparable damage to the land itself.

A basic problem facing national and international developers in Paraguay is that there is a paucity of understanding of the physical and ecological environment from which the small farmer must struggle for his living. There are fundamental regional differences in the soils, watersheds, natural vegetations and topography throughout the country. Some are glaringly apparent, even to the unsophisticated. Others are more subtle in appearance, and when ignored, can cause severe damage to the environment by erosion, flooding and soil depletion. This makes it nearly impossible for small farmers to maximize their benefits from the land. Until planners have a better understanding of the environmental limitations on agricultural growth in Paraguay, they will be unable to cogently advise small farmers how to fully utilize their resources.

USAID/Paraguay proposes to implement a project that will overcome the lack of knowledge about small land resources. The purpose of this project will be to assist the Government of Paraguay to undertake a study of potential land-use that will serve as the basis for planning as well as for executing future land development programs for small farmers. The proposed study will complement other ongoing AID projects with the Government of Paraguay, especially those of the Small Farmer Sector Program and the Rural Roads Loan. The aforementioned projects are dedicated to assisting small farmers with appropriate agricultural technologies and with better access roads in areas best suited for small farm operations.

This Mission believes that for any agricultural development strategy to be effective it must recognize at least four general categories of land:

- Land suitable for agriculture
- Land suitable for cattle raising
- Land suitable for forestry operations, and
- Land that should be left alone.

Each of these categories should indicate subcategories of land, such as agricultural land suitable for intensive cultivation, etc.

The obvious first step of the proposed project is to identify basic categories and subcategories of land. Once this is done, the Mission and the GOP can devise an appropriate strategy for focusing on the development of those specific regions which are best suited for small farms. The following projects, for example, could be directed specifically toward regions which have lands that exhibit high agricultural potential.

- a. Promotion of small farmer credit unions;
- b. Construction of secondary and feeder roads; (At the same time the Project would identify areas subject to erosion, which would be avoided);
- c. IER colonization (and re-colonization);
- d. CAH agricultural credit to small farmers;
- e. Activities of the proposed land registration project to rationalize titles of small land holdings;
- f. Rural education and health programs;
- g. Promotion of agro-industries.

Another important benefit that would result from the Project is an equitable system of rural property taxation. The Real Property Tax Office would use the results of the study for rural land valuation based on land capability. At the same time the GOP could adopt a policy of land tax penalties for those areas where the land is being used improperly, which in this case could include both "over-use" and "under-use". (The Mission would encourage the GOP to adopt tax incentives for small farmers in the areas identified for small farm operations.)

The Project would also identify areas of rural minifundios and small farms, including IFR sponsored colonies, that are on soils and land unsuitable for agriculture. The Mission might encourage the GOP to create a special land financing institution for the resettlement of the small farmers so affected. Such an institution would enable small farmers to sell their land and/or improvements in areas unsuitable for agriculture and to purchase land in regions more suitable for their needs.

In summary, the Mission strongly recommends a potential land use study as the most appropriate way to identify first class agricultural lands and as the best means to enable the Mission to direct all projects towards developing small farmer agriculture in those areas best suited for that purpose.

II. Description of Proposed Project

The proposed project would be carried out in three stages of operation: The first stage would consist of training personnel and acquiring vehicles, equipment and materials. The second stage would consist of gathering data on soils, drainage, etc. and of producing thematic maps at 1:200,000 and 1:50,000 scales. Both satellite imagery and conventional aerial photography would be used for this purpose. The third stage would consist of the analysis of the data and the classification of land areas by potential use categories. This stage would produce detailed potential land use maps at 1:50,000 and 1:20,000 scales. Upon completion, the project will have the following estimated outputs:

- a. 20,000 classified aerial photographs at 1:20,000 scale.
- b. A set of 65 regional maps at 1:20,000 scale, each covering an area of 1° of Latitude by 1° of Longitude.
- c. A set of 270 thematic maps at 1:50,000 scale (15' Latitude by 15' Longitude).
- d. A set of 1,500 detailed potential land use maps at 1:20,000 scale (5' Latitude by 7-1/2' Longitude).

In addition, the proposed project will train about eight technicians in photo interpretation techniques and four or five professional people qualified in classifying land into the proper land use categories and, in land use planning.

III. Technical Assistance Inputs

The proposed project will require the following technical assistance inputs:

a. Long term (24 months)

1 - Land-Use Ecology Specialist

b. Short term (3-4 months)

- 1 - Soils Scientist (Edaphologist)
- 1 - Geologist (Geomorphologist)
- 1 - Forester (Tropical Forest Specialist)
- 1 - Cartographer (Thematic Map Specialist)

IV. Inputs and Assumptions

a. Equipment and Supplies

The project will require the following vehicles, equipment, and supplies:

- 1. Field vehicles and spare parts,
- 2. Photointerpretation equipment,
- 3. Drafting equipment,
- 4. Office equipment,
- 5. Photographic and cartographic materials,
- 6. Miscellaneous supplies.

b. Aerial Photography and Maps

The project will require the following photographic and map products covering the 160,000 sq. kilometers of the Oriente region of the country:

- 1. Aerial photographs at 1:20,000 scale,
- 2. Topographic maps at 1:100,000; 1:50,000 and 1:20,000 scales.

Recent aerial photography at 1:20,000 scale, covering about 100,000 sq. kilometers, will be available from the ongoing cadastral project, which will also have base maps at 1:20,000 and 1:50,000 scales covering the 160,000 sq. kilometers at the Oriente region of the country by the end of 1979. The base maps of 1:200,000 scale will be reductions of the 1:50,000 scale maps. The remainder of the aerial photography required can be taken by the Paraguayan Air Force, which has developed this capability from supporting the cadastral project.

It is assumed that the GOP will arrange to have all the photographic products and existing base maps available by the time the photo-interpretation-field work activity is initiated. It is assumed also that the GOP will use the Small Farm Land Resource Identification as one of the key elements in planning and executing development programs and projects for small farmers.

V. Benefits and Alternatives

There are many direct and indirect benefits that can be derived from the applications of the results of this project, such as: a more equitable rural property tax system; better land management practices; and better forest exploitation practices. But, the impact of the project on the strategy for assisting the small farmer and rural poor far outweigh all other benefits. Therefore, the Mission feels that there are no realistic substitutes for the proposed project that will focus the GOP's attention on the proper utilization of its resources, and on the proper development of small farm communities. Moreover, the Mission strongly believes that the best land for intensive agriculture must be identified before rational programs can be developed for the rural poor.

As mentioned previously, the GOP is undertaking a rural cadastral project in the Oriente Region. The cadastral project will identify those areas of chronic secondary land tenury problems. Consequently, the results of this proposed project will identify those areas where the GOP should concentrate its efforts to resolve these problems.

VI. Financial Requirements

It is estimated that the proposed project would cost \$1.2 million as follows:

AID	\$0.8 million	67%
GOP	\$0.4	33%
Total	\$1.2	100%

a. AID Funds

The AID financial portion of the project would include \$600,000 for dollar costs and \$200,000 in local currency expenditures.

(1) The dollar expenditures would cover the following:

Participating training	95,000	16%
Technical Assistance	200,000	33%
Vehicles	78,000	13%
Equipment and materials	150,000	25%
Contingency	<u>77,000</u>	<u>13%</u>
Total	600,000	100%

(2) Local expenditures would include field operating expenses and some local procurement.

b. GOP Funds

The GOP counterpart funds would cover salaries, office rent, and procurement of photography and base maps from the Military Geographic Institute (IGM).

VII. Development of the Project

Some general soils studies of Paraguay were done by FAO in the early sixties and some general land use studies were done by the OAS in the late sixties. These studies, and other information available from the Technical Secretariat for Planning (TSP), will provide the basis for determining the best methodology to be used to carry out this project.

The Mission will need the services of a rural land use planner (or land classification specialist) for about one month to help prepare the analysis for the PRP. The services of this specialist would also be required for about one month for technical inputs to the Project Paper.

The schedule for the development of the proposal project is as follows:

PRP submission	- Oct. 1977
PP submission	- July 1978
Loan Agreement signed	
Project initiated	- May 1979

One of the key factors to be considered is the need to include the projects' CY 1979 funding needs in the GOP budget. Said funding needs have to be submitted to the Budget Office of the Ministry of Finance in 1 July, 1978. Failure to do so will result in a years delay in getting the project underway.

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT IDENTIFICATION DOCUMENT FACESHEET TO BE COMPLETED BY ORIGINATING OFFICE	1. TRANSACTION CODE <input type="checkbox"/> A = ADD <input type="checkbox"/> C = CHANGE <input type="checkbox"/> D = DELETE	PID 2. DOCUMENT CODE 1
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3. COUNTRY/ENTITY PARAGUAY	4. DOCUMENT REVISION NUMBER <input type="checkbox"/>
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5. PROJECT NUMBER (7 DIGITS) <input type="checkbox"/> 526-0117 <input type="checkbox"/>	6. BUREAU/OFFICE A. SYMBOL LA B. CODE 05	7. PROJECT TITLE (MAXIMUM 40 CHARACTERS) MARKET PLANNING AND TECHNICAL ASSISTANCE
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8. PROPOSED NEXT DOCUMENT A. <input type="checkbox"/> 2 = PRP <input type="checkbox"/> 3 = PP	B. DATE MM YY 10 77	10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = \$126)
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9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION a. INITIAL FY 79 b. FINAL FY 81	OTHER U.S. 1. 2. C. HOST COUNTRY 370 D. OTHER DONOR(S) TOTAL 1,165
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11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)							
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 1979		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) FN	133	140		385		795	
(2)							
(3)							
(4)							
TOTAL				385		795	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)

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13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)	14. SECONDARY PURPOSE CODE
TNG XII EQTY BS	

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

To increase the net income of small farm families.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

The purpose of the proposed project is to enable the Ministry of Agriculture to establish a comprehensive Marketing Service, with sufficient trained personnel and resources to plan and implement national marketing strategies. This would expand the capacity of the present Marketing Department so that entity could provide services which would result in improved marketing conditions for large numbers of small farmers.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

Four person team of marketing specialists for a total of 12 TWs for PRP preparation.

18. ORIGINATING OFFICE CLEARANCE	19. DATE DOCUMENT RECEIVED BY AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
Signature	
Title	
49	
MM DD YY	MM DD YY

I. Summary of the Problem to be Addressed and the Proposed Response

Marketing is often either ignored or inadequately addressed in development planning. Unfortunately marketing of agricultural products is all too frequently regarded as an area of activity which will adjust itself to changing conditions or which is treated by overly simplistic programs -- usually emphasizing physical facilities. Extension agents, agronomists and farmers often identify marketing problems as one of the most serious constraints to rural development, but are less articulate in identifying the cause of these problems and proposing reasonable solutions. Usually the middle-man is indicated as the culprit, but such charges are seldom substantiated.

Paraguay is a faithful example of this syndrome. Marketing improvement efforts are usually after the fact, to solve specific problems that have emerged as a result of production changes, rather than planned actions to assure needed adjustments in advance and to serve as a positive force in generating opportunities for increased income. Government marketing activities in the past have tended to stress physical facilities (e.g. grain silos placed where current production justifies them). However, Ministry of Agriculture (MAG) officials have become increasingly concerned that such installations will have little effect upon small farmers. Reflecting this concern, the Minister reportedly personally intervened to relocate a planned silo complex in order that it might have an impact on small farmers, as well as be justified by current production trends. Even though the policy implications of this decision were clearly positive, a Kansas State University marketing team visited this site and came away very doubtful that the type of facility under construction is appropriate to the needs of small farmers. In the meantime the Marketing Department of the Ministry is seeking other ways to improve marketing for small farmers and currently proposes to do so by forming local marketing committees. Once again there is general

agreement that marketing is a high priority constraint to rural development 1/, but no systematic analysis exists from which to derive the programs required to change the marketing situation.

With the disadvantages faced by Paraguay with respect to its limited domestic market and to its location in terms of shipping to export markets, it becomes increasingly clear that the country can ill afford to neglect agricultural marketing as a critical element in its development efforts. Such an admonition is included in Kansas State University's report on grain marketing in Paraguay.2/

"While the strategy of increasing agricultural production is required for the future economic growth of Paraguay, the constraints in the markets and marketing system for Paraguay's agricultural products preclude substantial production increases. These conditions emphasize the importance of a rational approach to marketing planning and development as a foundation for agricultural development in Paraguay."

The report also calls for market development:

"Rapid strides have been made during the past 15 years in increasing the hectareage under crop production, but now the need exists for further development of markets so that this increased production can continue. The need of development of markets for agricultural products of the magnitude called for in the next 10 years will not come automatically."

1/ Specific indications of marketing problems are: (1) a shortage of bags for cotton harvest (even though the 1977 harvest was projected to be large) caused farmers to store for more than temporary periods in their homes and resulted in long delays in unloading at the gins and a slowdown in transport; (2) marketing of wheat is badly financed in general, resulting in limited interest among local level intermediaries to expand financing and marketing activities related to this crop, and there is an unwillingness to store wheat because price policies do not provide for compensation for storage costs; (3) although almost all small farmers produce corn and more area is devoted to it than any other crop, the market for corn is very poorly organized; (4) the extension service is concerned about greatly expanding emphasis on swine production, which is well suited to small farms, because although unsatisfied demand for pork appears to exist, there is no organized market channel connecting small producers to buyers; (5) extreme price variability exists for fruits and vegetables which could be produced by land-short farms in the Central Zone, and unharvested products exist in the same area where processors are unable to get sufficient quantity of prime materials for their plants.

2/ Drs. Richard Phillips and Roe Borsdorf, Evaluation of the Market System and Potential for Agricultural Products in Paraguay, Kansas State University, February 1976. pp. 5-7.

It is generally agreed that the socio-economic situation of small farmers should be carefully examined to determine the constraints to low productivity and efficiency, and that programs of technical assistance and credit should be developed to address these constraints. This project proposes to apply the same approach to the next link in the chain, the marketing of agricultural products.

The Marketing Department of the Ministry of Agriculture provides the base upon which to build an aggressive agricultural marketing program, but it lacks the trained technical personnel to deal with marketing issues at the national and international levels.

The course of action to achieve the purpose of this Project is (1) to train personnel to analyze accurately marketing problems and to plan and implement national marketing programs to solve these problems and (2) as a basis of this training, to provide a systematic analysis of the marketing problems faced by a given small farm area in the country, provide an analysis of market opportunities for commodities from these areas, and design a program of technical and financial assistance that can be implemented in a subsequent stage. The ultimate goal is to increase incomes of small farmers by increasing marketing opportunities for their products and installing marketing systems that provide improved and more stable prices for these products. It is intended that at the end of the Project the Marketing Department will have the capacity to continue to (1) analyze systematically marketing problems, plan and implement needed improvement programs (including providing technical assistance to private firms and cooperatives) and (2) identify export market opportunities for Paraguayan-produced farm products. In summary, the proposed grant focuses upon the human resource requirements of the Marketing Department as a first stage in developing an aggressive program for marketing change in Paraguay.

The Project proposes to train 15 technicians by guiding them through a comprehensive analysis of the marketing situation in three different small farm areas. This analysis comprises a realistic identification of market opportunities for the crops that can be produced in each area, the development of a plan to improve an area's marketing system, and the implementation of a technical assistance effort to install the needed marketing changes in these areas. It is anticipated that three small farm areas will be treated by teams of five technicians, each under the guidance of a contract marketing expert who will serve as both trainer and participant in the group, and emphasis will be given to commodities currently produced in the area. This is in contrast to the Crop Intensification Project which focuses exclusively upon alternative crops and is limited to the Central Zone. It is currently planned that by the time the teams

have reached the final stage -- technical assistance to implement needed marketing improvements -- an A.I.D. loan for Local Marketing Infrastructure will have been initiated to provide the financing which will complement the technical assistance offered.

The outputs expected are as follows:

1. Fifteen marketing specialists will have completed a problem-oriented in-country training program.
2. Five of the most outstanding trainees will have completed a specialized six to 12 month non-degree program (to be developed jointly by the Mission and contractors) to become team leaders for future analysis and technical assistance efforts.
3. Computer programs required for analytical efforts will be operational and marketing specialists will be able to utilize them.
4. Marketing improvement programs will have been developed and marketing extension efforts will have been initiated in the three areas studied.

The expected kinds and amount of technical and physical inputs required to achieve the desired outputs are as follows:

1. Seven technician years of three contract advisors.
2. Five participant years of specialized non-degree training in the United States.
3. Computer software necessary for analyses.
4. Travel funds for short-term observation of marketing in other countries.

It is assumed that the GOP will recognize the importance of an aggressive marketing program (which would support the emphasis placed on increased exports in its 1977-1981 National Development Plan) and appreciate the necessity of having a sophisticated and well trained cadre of experts within MAG. It is assumed that the Government will retain this cadre in full time positions, with adequate remuneration for their services.

Other donor agencies, especially IDB, have funded projects to improve marketing facilities in Paraguay. However, these projects

have concentrated on physical facilities rather than human resources. USAID's previous technical assistance to the Marketing Department of MAG also was insufficient to give the Department adequate expertise and breadth of experience to carry out the efforts proposed in this Project. The proposed Project would take the Marketing Department a step further along in its capacity to deal effectively in assisting small farmers to participate fully in Paraguay's expanding export-oriented economy. It is very likely that this grant will lead to a follow-on loan in the marketing area, but that will depend upon the research and analytical work completed under the Project.

One of the most obvious alternative approaches to the marketing problem would be to provide loans to firms and cooperatives engaged in the marketing function. Ultimately this will become necessary, but at the moment it is not clear what types of marketing improvements are best suited to serving small farmers. It would be premature to embark on a loan program without sound analyses, a marketing improvement plan, and the technical capability to provide marketing extension. In the third year of the proposed project it may be possible to initiate such a loan program, but it is, in the Mission's judgment, too early at this time to do so.

The Mission will also study alternatives which could be directed toward an impact upon specific groups of small farmers, as opposed to the broader scale approach provided for by the proposed project. Some examples of such activities would be the strengthening of CREDICOOP's marketing activities, placing even greater emphasis on marketing of labor intensive crops in the Central Zone (within the proposed Minifundia Crop Intensification Project), and focusing heavily upon agroindustry activities in the proposed Market Town Development and Community Based Area Development projects. These alternatives will be explored during the development of the PRP.

The direct beneficiaries of the Project will be the Marketing Department of the Ministry of Agriculture and the small farmers in the three areas studied under the proposed Project. The indirect beneficiaries of the Project will include the thousands of small farmers of Paraguay who will gain from more efficient and effective marketing of their products.

The Project can have excellent spread effects. There could well be as many as 140,000 small farm units in Eastern Paraguay which eventually could benefit from the Project. The Project begins with a humble undertaking -- the improvement of marketing in three small farm areas. The trained marketing teams should continue to identify and support marketing opportunities, thus keeping the system flexible and responsive to new marketing needs and extending Project benefits to most small farmers of Paraguay.

The Project appears to be a logical candidate for the participation of a U.S. university or consortium of universities under the auspices of Title XII. With this Project and potential follow-on activities, a long term relationship between U.S. universities and the Ministry of Agriculture would lend itself to a concentrated attack on a recognized, important constraint to the development of Paraguayan agriculture.

II. Financial Requirements and Plans

Table of estimated project costs by components (\$000's)

<u>Item</u>	<u>Total Cost</u>	<u>A.I.D. Costs</u>	<u>Host Gvt. Costs</u>
3 person-years technical assistance, \$60 yr.	180	180	--
4 person-years in-country instruction \$50 each year	200	200	--
5 participant-years study in the U.S.	50	50	--
Computer marketing packages	300	300	--
Salaries and support costs for 15 MAG technicians	360	--	360
Travel funds	50	40	10
Contingency	25	25	--
TOTAL	1,165	795	370

Three Year Breakdown of Cost Components
(\$000's)

	<u>1979</u>		<u>1980</u>		<u>1981</u>		<u>Total</u>	
	AID	H.C.	AID	H.C.	AID	H.C.	AID	H.C.
Technical assistance	160	--	160	--	60	--	380	--
Participant study (US)	--	--	--	--	50	--	50	--
Computer marketing packages	200	--	100	--	--	--	300	--
Salaries and costs, MAG technicians	--	120	--	120	--	120	--	360
Travel funds	15	5	15	5	10	--	40	10
Contingency	10	--	5	--	10	--	25	--
TOTAL	385	125	280	125	130	120	795	370

III. Development of the Project

The Project will be further developed using marketing expertise available from U.S. universities. In March, 1977, Kansas State University's Food and Feed Grain Institute completed a study, "Evaluation and Suggested Initiatives for the Development of Local Marketing of Agricultural Commodities in Paraguay." This study served as a basis for many of the ideas incorporated in this paper. Many details remain to be resolved during the PRP stage, however, and further assistance is anticipated to finalize the PRP and PP documentation. A tentative schedule follows with indications of the TDY assistance required.

<u>Date</u>	<u>Activity</u>
August, 1977	Preparation of PRP - (TDY team four agricultural marketing specialists for 12 WWs)
October, 1977	Presentation of PRP
August, 1978	Presentation of PP

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 A A = ADD
 C C = CHANGE
 D D = DELETE

PID
 E. DOCUMENT CODE
 1

3. COUNTRY/ENTITY
 PARAGUAY

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)
 526-0118

6. BUREAU/OFFICE
 A. SYMBOL LA B. CODE 05

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)
 MINIFUNDIA CROP INTENSIFICATION

8. PROPOSED NEXT DOCUMENT
 A. 2 2 = PRP
 3 3 = PP

B. DATE MM YY
 1 2 7 7

10. ESTIMATED COSTS
 (\$000 OR EQUIVALENT, \$1 = \$126)

FUNDING SOURCE		BASE
A. AID APPROPRIATED		1,500
B. OTHER U.S.	1.	
	2.	
C. HOST COUNTRY		500
D. OTHER DONOR(S)		
TOTAL		2,000

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 a. INITIAL FY 7 9 b. FINAL FY 8 1

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 1979		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) FN	253	075		475		1,500	
(2)							
(3)							
(4)							
TOTAL				475		1,500	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)

140 150

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)

BS R/AG EQTY LAB TECH

14. SECONDARY PURPOSE CODE
 133/163

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

To increase the income and employment of small farm families.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

To assist Paraguay in a concentrated effort to intensify crop production in the minifundia or Central Zone and to develop related marketing/processing systems.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

PRP preparation: 9 WW marketing specialists (FY 1977 Tech Support funds);
 4 WW A.I.D. direct-hire agronomic and food processing expertise.
 PP preparation: 12 WW contract consultant services.

18. ORIGINATING OFFICE CLEARANCE

Signature _____

19. DATE DOCUMENT RECEIVED BY AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

57 (Date Supplied)

MM DD YY

I. Summary of the Problem to be Addressed and the Proposed Response

The Mission's revised (1977) Development Assistance Program focuses on a strategy of orienting specific low-income groups toward the development process by: (1) identifying alternative products for which there are expanding internal or external markets; (2) stimulating nonfarm alternative opportunities for labor employment and (3) strengthening the socio-economic infrastructure (institutions) in rural areas.

Among A.I.D.'s small farmer target group in Paraguay is a particularly handicapped strata comprising small farmers with land holdings of less than five hectares. Farms of this size account for 47% or 66,566 out of the 141,216 farm units with less than 21 hectares in Eastern Paraguay; approximately 48% of this size farm -- five hectares or less -- are located in the crowded minifundia region (Central Zone),^{1/} economically and socially the most important part of Paraguay. To relieve population pressures in the area, the Government has pursued a colonization policy, relocating families in the north and toward the eastern borders with Brazil and Argentina where they have access to larger land areas.

Little attention, however, has been paid to the mass of small farmers left behind. These farmers have an annual per capita income of \$119.74^{2/}. They farm small plots of land, the soils of which, after long years of use, suffer from infertility and structural problems. Underutilization of labor is widespread among these small farm families. While the traditional agriculture practiced by the small farmer generally provides an adequate diet for the farm family, his cash income is limited, and his contribution to the national economy is far short of its potential.

Through this project the Mission proposes to address the problem of low small-farmer income and employment in the minifundia region by assisting Paraguay in a concentrated effort to develop more intensive production of selected crops and related marketing systems for the Central Zone. To attempt to raise low farmer income in this region supports one of the major objectives of the GOP as set forth in the 1977-1981 Five-Year Economic Plan, namely income redistribution.

^{1/} Defined as comprising the political departments of Cordillera, Guairá, a great part of Central, Caazapá and Paraguari, and a small part of Caaguazú.

^{2/} This figure is based on an average family of six and includes on-farm consumption.

To accomplish this will require the small farmer's participation in increased production for the export market, given Paraguay's limited internal market ^{1/} and the overriding importance assigned to export expansion by the GOP.

What is envisioned is a strategy of encouraging high-income, labor-intensive fruit and vegetable production with high market potential in either fresh or processed form. Present analysis of fruit and vegetable production and related marketing/processing of these crops would indicate that:

1. There are no known major agronomic conditions limiting production of a wide variety of fruits and vegetables in the mini-fundia area; among crops grown with good results at the present time are tomatoes, bananas, pineapples, grapes, citrus (oranges, grapefruit, tangerines, lemons and limes), mangos, strawberries, onions, garlic, cassava, lettuce, carrots, beets, sweet potatoes, lima beans, peas, green beans and corn.

2. There are many excellent varieties of fruits available at the National Agronomic Institute (IAN), but agronomic research does not extend beyond variety analysis or beyond the borders of the research station; lack of attention to such factors as existing costs of production, marketing, product quality and similar types of problems inherent in every fruit and vegetable production program greatly reduces the transferability of research results to the small-farm commercial operator who is at once faced with a broad range of problems of an economic, production and marketing nature.

3. Production is dispersed, and marketing is disorganized. Processors are apparently unable to get sufficient quantities of prime materials, yet, at the same time, products (especially tree fruits) go unharvested.

4. There is limited technical knowledge or experience in fruit and vegetable processing; few facilities for producing bottles, tins

^{1/} The market for fruits and vegetables in actual fact has expanded greatly over the past 20 years. The increasing importance of these commodities in the Paraguayan diet is a result of the introduction by post-war Japanese immigrants of new crops as well as improved varieties of some, such as tomatoes and celery, already produced in Paraguay. SEAG, the Agriculture Extension Service of the Ministry of Agriculture and Livestock, has also played a role in increasing fruit and vegetable production through a nation-wide campaign of some years' standing to encourage rural families to establish huertas or vegetable gardens.

The urban population has increased markedly its consumption of canned and otherwise packaged fruits and vegetables over the past decade. Asunción supermarkets offer a wide variety of Argentine and Brazilian processed foodstuffs, marketed at excessively high prices.

and other containers for processed crops; and there are few production standards for the processing of fruits and vegetables. In the long run, Paraguay will be better served by promoting in-country processing of fruits and vegetables in order to retain as much of value added as possible within its borders. At the present time few processing plants exist, and those that do are largely foreign-owned. Candied fruit (pineapple, orange peel, squash, watermelon and other melon varieties) is produced for export along with jams, pineapple slices and a limited amount of tomato paste. Pineapple pulp is exported for use in ice cream making, and the fruit of the mango and papaya are exported in semifinished form for terminal processing in Argentina of the popular South American dulce.

5. There is a lack of adequate understanding of external market opportunities for fruits and vegetables produced in Paraguay. Fruits and vegetables now exported by Paraguay are destined almost exclusively for the Argentine market, with the exception of palm hearts. Because of the milder climate prevailing in Paraguay, particularly during the winter months, Paraguay is able to meet Argentina's out-of-season demand for such crops as tomatoes and strawberries. However, their importation is subject to Argentina's political and economic vicissitudes, and more than once over the past few years Paraguayan producers have suffered losses when Argentina arbitrarily closed its markets to Paraguayan products.

To assist Paraguay to increase small-farm vegetable and fruit production and to develop the appropriate marketing and processing infrastructure, a three-year multi-disciplinary, multi-institutional program is proposed, incorporating four main elements:

Marketing identification. Under this activity the project would provide assistance to clarify national and international market opportunities to establish the market parameters for selected fruit and vegetable production, guide agronomic specialists with regard to the types of products to emphasize, what the necessary costs of production are to compete, timing of production and what quality and variety restrictions are placed upon production for various markets. In a related activity recommendations would be made for getting fruits and vegetables now produced in the Central Zone to processing facilities, almost all of which have cited irregular raw materials supply as a major problem in their operations.

Crop production research. With knowledge of the market demand a production team would develop technical packages for specific crops (time of seeding, disease control, cultural practices, varieties) and the crop combinations most economic for small farmers. A team of

specialists would conduct research in the field (in identified production areas), working with Small Farmer Research Program ^{1/} field teams at their sites.

Processing research. The National Institute of Technology and Standards (INTIN) would collaborate in developing processing and packaging techniques suitable for local conditions. INTIN has a versatile pilot plant capable of producing 30 different products, from marmalades and juices to dehydrated and frozen products, with equipment that is portable and easily connected for different operations. INTIN is willing to collaborate with cooperatives in processing small-farmer produced raw materials. Its well-designed plant affords an excellent opportunity to experiment with industrial-scale processes on specific products.

Promotion. The Ministry of Industry and Commerce (MIC) and Ministry of Agriculture and Livestock (MAG) would collaborate in promoting vertically coordinated production-marketing systems directed toward specific markets. This task involves identifying individuals or cooperatives to handle marketing/processing, organizing market channels and providing technical assistance to growers and marketing/processing firms in terms of technology, financing, quality control and management (marketing firms). In the near term, funding from the Rural Enterprises Loan (A.I.D.) and an Agro-Industrial Loan (IBRD) should be available to provide financial support for this component of the project, while a planned A.I.D. loan for FY 1981 would help support the promotion of crop intensification in the minifundia region over the longer run.

To accomplish the project outputs described above, a significant technical assistance input would be required over the life of the project, totalling 316 technician months and consisting of a long-term market economist and specialized short-term marketing consultants; three long-term agronomists plus a long-term pathologist and a food

^{1/} The SFRP will be established under a FY 1978 \$7.5 million A.I.D. Small Farmer Sector loan and is intended to restructure research and extension to make it responsive to the technological needs of small farmers. The field teams referred to above will apply agricultural science to improving the practices of the small farmer and will conduct this research in the small farmer's own environment in pre-selected locations. Their task is to develop technologies which are well adapted to the small farmer's particular conditions and which are proven to be economically superior to his present practices. Functional linkages will be developed between the research stations, the field research teams and the extension service at the national level and between national institutions and centers of expertise (i.e., the international research centers) elsewhere in the world.

processing specialist for years two and three of the project. A limited amount of non-degree, third-country training will be provided (an estimated 12.5 participant months) together with a modest commodity input. The training component will be complemented over the longer term by the M.S. and Ph.D. level training of 10-12 agronomists and four marketing specialists under the aforementioned Small Farmer Sector Loan Program and by the specialized in-country training in marketing proposed in Market Planning and Technical Assistance.

Major assumptions which bear on project success include:

1. That the preliminary evidence suggesting that there are unexploited market opportunities which can be translated into income opportunities for minifundia farmers will be confirmed by the detailed market analysis to be undertaken during the Project.

2. That the growing interest in crop intensification for the Central Zone can be transformed into a firm commitment by the Government of Paraguay to pursue such a strategy for this area.

3. That the problems of instability of prices and production levels for fruits and vegetables, both extremely important deterrents to increased small farm production of these commodities, can be overcome by improved technologies and marketing systems.

Host country interest in crop intensification as a viable alternative for minifundia farmers is currently very high. In one interesting experiment the Institute of Rural Welfare, the GOP land reform agency, in 1975 established a colony in the heart of the minifundia region, comprised of 44 small farmers on one-two hectare lots dedicated almost entirely to vegetable production for the Asunción and Argentine markets. The colony's principal crops are tomatoes, bell peppers and onions, supplemented by cabbage, carrots, and a little corn, sugar cane, cassava and cotton. Further evidence of Paraguay's growing interest in crop intensification for the Central Zone is the special coverage devoted to this approach in a May, 1977 issue of the Rural Supplement to ABC Color, one of the Paraguay's two major daily newspapers. Included in the issue were four long articles on small-farmer fruit and vegetable production potential, and its cover bore the title, "Horticulture: A Solution for the Small Farm Area." An earlier issue described at length progress made in improving banana and pineapple production in the Central Zone.

Other donor activity is minimal at present. The UN recently concluded a two-year program to promote the production of fruits and vegetables in the colonization zone of Eje Norte. Under this program the FAO provided technical assistance in family fruit and vegetable production in order to raise the nutritional level of the settlers' diet, and to increase and improve the commercial production and marketing system for fruits and vegetables in the project area as a means of raising low settler income. A small amount of research also was conducted on higher yielding varieties of fruits and vegetables.

The OAS has funded a long-term food technology advisor to assist in the development of fruit and vegetable processing (mainly dehydration). It was under this project that the pilot plant at INTIN was established with a capacity for processing 500 kg. of tomatoes per day. The conduct of quality control tests and the development of biological insecticides for horticulture were also included in the project. At the present time an OAS technician is advising the Paraguayan Export Center (CEPEX) on the establishment of a center for designing bottles and packing containers for both fresh and processed products.

The Republic of China is assisting the National Agronomic Institute (IAN) at Caacupé to develop improved varieties and cultivation practices for a number of crops, among them pineapple, garlic, onions, sugar cane and corn. Apart from the conduct of varietal trials and work on fertilizer use, disease control and prevention measures, assistance has been provided in multiseasonal pineapple florescence, in the production of small onion bulbs for an early crop and the use of MH30 treatment for longer storage.

Alternatives to the proposed strategy for raising small-farmer income in the Central Zone appear to be of two basic types: one referring to alternatives to crop intensification in the Central Zone and a second assuming that the crop intensification strategy is applied.

Colonization (as indicated in the 1977 DAP revision) is the alternative that has been pursued by the Government in recent years. However, colonization efforts which provide sufficient services to assist the colonists in taking full advantage of their new land resources appear to be very expensive. Further, not everyone can leave at once, and providing income opportunities for those remaining in the Central Zone will continue to be important well into the future. Emphasizing greater yields of traditional crops in the minifundia might result in somewhat higher incomes in the near term, but the path toward increased incomes soon would be blocked by the limited land resources available to small farmer and the gross value of their crops.

If the crop intensification strategy is assumed, immediate promotion of investment in production and marketing of intensive crops could be an alternative. The Mission believes that such an approach on a broad scale would involve too much risk, given the present level of technology and knowledge of market opportunities. If reasonably certain opportunities for production and marketing of specific crops emerge early in the proposed program, such opportunities could be addressed with existing financing programs.

Since small-farmer production in the Central Zone appears to be concentrated geographically in a number of reasonably small areas,

promotion of intensive-crop production in a specific community should spread very rapidly throughout the adjoining area. Once production/marketing systems have been established in Central Zone areas, intensive crop production could spread to small-farmer areas identified outside the Central Zone within the limits of available market opportunities.

II. Financial Requirements and Plans

The best estimate of total Project cost at the present time is \$2 million, of which A.I.D.'s share would be \$1.5 million, to be financed through a grant to the Ministries of Agriculture and Industry and Commerce.

It is estimated that the A.I.D. contribution would be apportioned as follows:

<u>Personnel</u>	<u>FY 79</u>		<u>FY 80</u>		<u>FY 81</u>		<u>Total</u>	
	<u>\$</u>	<u>TM</u>	<u>\$</u>	<u>TM</u>	<u>\$</u>	<u>TM</u>	<u>\$</u>	<u>TM</u>
1 market economist and short term marketing specialists	80	16	90	18	70	14	240	48
3 agronomists	180	36	180	36	180	36	540	108
1 pathologist	60	12	60	12	60	12	180	36
1 food processing specialist	--	--	60	12	60	12	120	24
<u>Training</u>	20	5	20	5	10	25	50	12.5
<u>Commodities</u>	55		45		20		120	
<u>Other Costs</u>	80		110		60		250	
Total	\$475		\$565		\$460		\$1,500	

The host country will provide a full-time counterpart technician from the implementing agencies in each of the Project's major fields of activity (i.e., marketing, production technology, processing - the services of specialists in these fields as required), assistance from the national agricultural extension service, office space and other project needs. Apart from technical and in-kind support to the project, the Government will investigate the elimination of import duties (25%) on raw materials -- associated plastics, tin plate and glass chemical components -- required for the development of food processing support industries such as film, can, bottle and jar manufacture.

It is expected that the Project will be self-perpetuating with the addition of some follow-on assistance; much of the infrastructure for undertaking the project already exists, obviating the necessity for the GOP to make substantial future commitments in order to continue project activities beyond termination of USG financing. The previously mentioned \$5 million loan planned for FY 1981 will help finance the marketing and agroindustrial firms -- cooperatives and private entrepreneurs -- created to handle higher volume crop production and will support the activities of public sector entities necessary to promote more intensive crop production in the Central Zone. It will, in short, provide the funding necessary to establish vertically coordinated production marketing systems for labor-intensive crops which can be grown in the Central Zone.

III. Development of the Project

The project will be developed by the USAID Rural Development Division Staff with TDY assistance. The Mission has available to it at present the Small Farmer Sub-Sector Assessment, a study of fruit and vegetable production potential in the Central Zone, a state of the arts study of food processing in Paraguay (the latter two performed by A.I.D.-funded TDY consultants) and various studies on individual crops and their processing and marketing possibilities performed by the Ministry of Agriculture and INTIN. Within a few months data will be available from the Mission's 1976 Small Farmer Survey on the types of fruits and vegetables raised on small farms in the Central Zone, and, depending on the importance of the crop to the individual farm enterprise, use of farm family labor, technology and management practices utilized, inputs employed, and consumption, including sale. Additional assistance in marketing, scheduled over June and July and financed by FY 1977 technical support funds, together with 4 WW of A.I.D. direct-hire assistance, will suffice to prepare a PRP for submission in December, 1977. It is estimated that preparation of the Project Paper for submission in FY 1978 will require approximately 3 TM of contract services.

IV. Issues of a Policy or Programmatic Nature

1. Should this effort not be included under the Small Farmer Sector Program? The Small Farmer Research Program is well advanced in its development; and although fruit and vegetables will certainly be an important part of the work of Central Zone teams, it will be late in the Project before the full complement of eight teams has been realized. Further, these teams will consist of research generalists who must depend upon specialists to assist them in developing practical technological packages for small farmers for specific crops. Thus the proposed Crop Intensification Project should be complementary to and coordinated with the Small Farmer Research Program.

2. Should the Crop Intensification Project be merged with the Proposed FY 1979 Marketing Technical Assistance Project, since both have elements which treat export markets and improving local marketing infrastructure? Although they are indeed related, the Marketing Technical Assistance project is a horizontal approach directed at generally improving the capability of the Ministry of Agriculture to resolve the marketing inefficiencies affecting various types of small farmers in Eastern Paraguay, while the Crop Intensification Project is a vertical approach directed at a specific clientele and specific crops. Both approaches are needed to address the needs of small farmers in Paraguay.

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 A A = ADD
 C C = CHANGE
 D D = DELETE

PID
 2. DOCUMENT CODE 1

3. COUNTRY/ENTITY PARAGUAY

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS) 526-0305

6. BUREAU/OFFICE
 A. SYMBOL IA B. CODE 05

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)
 Population II

8. PROPOSED NEXT DOCUMENT
 A. 2 = PRP B. DATE MM YY 1 2 7 7
 3 = PP

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 a. INITIAL FY 7 9 b. FINAL FY 8 1

10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = ₡ 126)

FUNDING SOURCE		AMOUNT
A. AID APPROPRIATED		1,500
B. OTHER U.S.	1.	
	2.	
C. HOST COUNTRY		1,000
D. OTHER DONOR(S)		
TOTAL		2,500

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 79		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) PH	444	440		550		1,500	
(2)							
(3)							
(4)							
TOTAL				550		1,500	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)
 450 | 410

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)
 BRW | RPOP | DEL

14. SECONDARY PURPOSE CODE
 423

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)
 To reduce the national fertility rate.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)
 To expand the availability and use of family planning services.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)
 Any resources required for the PP can be provided by AID/Washington at no cost; these resources will be identified at the PRP stage.

18. ORIGINATING OFFICE CLEARANCE
 Signature _____
 Title _____

19. DATE DOCUMENT RECEIVED BY AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
 MM DD YY

67

I. Summary of the Problem to be Addressed and Proposed Response

Although Paraguay contains only 2.7 million inhabitants, and its population density of six inhabitants per square kilometer is among the world's lowest, the annual rate of population growth is estimated to be as high as 3%. If present trends in population growth continue, the number of inhabitants will double in 23 years. The full implications of Paraguay's rate of population growth on the country's development prospects are difficult to assess because the inadequacy of the demographic data base precludes precise measurement of the problem. According to GOP estimates, the crude birth rate is thought to be 39 per 1,000 population, and the crude death rate, 9 per 1,000 population.

Weaknesses in reporting vital events are compounded by substantial internal migration, emigration of Paraguayans to neighboring countries and immigration of Brazilians to Paraguayan territory bordering Brazil. Migration data are notoriously incomplete, due to inadequate registration of migrants and illegal border crossings. During the last decade, an average of 20,000 Paraguayans per year are thought to have migrated to Argentina, although this outflow undoubtedly has been reduced by the combination of better economic prospects at home and worsened prospects in Argentina. On the immigration side, there has been a substantial influx of unauthorized Brazilian settlers in the past few years. USAID assumes that the loss of population through international migration has been greatly reduced, and that Paraguay is growing more rapidly than in previous years despite a modest reduction in fertility.

Paraguayans who are born in 1977 will not be productive citizens until the 1990's. In the meantime the GOP will have to invest scarce budgetary resources to provide the young with the social services necessary to prepare them for productive roles in society. Forty-five percent of all Paraguayans are estimated to be children under 15 years of age who consume resources which could otherwise be invested in development programs designed to improve the future well-being of the population.

USAID has assisted population activities in Paraguay since FY 1969. In 1972 a Department of Family Protection (DEPROFA) was created within the Ministry of Health to deliver family planning services within established health facilities of the MOH health network. From the outset DEPROFA's central administration was highly dependent on USAID funding, while the MOH counterpart contributions for delivery of services at the clinic level have increased steadily. A large

expansion of family planning services is planned for 1977. DEPROFA provided services in 43 MOH facilities at the end of 1976 with a reported 35,000 active contraceptive users. It plans during 1977 to extend services to an additional 220 health centers and health posts serving dispersed rural communities. In addition, pilot activities in household distribution of contraceptives and community-based distribution of information and services are to be developed in 1977.

Prior to 1977, family planning services were available through only 15% of the MOH health facilities. Patients were required to travel great distances to a clinic where they often waited many hours to see a physician; a physical examination was required and clients had to return periodically for resupply of contraceptives. The 1977 DEPROFA Program, which provides for extension of clinical services to health facilities in dispersed rural communities, increased use of health auxiliaries operating outside of fixed health posts and non-clinical distribution of contraceptives, promises to improve these conditions by extending the limited outreach of family planning services. The key to reduction of unwanted fertility in Paraguay is widespread availability of family planning information and services. As preliminary returns from the 1977 Contraceptive Prevalence Survey indicate, knowledge and use of contraceptives are greatest in localities where family planning services are most available.

The Mission proposes a project which will assist the GOP to develop a national population program designed to reduce the national fertility rate. The principal focus of the proposed Project will be on assisting the Ministry of Health to increase the availability of family planning services. A secondary effort will be directed toward overcoming limited host-country awareness and understanding of population issues. The first objective will be achieved by assisting the MOH to develop:

1. Greater reliance on auxiliaries and community-based distribution of information and services.
2. In-service training courses for clinical and non-clinical personnel to teach the new approaches.
3. A comprehensive logistics system to manage clinical and non-clinical distribution of contraceptives.
4. Simplified clinical and non-clinical contraceptive acceptor record systems which permit accurate calculations of contraceptive prevalence.
5. Evaluation techniques to measure impact of program components and cost effectiveness.

The uncertainty of GOP funding for DEPROFA makes it unclear

whether USAID will continue to work with DEPROFA or with another entity of the MOH. Although the GOP has been reluctant to increase its budget support for DEPROFA itself, counterpart contributions in support of family planning services have been satisfactory. USAID is confident that the MOH intends to provide family planning services throughout its network of health facilities, regardless of the fate of the DEPROFA central office, and we are prepared to work with whatever entity to which the MOH assigns responsibility for family-planning activities.

Availability of family planning services is the key to reduction of fertility and will be given the highest priority within the population sector. However, there are constraints to the effective delivery of contraceptives which can be reduced by non-service activities within the sector. One of these constraints, as identified in the revised DAP, is a general lack of understanding at all levels of society of the effects of rapid population growth. Although family planning is an acceptable health service, demographic factors and consequences are ignored. There is neither a GOP policy on population growth, nor are there official demographic targets. Development planners evidence no concern that rapid population growth may well be undermining their development programs.

To overcome limited host country awareness and understanding of population issues, the Mission proposes to undertake a modest program of research and information diffusion. PHA/POP will be requested to provide consultants to help USAID develop activities such as social science research on the determinants of fertility, population policy formulation, population education, demographic surveys and Information, Education and Communication (IEC) campaigns. One potentially useful study now under consideration is PHA/POP-funded research on women in rural Paraguay, to be conducted during 1977-78, which will provide information on fertility, child mortality, migration and socio-economic conditions. Potential counterpart organizations for research and information-diffusion activities include the General Directorate of Statistics and Census, the Technical Planning Secretariat and the Paraguayan Center for Sociological Studies.

Major assumptions affecting the Project include the following:

1. The MOH will continue to implement an active family planning program with or without the maintenance of DEPROFA in its present form.
2. No other donor plans similar assistance.
3. Qualified consultants are available to work with the project.

Other donor activity in the population sector is supportive of the Mission's objectives without being duplicative. IPPF provides more than \$300,000 per year to its Paraguayan affiliate, CEPEP. UNFPA and UNICEF currently are providing \$83,000 for a pilot integrated health/family planning project; Pathfinder Fund supports the incorporation of family planning into the Medical Faculty curriculum and a pilot rural community-based family planning activity. Development Associates funds training courses with emphasis on paramedicals, and the Program for International Education in Gynecology and Obstetrics (PIEGO) is training physicians in advanced techniques of fertility control.

There appear to be two alternatives to the proposed Project. The first is to provide increased assistance to the GOP through centrally-funded PHA/POP population intermediaries. However, there is already significant intermediary activity in Paraguay, and it is doubtful that intermediaries could expand their programs to cover all the elements of the Project. The Mission believes that the proposed Project offers distinct advantages in terms of management efficiency and cost effectiveness. In addition, the MOH prefers to receive bilateral assistance through USAID. The second alternative is to develop an integrated rural health project with the Ministry of Health. The Mission plans to undertake a Health Sector Assessment in FY 1978, and until priorities for health assistance are established, we are unable to consider development of an integrated project. At the present time neither of the two alternatives seems preferable to the proposed Project.

The Project's primary beneficiaries will be low-income women in rural Paraguay and, secondarily, their children.

II. Financial Requirements and Plans

The Mission estimates that the total project will cost \$2,500,000 over a three-year period, of which \$1,500,000 would be A.I.D. grant funds, including AID/W central procurement of contraceptives; \$1,000,000 would be a cash and in-kind contribution from the GOP.

It is estimated that the A.I.D. funding would be utilized as follows (\$000s):

	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>
Eighteen months of contract technical specialists	30	30	35
Contraceptives	180	170	195
Medical equipment and supplies	30	20	15
Clinic equipment and vehicles	60	40	50
Local training, supervision and evaluation	<u>250</u>	<u>240</u>	<u>155</u>
	550	500	450

The GOP contribution would cover Project operational and support costs, such as local salaries, physical facilities, local travel, vehicle operation and maintenance, and office supplies.

III. Development of the Project

The Mission Population Office will play the principal role in developing project documentation. In July 1977 DEPROFA will begin the elaboration of a plan to cover its activities during the period 1979-1982. A comprehensive evaluation of population activities and of the proposed DEPROFA plan is to be undertaken by consultants furnished by A.I.D. before preparation of the PRP which is to be submitted in December 1977. It is anticipated that any assistance required in the preparation of the Project Paper, scheduled for submission toward the latter part of FY 1978, will be provided at no cost by AID/Washington either directly or through centrally-funded contract resources.

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 A A = ADD
 C = CHANGE
 D = DELETE

PID
 2. DOCUMENT CODE
 1

3. COUNTRY/ENTITY
 PARAGUAY

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)
 526-0505

6. BUREAU/OFFICE
 A. SYMBOL LA B. CODE 05

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)
 PRIMARY EDUCATION IMPROVEMENT I

8. PROPOSED NEXT DOCUMENT
 A. 2 = PRP 3 = PP
 B. DATE MM YY 12 77

10. ESTIMATED COSTS
 (\$000 OR EQUIVALENT, \$1 = \$126)

FUNDING SOURCE		PAESSE
A. AID APPROPRIATED		
B. OTHER	1.	8,000
U.S.	2.	
C. HOST COUNTRY		2,700
D. OTHER DONOR(S)		
TOTAL		10,700

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 a. INITIAL FY 79 b. FINAL FY 79

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 79		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) EH	624		636		8,000		8,000
(2)							
(3)							
(4)							
TOTAL					8,000		8,000

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)
 620 634 640

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)
 DEL EQTY
 14. SECONDARY PURPOSE CODE 629

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)
 To increase the relevance, access, and efficiency of education in Paraguay.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)
 To assist the MOE to: (1) train primary school teachers and supervisors in the effective use of new curricula and textbooks; (2) establish a school rehabilitation and maintenance program; (3) construct a new regional center; (4) assist regional centers to function as community and area education centers; (5) provide didactic materials and equipment to regional centers and rural schools; (6) improve long-term educational planning, analysis, and evaluation.

17. PLANNING RESOURCE REQUIREMENTS (staff/units)
 PRP Preparation: 1 education planning and 1 teacher training specialist - 14 WW.
 PP Preparation: 1 LA/DR/EST specialist - 2 WW; 1 maintenance/planning specialist 4 WW; 1 teacher education specialist - 4 WW.

18. ORIGINATING OFFICE CLEARANCE
 Signature: _____
 Title: _____
 Date: _____
 19. DATE RECEIVED BY AID/W, OR PER AID/W DELEGATE, DATE OF DISTRIBUTION

I. Summary of the Problem to be Addressed and the Proposed Response

A. The Government of Paraguay (GOP) is attempting to increase access and provide a more relevant basic education for all Paraguayan children. The current National Development Plan (1977-1981) identifies the following areas as those which require specific attention to improve the education sector: (1) educational delivery; (2) cost and resource efficiency; (3) teaching force; (4) analysis, research and evaluation; (5) development of middle-level technicians; and (6) development of high-level technicians. From these the Mission has selected four -- educational delivery; cost and resource efficiency; teaching force; analysis, research and evaluation -- as priority areas for USAID assistance. As explained in the revised DAP, the two remaining areas, while of importance, lack the urgency of the basic education problems which face the country.

B. The recently completed Education Sector Assessment states that Paraguay's plans for human resource development represent a realistic attempt to overcome national education deficiencies, and that continued international support is essential to help the GOP reach its education and human resource objectives. Based on the results of the Sector Assessment and on an official request from the Ministry of Education (MOE) for loan assistance, the Mission believes it would be appropriate to consider a Primary Education Improvement loan project with the GOP for FY 1979.

C. The purpose of this Project is to assist the MOE in improving its capacity to:

1. train pre-service and in-service primary school teachers and supervisors in the effective use of the new curricula and textbooks developed under A.I.D. Loan 526-L-021;
2. establish a school rehabilitation and maintenance program to improve and extend the life of facilities;
3. complete the nation-wide coverage of the Regional Education Centers (RECs) by constructing one additional center in Pilar, Department of Ñeembucú;
4. assist the RECs to become functioning community and area education resource centers;

5. provide appropriate primary school didactic materials and equipment to the RECs, the Superior Institute of Education (ISE) and rural primary schools
6. improve long-term educational planning, analysis and evaluation.

Items (1), (3), (4) and (5) above are interrelated and together will contribute to the improvement of educational delivery and the efficiency of the teaching force. Item (2) will increase the efficiency of physical resource use, which will improve educational instruction and access. Item (6) addresses the identified need to improve long-term educational analysis, research and evaluation. Achievement of the purpose and its several elements will, therefore, contribute to the project and sector goal of increasing the relevancy, access and efficiency of primary education in Paraguay.

D. The inputs and outputs for the Project elements will be as follows:

1. Training in New Curriculum - Inputs:

- a. A contractor to provide training and specialists in general education methods, specific curriculum subject areas, materials development and evaluation;
- b. A GOP-provided coordination staff; and
- c. Training materials, audio-visual equipment and vehicles.

Outputs:

- a. A minimum of fifty professional teachers and supervisors trained in the use of the previously-developed new curricula, texts and teaching/learning behaviors, who would train all other teachers, school directors and supervisors (approximately 18,390) on a continuous basis at the regional and local levels;
- b. Development of training methods and materials which are within the reach of poor communities; and
- c. Mobile instruction laboratories with didactic materials appropriate to rural primary students and teachers.

2. Rehabilitation and Maintenance - Inputs

- a. Technical assistance experts (architects, engineers, community development trainers);

- b. Materials (cement, glass, doors, paint, latrines, pumps, etc.);
- c. Vehicles and equipment (mobile truck units to carry out actual maintenance, cement mixers, appropriate tools);
- d. Funds for a maintenance incentive program;
- e. Training of counterpart personnel outside Paraguay;
- f. GOP-provided regional technical personnel; and
- g. Community labor and in-kind contributions (sand, wood, bricks, stone, etc.).

Outputs:

- a. Studies on student concentration, national inventory of school facilities and conditions of physical plants;
- b. A trained national and regional MOE staff providing technical assistance, construction materials and maintenance education assistance to communities and individual schools, so that the more than 3,000 public schools in Paraguay can be adequately rehabilitated and maintained; and
- c. Maintenance manuals and guides.

3. Establishment of a New Regional Education Center -
Inputs:

- a. Loan funds through a local construction company;
- b. Teachers, support staff, equipment and materials;

Outputs:

- a. One functional teacher training and community education facility serving Southwestern Paraguay.

4. RECs Becoming Area Education Resource Centers -
Inputs:

- a. Equipment to develop instructional materials for traditional and non-traditional programs;
- b. Laboratory, audio-visual and library equipment for general use;
- c. Special course personnel in each of the centers (e.g. vocational agriculture and nutrition instructors).

Outputs:

- a. Centers providing improved in-service and pre-service training;
- b. Decentralization of the national administrative system to allow closer supervision of rural schools; and
- c. An expansion of education and training activities for the community and wider area served by the RECs.

5. Provision of Didactic Materials and Equipment to RECs -
Inputs:

- a. Equipment; and
- b. Materials development technicians.

Outputs:

- a. Didactic learning materials; and
- b. Fully-equipped RECs.

6. Improved Educational Planning, Analysis and Evaluation -
Inputs:

- a. Long-term technical assistance (educational planning, statistics, systems analysis, education economics, psychometrics);
- b. Computer hardware and software for processing information; and
- c. Training of selected MOE personnel in research, planning and evaluation techniques.

Outputs:

- a. Reliable and current basic education statistics;
- b. An analytical capability to program and evaluate national education activities;
- c. Evaluation instruments for education and training programs; and
- d. Capability to carry out benefit/cost and cost-efficiency analyses of educational programs and policies.

E. Several major underlying premises on which the Project is Based are: (1) No matter how potentially-useful and well-written curricula and texts are, they cannot be effectively implemented without adequate training and support for teachers, school directors and supervisors; (2) New curriculum implementation, combined with a minimum level of teaching/learning materials, will increase student achievement and retention over time; (3) Regional centers are the most cost-efficient way to train teachers, improve instruction, prepare materials and serve community education needs; (4) Clean, well-maintained schools improve the quality of education; (5) Adequate maintenance will lower Paraguay's capital expenditure needs for school construction in the long run; (6) Teachers, parents, students and Government together can become involved in school maintenance, and such involvement will mean less GOP maintenance funds required over time; (7) Planning, analysis and evaluation personnel can be assisted to improve the management of the system, and to link effectively the activities of the education and training system with national needs and objectives.

F. The World Bank currently is providing a \$12 million loan to the education sector, principally for school construction in a limited geographic area. No donors are concentrating assistance in the activity areas to be assisted under this proposed A.I.D. Project. As stated above, the elements of the Project have been identified as critical by both the MOE and the findings of the Education Sector Assessment.

G. Project beneficiaries will be present and future public school children who are mainly rural and poor. The in-service and pre-service training activities will concentrate on the primary school subsector, USAID's traditional emphasis. Planning and analysis assistance and studies also will concentrate on the primary subsector, although some administrative studies may additionally encompass the secondary, vocational and non-formal subsectors. For practical reasons the rehabilitation and maintenance program will cover Paraguay's 413 public high schools, as well as approximately 2,799 public primary schools. It is expected that the maintenance program will produce benefits additional to improved facilities. It is labor-intensive and, by involving vocational education students in maintenance, will expose them to a number of fields with occupational potential (bricklaying, plumbing, painting, etc.) for which they may later wish to train. The program will reflect a total community-wide effort. Further, the Project will continue beyond the period of the loan, as two of its objectives encompass the establishment of permanent school maintenance and teacher-training capability within the MOE. As has been noted, the RECs have considerable potential for decentralizing the administrative system and allowing closer supervision of rural schools which serve as centers for teacher preparation and in-service training, and for expanding community education to include the out-of-school population.

II. Financial Requirements and Plans

USAID estimates that the total Project will cost approximately \$10,700,000. Of this total, \$8,000,000 will be financed with A.I.D. loan funds with the remainder funded by GOP counterpart. A four year disbursement period is projected. The following is an illustrative financial plan.

(In US\$000s)

<u>A.I.D. Contribution</u>	<u>FY78</u>	<u>FY79</u>	<u>FY80</u>	<u>FY81</u>	<u>Total</u>
1. Teacher/Supervisor Improvement Training	350	400	450	400	1,600
2. School Rehabilitation and Maintenance	700	900	900	900	3,400
3. Construction - (REC) in Pilar	350	500	--	--	850
4. Regional Centers - Equipment and Outreach Programs	350	350	300	250	1,250
5. Planning, Analysis, Evaluation (includes Research and Special Studies)	150	250	250	250	900
<u>Total A.I.D. Contribution</u>	<u>1,900</u>	<u>2,400</u>	<u>1,900</u>	<u>1,800</u>	<u>8,000</u>
<u>GOP and Community Contribution</u>					
Maintenance/Community	400	450	500	550	1,900
Teacher/Supervisor Training	120	130	140	150	540
REC/Community	50	60	75	75	260
<u>Total GOP Contribution</u>	<u>570</u>	<u>640</u>	<u>715</u>	<u>775</u>	<u>2,700</u>
<u>GRAND TOTAL (A.I.D and GOP)</u>	<u>2,420</u>	<u>3,090</u>	<u>2,615</u>	<u>2,575</u>	<u>10,700</u>

III. Development of Project

The Project will be developed by USAID's Education, Capital Development and Program Offices, in collaboration with the appropriate MOE technical staff. If PID approval is prompt, USAID could submit the PRP before December, 1977. Assistance of two outside consultants will be required for a period of approximately 2 TM each. The PP will be submitted prior to the start of FY 1979. Assistance for PP preparation likely will necessitate consultants with experience in school maintenance, a teacher-education technical advisor, an education planner and an education specialist from AID/W.

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 A A = ADD
 C = CHANGE
 D = DELETE

PID
 2. DOCUMENT CODE
 1

3. COUNTRY/ENTITY
 PARAGUAY

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)
 526-0603

6. BUREAU/OFFICE
 A. SYMBOL LA B. CODE .05

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)
 SMALL MANUFACTURING INDUSTRY DEVELOPMENT

8. PROPOSED NEXT DOCUMENT
 A. 2 = PRP 3 = PP B. DATE MM YY 10 7 7

10. ESTIMATED COSTS
 (\$000 OR EQUIVALENT, \$1 = \$ 126.)

FUNDING SOURCE		AMOUNT
A. AID APPROPRIATED		330
B. OTHER U.S.	1. <input type="checkbox"/> 2. <input type="checkbox"/>	
C. HOST COUNTRY		110
D. OTHER DONOR(S)		
TOTAL		440

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 a. INITIAL FY 7 9 b. FINAL FY 8 0

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 79		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) ST	733	110		177		330	
(2)							
(3)							
(4)							
TOTAL				177		330	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)
 831 150

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)

BR	TECH	EQTY	LAB	BL	14. SECONDARY PURPOSE CODE
					273

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)
 To increase opportunities for off-farm employment.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)
 To develop an institution dedicated to providing technical and advisory assistance to the small manufacturing industry sector.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)
 Total of 18 person-weeks for PRF and PP preparation; 12 person-weeks from a management consultant firm specializing in industrial development and 6 person-weeks required from an AID industrial specialist.

18. ORIGINATING OFFICE CLEARANCE
 Signature _____
 Title _____ 81

19. DATE DOCUMENT RECEIVED BY AID/W, OR FOR AID/W DOCUMENTS. DATE OF DISTRIBUTION
 MM DD YY _____

I. Summary of the Problem to be Addressed and the Proposed Response

The National Development Plan proposes to raise industrial production from an average rate of growth of 5.3% from 1970-1975 (5.0% in 1976) to an average rate of 9.7% for the period 1977-1981, thus making industry a leading growth sector. At the same time the Plan strategy is to emphasize export growth, development of agroindustries and import substitution. We seriously doubt that this goal can be achieved or the strategy effectively implemented without the full participation of the small scale industry sub-sector which accounts for an estimated 66% of industrial employment and 40% of the output of manufacturing industry (excluding artisans). Moreover it is our policy to maximize opportunities for all involved in industry to participate in the growth process, not only because it will tend to improve income distribution, but also because, being employment intensive, rapid growth of small industry will provide off-farm employment for the rural underemployed.

Small manufacturing industries (those with 6-20 employees) have been a much neglected sector. As pointed out in the revised DAP, most of them have not received production credit or technical assistance, despite their interest in obtaining such assistance.^{1/} So far they have not been able to take advantage of Law 550 which provides powerful incentives for growth.^{2/} The development of appropriate technology is still in its infancy, and the institution charged with such work lacks funds to develop prototypes of new products and equipment. Small industries have not been able to take advantage of Law 349 on Cooperatives under which cooperatives can receive financial and technical assistance from the State and exemption from the various import and export taxes and fees. Such fees often constitute insuperable barriers to the participation by small producers in export trade or to effective competition with foreign imports. In short, there exists no known institution to provide technical support to and look after the general interests of small industry.

The purpose of the proposed Small Manufacturing Industry Development Project is to help overcome the foregoing and other barriers to the effective growth in size and efficiency of small firms. As a new undertaking both for Paraguay and USAID in Paraguay, this rather modest effort should be considered to be of the nature of a pilot project which, if successful, may be enlarged in the future.

^{1/} See Industrial Assessment of the DAP, p. 28

^{2/} Ibid. p. 27 and Development Overview of the DAP, p. 53.

To put this project in proper perspective, there are cited below four summary conclusions inter alia of a seminar on small industry in Latin America that took place in Quito in November 1966 under the sponsorship of CEMLA and UNIDO:^{1/} 1) in defining small industry, a distinction should be made between small manufacturing industry and industria artesanal, or cottage industry and handicrafts;^{2/} 2) the development of small manufacturing industry must be assisted by governments, since small industries are incapable of formulating and bringing about programs of self-help; 3) assistance should take the form of the establishment of a Small Industry Institute or a Division of Small Industries which could be linked to a larger organization, such as a Corporation or a Ministry of Industries; 4) above all else, the formation of entrepreneurs is considered to be a principal goal in the development of small industries.

The Project would perform the following types of functions: a) technical advice to firms concerning plant layout and use of machinery, b) coordination with the National Institute of Technology and Standards (NITS) for spreading the adoption of appropriate technology, c) assistance with feasibility studies and credit applications and related coordination with the National Development Bank (NDB), d) advice on marketing and help in subcontracting orders with larger firms, e) conduct of training programs in management and accounting for proprietors by NITS, an autonomous institution under the Ministry of Industry and Commerce (MIC), f) coordination of training programs for employees with other institutions, g) planning of infrastructure investments, such as industrial parks, and negotiations to obtain government support and financing for them, h) advice to small concerns concerning their rights under the Law 550 on investments and Law 349 on Cooperatives, and help in the exercise of these rights, i) recommendations to the Government concerning policies and expenditures that would be helpful in supporting small industries, h) preparation of a draft law for the formation of a Small Industries Corporation.

The Project will require the establishment of 1) a Small Industry Development Division in MIC, which is to be staffed initially by a group of 4 or 5 Paraguayan professionals, and 2) an investment fund to finance the cost of small industry studies and the cost of prototypes of equipment designed by NITS and other institutions. A.I.D. will help finance the cost of investments in prototype equipment and studies, provide appropriate training for Paraguayan professionals and supply the MIC with a team of two counterpart advisors from a management consultant firm. The disbursement period will be 1979-1980.

^{1/} Cited in Análisis y Programa para la Artesanía y Pequeña Industria, Secretaría Técnica de Planificación, Asunción, 1973 from UNIDO, "La Pequeña Industria en América Latina," New York, 1970, pp 5-41.

^{2/} Artisans in Paraguay are already being assisted by the Servicio de Promoción Artesanal, created by Law 549 of February 18, 1975.

These inputs will produce the following key outputs, easily measurable in quantitative and qualitative terms: the MIC professionals trained and the Division established; technical studies performed for local industries; subcontracts placed with larger firms; special surveys conducted; prototypes of new products and machinery developed; institutional systems developed to handle the needs of small enterprises, including training needs; a number of small firms taking advantage of Laws 550 and 349; and the laws prepared and policies established in support of small industry.

These outputs are intended to lead to achieving the Project purpose of establishing a national capability to address the technical assistance needs of the small industries subsector. We expect that the following set of conditions will exist at the end of the Project:

- a. A Small Industry Division established in MIC carrying out necessary studies, developing appropriate plans and instituting necessary policies in support of small manufacturing industry.
- b. An NITS adequately fulfilling part of the technical assistance needs of small industry, promoting use of appropriate technology with the aid of prototype products and machines, and complementing activities carried out under other Mission projects (e.g. Rural Enterprises Loan, FCGP, Agricultural Sector Loan).
- c. A body of knowledge about small industries and their role in the development process that will assist the GOP in the formulation of future industrial development plans and policies.
- d. Small industrialists that are better trained and able to take advantage of the laws promoting industrial growth and of the opportunities offered by an expanding economy, thereby adding to the number of competent and innovative entrepreneurs that the economy so much needs.
- e. An increase in off-farm employment resulting from new and expanding small firms.
- f. An increase in the output of agroindustries and a greater volume of producer and consumer goods available to small farmers at reasonable prices as a result of the increased output and efficiency of small enterprises.
- g. A draft law for the establishment of a Small Industries Development Corporation as an autonomous entity under MIC.

The major beneficiaries of the Project will be: the proprietors and employees of small firms who benefit from greater productivity and higher income; the unemployed/underemployed in rural areas who, as a consequence of the Project, receive full time employment; the farmers who benefit from an enlarged market for their products and who, as a consequence of greater and more efficient industrial output in rural areas, are able to procure more easily and economically production and consumption goods. The establishment of new and growing small industries in rural towns will have a multiplier effect on income and will stimulate local commercial and service activities, thereby tending to difuse widely the benefits.

The Project is related to the current A.I.D. Rural Enterprises Loan, the proposed Production Credit Guarantee Program, and the proposed Market Town Development and the Small Farmer Sector Loans. None of these projects, except PCGP, has a technical assistance component for small industry; technical assistance under the PCGP will be extended only in connection with loan applications and will have very limited coverage during the first 3-4 years. Consequently, the proposed Project will complement them all. It will also complement the lending activities of the National Development Bank and commercial banks.

The IBRD is planning to provide a \$10,000,000 loan to the NDB for industrial loans to small and medium sized firms and to strengthen its organization and operations. This proposed loan has no technical assistance for small firms contemplated. The Project will support and be supported by this credit program.

II. Financial Requirements and Plans

The financial requirements of the Project are described in the tables below. It is assumed that the IBRD loan mentioned above and other sources will cover the credit needs of the small industries assisted by the Project.

Total Project: \$440,000

A. A.I.D. Grant Funding

Personnel: 2 Man years Chief, Planner
2 " " engineers and/or economist

Training: 6 week programs in U.S. for 3 = 18 weeks

Other: Budget support, production of prototype, studies.

Costs:

Personnel:	Chief, 2 Man years at \$70,000	= 140,000
	Advisors, 2 Man years at \$60,000	= <u>120,000</u>
		260,000
Training:	Counterpart staff trained in the U.S.	
	18 weeks per diem	4,000
	Course costs and travel	<u>8,000</u>
		12,000
Other:	Investments in prototypes and and studies	34,000
	Budget support	<u>24,000</u>
	Total	<u>\$330,000</u>

Time Distribution of Costs

<u>Item</u>	<u>FY 1979</u>	<u>FY 1980</u>
1. <u>Personnel</u>		
Chief	70,000	70,000
Advisor	60,000	60,000
2. <u>Training</u>	6,000	6,000
3. <u>Prototypes, Studies</u>	17,000	17,000
4. <u>Budget support</u>	<u>18,000</u>	<u>6,000</u>
Total	171,000	159,000

B. GOP Financing: \$110,000

Purposes:

1. The cost of office and other facilities at MIC and NITS.
2. Part of the cost of selective studies.
3. Costs of standardization studies by NITS and their application to the needs of Project clients.
4. Salaries of employees for a small industries division in MIC.

5. Costs of training programs for managers and proprietors of small industries at NITS.

C. Total Financing Requirements

A.I.D.	\$330,000
GOP	<u>\$110,000</u>
Total Cost	<u>\$440,000</u>

III. Development of the Project

The PRP will be prepared by a project team consisting of the Program Economist, the Capital Development Officer and the Regional Engineer.

The Mission completed in early 1977 a sample survey of small industry and artisans to support the PRP for the Production Credit Guaranty Project. A more elaborate survey of industry is being carried out by the Ministry of Industry and Commerce (MIC) and initial findings should be available in the near future. Consequently, adequate information should exist concerning the problems and needs of small scale firms.

The principal studies which need to be undertaken in support of the Project are:

- a. A study of the small industry subsector to determine priority production areas for Project operations;
- b. the organization and staffing of a Small Industry Division in the Ministry of Industry and Commerce (MIC);
- c. the legislative and administrative requirements of helping small industries to take advantage of Laws 550 and 349;
- d. the operation and control of an investment fund for financing the production of prototype machines and equipment;
- e. a plan for working relations between the Small Industry Division of MIC and NITS in the common endeavor to promote the use of appropriate technology; this would include problems associated with the production, use and sale of prototype products and equipment;
- f. a plan for working relations between MIC and the NDB;

- g. a study of the Cooperative Law 349 and of the operation of producer cooperatives to determine in what ways small industrial firms might best organize themselves into cooperative associations so as to strengthen themselves both individually and collectively for purposes of raising their output and income and improving and widening the marketing of their produce both in domestic and foreign markets;
- h. a plan for the role of the Project in regional development including relations with the Municipal Development Institute, municipal authorities in market towns and financial institutions willing and able to lend to small industry.^{1/}

Assistance for the preparation of the PRP and the supporting studies listed above will be required for a period of six person-weeks from a management consultant firm with a reputation for its work in small industry development and for three person-weeks from an A.I.D. industrial specialist. Equivalent assistance may be required for the preparation of the PP.

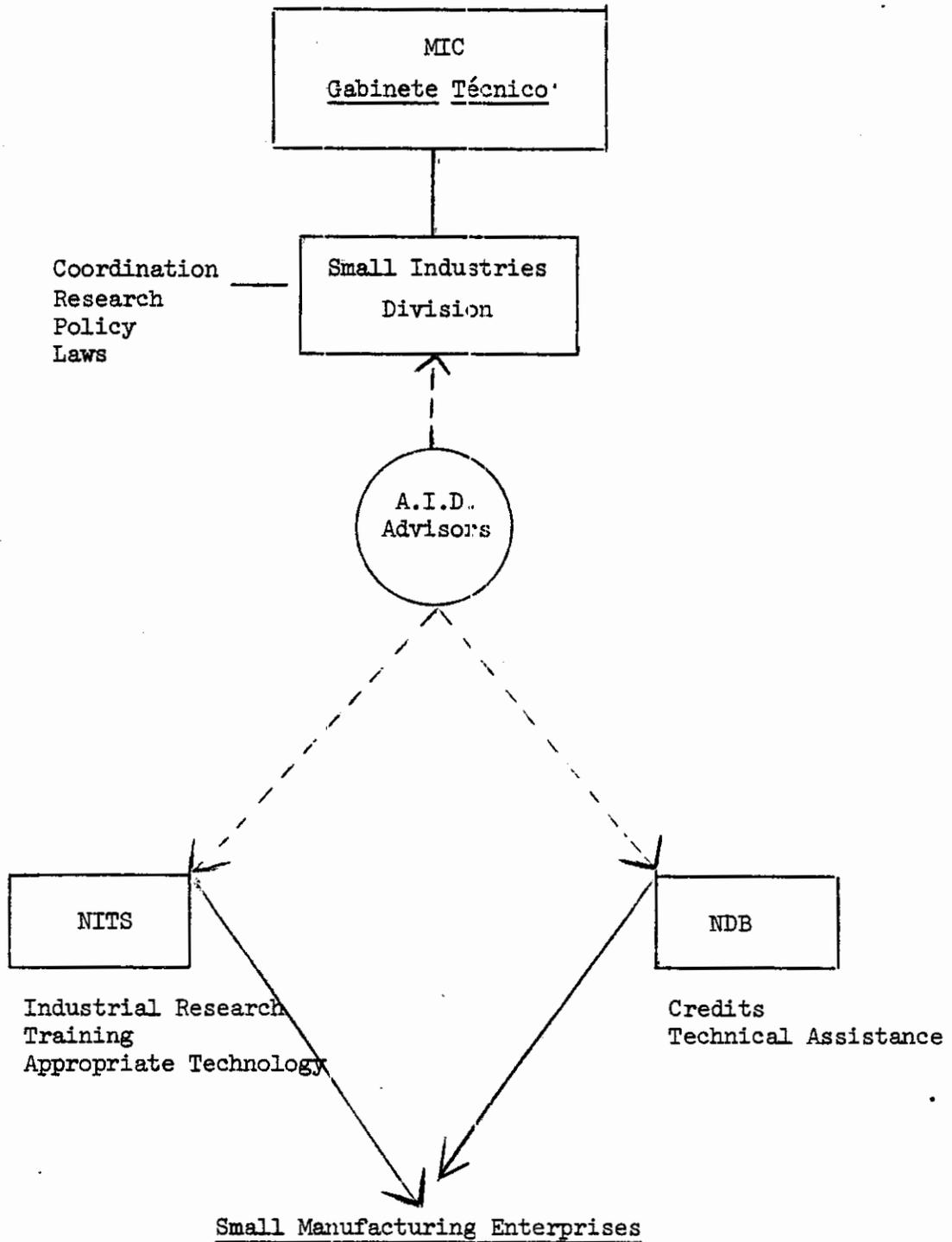
The PRP will be submitted about November 1977; the PP will be submitted late in FY 1978.

IV. Policy or Program Issues

Policy issues would include: a) should the private sector participate in Project activities (e.g. joint funding of prototypes) and, if so, on what basis? b) should the prototype machines and equipment produced under the Project be retained by NITS, or should they eventually be sold? c) if prototype equipment is to be sold ultimately, what should be done with the proceeds? d) what priorities should be established for the various activities of the Project?

^{1/} See the attached diagram describing the operational structure of the Project.

ORGANIZATION OF PROJECT



Note: NITS is an autonomous institution under MIC.
NDB is an autonomous institution under the Central Bank.