

661-PP

A/AID/PE

5280011-3

AIRGRAM

DEPARTMENT OF STATE

PD-AAF-232-01

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Mail Room
INFO. 35

FROM . USAID/Montevideo

SUBJECT . Project Appraisal Report (PAR)

REFERENCE . TOAID A-96

Attached hereto is subject report for Project N° 528-15-230-011.1 -
Export Promotion and Regional Integration.

ORTEZ

Attachment.

PAGE	PAGES
1	OF 1

DRAFTED BY SCampbell:em Prog. Off. <i>[Signature]</i>	OFFICE Program	PHONE NO.	DATE 6/8/72	APPROVED BY: <i>[Signature]</i> William G. Rhoads, AID Rep.
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AID AND OTHER CLEARANCES

[Signature]
Eval. Off.

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PROJECT APPRAISAL REPORT (PAR)

1. PROJECT NO. 528-15-230-011.1	2. PAR FOR PERIOD: May 20, 1969 TO May 31, 1972	3. COUNTRY URUGUAY	4. PAR SERIAL NO. 72-4
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5. PROJECT TITLE
EXPORT PROMOTION

6. PROJECT DURATION: Began FY 66 Ends FY 73	7. DATE LATEST PROP 7/29/70	8. DATE LATEST PIP -	9. DATE PRIOR PAR None
10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$ 475,000	b. Current FY Estimated Budget: \$ 85,000	c. Estimated Budget to completion After Current FY: \$ 100,000

11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)	
a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.
INTERNATIONAL MARKETING INSTITUTE	AID 1a/670
INTERNATIONAL DEVELOPMENT SERVICES	AID 1a/584

I. NEW ACTIONS PROPOSED AND REQUESTED AS A RESULT OF THIS EVALUATION

A. ACTION (X)			B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
USAID	AID/W	HOST		
X		X	Define objectives of IMI and IDS work plan including specific goals	June 30, 1972
X			Increased USAID contact with cooperating country	July 31, 1972
X			Urge more frequent meetings of Interministerial Commission of Foreign Trade	July 31, 1972
X			Review overall project design and objectives	June 30, 1972
X		X	Lobby for increased upper level involvement in Export Promotion and for its definition as a GOU priority	July 31, 1972
		X	GOU to take initiative to centralize decision-making power over export policies	

D. REPLANNING REQUIRES: PROP PIP PRO AG PIO/T PIO/C PIO/P

E. DATE OF MISSION REVIEW: **June 6, 1972**

PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE: **Steven Campbell**

MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE: **William G. Rhoads**

II. PERFORMANCE OF KEY INPUTS AND ACTION AGENTS

A. INPUT OR ACTION AGENT CONTRACTOR, PARTICIPATING AGENCY OR VOLUNTARY AGENCY	B. PERFORMANCE AGAINST PLAN							C. IMPORTANCE FOR ACHIEVING PROJECT PURPOSE (X)					
	UNSATISFACTORY		SATISFACTORY			OUTSTANDING		LOW			MEDIUM		HIGH
	1	2	3	4	5	6	7	1	2	3	4	5	
1. International Marketing Institute			X										X
2. International Development Services				X									X
3. COMCORDE				X						X			

Comment on key factors determining rating

1. IMI technical assistance to GOU, although efficient, has not had the impact that was expected on high-level GOU decisions.
2. IDS technical assistance to the LAE has been as planned, but has not received adequate GOU support. In some cases this was increased by lack of adequate motivation in technicians.
3. COMCORDE is carrying out its studies as planned.

4. PARTICIPANT TRAINING			X									X		
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Comment on key factors determining rating

There are some difficulties now in finding available participants due to small technical staff in GOU agencies, and the fact that the GOU is now working on the preparation of a five year development plan.

5. COMMODITIES														
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Comment on key factors determining rating

None.

6. COOPERATING COUNTRY	a. PERSONNEL		X											X
	b. OTHER		X											X

Comment on key factors determining rating

The main problems were in: Competence/Continuity of Project Leadership, and ability to implement Project Plans, Planning and Management Skills. Cooperation within Host Government is a key factor, as also are Legislative Changes, Political Conditions specific to project and Resolution of Bureaucratic Problems.

7. OTHER DONORS														
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(See Next Page for Comments on Other Donors)

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ii. 7. Continued: Comment on key factors determining rating of Other Donors

None.

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					
		CUMU- LATIVE PRIOR FY	CURRENT FY 72		FY 73	FY _____	END OF PROJECT
			TO DATE	TO END			
DGCE established and all activities planned in operation.	PLANNED	100%					100%
	ACTUAL PERFORMANCE	70%	80%				
	REPLANNED			80%	100%		100%
At least 4 feasibility studies available to GOU and public.	PLANNED	100%					100%
	ACTUAL PERFORMANCE	100%					
	REPLANNED						
New quality standards issued and enforced.	PLANNED	-	70%	70%	100%		100%
	ACTUAL PERFORMANCE	-	50%				
	REPLANNED			50%	70%		70%
Special Divisions in DGCE created and operating.	PLANNED	-	50%	50%	100%		
	ACTUAL PERFORMANCE	-	25%				
	REPLANNED			25%	80%		80%
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS		COMMENT: Although it has been established and is operating, the DGCE has not had, up to now, the importance and power expected, mainly due to GOU-originated factors.					
1. GOU policies favourable to export expansion.							
2. New investment is oriented to export industries.		COMMENT: The feasibility studies were well received both by GOU and private sector but have resulted in only one new investment that we know of, mainly due to the unfavorable economic climate in the election year.					
3. Improved quality of Uruguayan exports of selected products.		COMMENT: Quality standards proposed by IDB technicians have been well received and it is assumed that when enforced they will result in an increase in exports of these products.					

II. 7. Continued: Comment on key factors determining rating of Other Donors

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					
		CUMU- LATIVE PRIOR FY	CURRENT FY		FY <u>73</u>	FY _____	END OF PROJECT
			TO DATE	TO END			
Number of executives trained.	PLANNED	80%	100%	100%			100%
	ACTUAL PERFORM- ANCE	80%	100%				
	REPLANNED						
Projects of Law prepared and sent to Congress	PLANNED	-	50%	50%	100%	-	100%
	ACTUAL PERFORM- ANCE	-	10%				
	REPLANNED			10%	100%	-	100%
	PLANNED						
	ACTUAL PERFORM- ANCE						
	REPLANNED						
	PLANNED						
	ACTUAL PERFORM- ANCE						
	REPLANNED						
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS		COMMENT:					
1.	Efficiency in export norms and procedures	Presently the Mission is analyzing the situation and recommendations made by COMCORDE.					
2.	Legal structure promotes and supports export oriented investment.	COMMENT: There is a general feeling in the JOU that these laws are necessary for export development. A commission is working in the DGCE on a proposal to be sent to Congress this year.					
3.		COMMENT:					

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IV. PROJECT PURPOSE

A. 1. Statement of purpose as currently envisaged. 2. Same as in PROP? YES NO
Reform and centralize foreign commerce activities by establishing and supporting an Export Promotion Center and supporting the IAE activities.

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
1. Exports increasing at an annual rate of 5% starting 1970 until 1974	1-1969 - US\$ 200,336.000 1970 - " 232,709.000 1971 - " 203,000.000
2. Export offices of MEF, MGA, MTC MFR, coordinated by DGCE.	2. Decree 71/971 of 2.4.71 centralizes and coordinates all GOU agencies related to Foreign Trade under the DGCE.
3. DGCE originates or participates in GOU decisions related to exports	3. Participates in decisions referring to LAFTA, commerce with Argentina, negotiations with EEC. Does not participate in decisions related to exchange rate, reintegro, credit lines.
4. Export Promotion Incentive Law is in effect.	4. Export Promotion Law is being prepared by a special commission of the DGCE.
5. DGCE becomes sole source of information and problem solving for exporters.	5. DGCE is effectively assisting exporters and publishing a monthly bulletin "Asistencia al Exportador".
6. Quality standards enforced.	6. Standards have been prepared.
7. DGCE and IAE are adequately funded.	7. They have received adequate funds and are fighting to get a better position in the National Budget.
8. Selected exports grow at a rate of 10% starting 1972-1976.	8. When quality standards are ready exports of fish, cheese and leather products will grow faster than now.

V. PROGRAMMING GOAL

A. Statement of Programming Goal
Increase economic growth of Uruguay at a rate of 5% a year since 1970 to 1974.

B. Will the achievement of the project purpose make a significant contribution to the programming goal, given the magnitude of the national problem? Cite evidence.
In a recent presentation to a Commission of Congress, the Director of the Planning Office stated that the growth strategy of GOU will be based on export development.