

PROJECT APPRAISAL REPORT (PAR)

FORM M.O. 1025.1

389 ✓

520-11-995-185.3

199

003 U.S. OBLIGATION SPAN
 004 PROJECT TITLE
 005 FUNDING YEAR (FY) Thru FY 4 (*)
 REGION: AID/W OFFICE

5200185
 DEVELOPMENT PLANNING AND INVESTMENT

(TAX ADMINISTRATION)

Other being abstracted

DUPLICATE

FD AAA 870-81 GUATEMALA

006 FUNDING TABLE

TOTAL	CONTRACT (NON-AID)	PERSONNEL SERVICES			PARTICIPANTS		COMMODITIES		OTHER COSTS	
		AID	PASA	CONTRACT	DIR. PASA	CONTRACT	DIR. PASA	CONTRACT	DIR. PASA	CONTRACT
209			209							
84					15		6			6

OPERATIONAL YEAR: Thru Actual Year Operational Year Program :

007 IMPLEMENTING AGENCY TABLE

If responsibility for implementing agencies are employed, enter the name and contract or PASA number of each in appropriate spaces below; in the case of voluntary agencies, enter name and registration number from M.O. 1551.1, Attachment A. Enter the appropriate description code in column 1 and 2, using the coding guide provided below.

TYPE CODE a	TYPE CODE b	1.	2.	3.	TYPE CODE b.	c.	d.	e.
		IMPLEMENTING AGENCY					CONTRACT/PASA/VOLAG NO.	LEAVE BLANK FOR AID/W USE
			Int. Rev. Service		4	0		

PART I - PROJECT IMPACT

1-A. GENERAL NARRATIVE STATEMENT ON PROJECT EFFECTIVENESS, SIGNIFICANCE & EFFICIENCY.

This summary narrative should begin with a brief (one or two paragraphs) statement of the principal events in the history of the project since the last PAR. Following this should come a concise narrative statement which evaluates the overall efficiency, effectiveness and significance of the project from the standpoint of:

- (1) overall performance and effectiveness of project implementation in achieving stated project targets;
- (2) the contribution to achievement of sector and goal plans;
- (3) work input costs compared to costs, i.e., efficiency in resource utilization;
- (4) the perceived relevance, importance and significance of the project to country development and/or the furtherance of U.S. objectives.

Where in the above outline, as necessary and appropriate, significant remedial actions undertaken or planned. The narrative can refer to other sections of the PAR which are pertinent. If the evaluation in the previous PAR has not significantly changed, or if the project is too new to have achieved significant results, this Part should so state.

008 NARRATIVE FOR PART I-A (Continue on form AID 1020-25 I as necessary);

(*) The activities being conducted under this project will continue under Project title "Tax Administration" and No. 520-11-790-199 beginning in FY 71.
 Estimated. Prior to FY 70 this activity was conducted under the Public Administration Project No. 520-11-790-176.

MISSION DIRECTOR APPROVAL SIGNATURE DATE

PAR CONTINUATION SHEET

This sheet is to be used for any Narrative Sections for which sufficient space has not been provided on the form. Identify each narrative by its Part and Section Designation.

1.A Continued

1. Objectives: Increase GOG Tax revenue collections.
 Modernize and improve tax administration practices, policies and procedures.
 Administration of GOG revenue statutes.

B. AID & Counterpart Inputs:

AID: Technical Assistance

- 1 Full-time Audit/Training Advisor - Obligated
- 1 TDY Tax Collections Advisor - Obligated
- 1 TDY Data Processing Advisor - Obligated
- 1 TDY 2100 Type Advisor - Obligated - Not used
- 6 Participants
- Commodities: \$6,000 - of which only \$400 used

Counterpart:

- Expenses for attending international conference on tax administration: \$3,000 - None yet used
- Office expenses for USAID advisors
- International transportation for Participants
- Moral commitment to undertake tax administration reform measures

C. Targets/Actions completed to Date: (Calendar Year 1969 only):

1. Notifications of requirements of property permitted by certified mail
2. 100% math verification of Income Tax Returns initiated
3. Two additional field audit groups (Income Tax) constituted
4. Revised Audit Statistical Reporting Reports initiated
5. Home Study courses in Accounting for auditors initiated
6. Tax Administration Reform Commission constituted
7. Audit Program for 1969/1970 designed
8. Rotation of Field Group Supervisors and Review Staff Personnel initiated
9. Two Income Tax Collector Positions approved
10. Transfer of Timbres Tax to Income Tax approved

D. Factors Affecting Implementation to Date:

- Negative:
1. Prior to creation of Tax Administration Reform Commission it was difficult to achieve implementation due to inertia of Directors General
 2. Lack of budget support by Ministry for specific projects
 3. Lack of adequately trained administrators

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PAR CONTINUATION SHEET

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- Positive: 1. Tax Reform Commission, headed by Vice Minister, makes for better communication of project goals and relevance to Guatemala's existing poor tax administration institutions. As a result, budget support has been forthcoming; Directors General do carryout actions approved by Commission.

PART I-B - PROJECT EFFECTIVENESS

009 I-B-1 - OUTPUT REPORT AND FORECAST - (See detailed instructions)

1. CODE NO. AID/W USE ONLY	2. This section is designed to record progress toward the achievement of each project output target which was scheduled in the PIP, Part II. Where progress toward a target is significantly greater or less than scheduled, describe reason(s) beneath the target.	ACTUAL AND PLANNED OUTPUTS (ALL DATA CUMULATIVE)				6. PROJECTED TOTAL FOR PROJECT LIFE
		3 ACTUAL CUM. TO DATE 12=31/69	4. AS OF PRIOR JUNE 30 a. 6/30/69 b. 12/31/68		5. PLANNED BY NEXT JUNE 30 12/31/70	
	NOTE: Outputs are stated in terms of the objectives listed in Annex C of ProAg 70-1, and have been quantified in terms of the distance toward the desired goal that has been accomplished to date and expected by 12/31/70:	%	%	%	%	ALL 100%
	<u>PROCESSING RETURNS AND DOCUMENTS:</u>					
	1) Increase effectiveness in processing of tax documents	50	50	50	60	
	2) Achieve an efficient processing system through the optimum use of data processing equipment, manpower and procedures.	40	60	40	50	
	<u>DELINQUENT RETURNS AND ACCOUNTS</u>					
	1) Assure a more equitable distribution of tax burden by identification and registration of non-filers	40	40	40	50	
	2) Maintain an updated master file of taxpayers to expedite a delinquency check	75	90	75	80	
	3) Assure prompt collection of delinquent accounts through a systematic follow-up of delinquent accounts and collection action	40	70	40	50	
	<u>AUDIT</u>					
	1) Establish an adequate system of classification, assignment, control and review of returns	50	40	30	75	
	2) Improve audit supervisory practices.	70	75	60	80	
	3) Develop and improve caliber of audit personnel	50	50	50	75	
	4) Accelerate technical determination in order that cases may be closed in shorter period of time	25	25	5	50	
	5) Speed-up review procedures	60	75	60	75	

	Actual Cum. To 12/31/69	Planned 6/30/69	Actual 12/31/68	Planned 12/31/70	Projected Total For Project Life ALL 100%
	%	%	%	%	
APPEAL PROTEST AND CLAIMS:					
1) Expedite disposition of taxpayer controversies through administrative and judicial means.	0	0	0	10	
STATISTICS:					
1) Determine needs of management in the specific areas.	50	75	50	75	
2) Survey data presently available, the accumulation and reporting of data, and develop a program that can produce data required on a timely basis, making maximum use of equipment available.	0	0	0	15	
PUBLIC RELATIONS:					
1) Foster taxpayer compliance through permanent information, education and assistance programs.	75	75	75	80	
2) Enlist the participation of the taxpayer community in the process of taxation.	0	0	0	25	
GENERAL ADMINISTRATION:					
1) Promote a quality career service.	25	25	25	50	
2) Increase employee efficiency and morale and enhance the public image of the tax agencies through the modernization and up-grading of office space and equipment.	40	25	25	50	
GENERAL MANAGEMENT:					
1) To best service the needs of the taxpayer community and the requirements of efficiency by the creation of a single integrated agency for the administration of all internal taxes, organized generally along functional lines.	10	0	0	25	
2) Establishment of a planning and programming function within the tax administration agency in order to achieve better tax administration and modernize existing practices and procedures.	50	40	40	75	

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PAR CONTINUATION SHEET

520-11-995-185.3

Projected
Total For
Project
Life
ALL 100%

Planned
12/31/70
%

Actual
12/31/68
%

Planned
6/30/69
%

Actual
Cur. To
12/31/69
\$

Note: Property tax area was removed from the Projg for the reason that the AID-sponsored property tax loan provides for a consultant firm to undertake the analysis of property tax administration problems and to recommend and implement such recommendations.

FAR CONTINUATION SHEET

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PART I-B - Continued

010 B.2 - OVERALL ACHIEVEMENT OF PROJECT TARGETS

Place an "X" within the bracket on the following seven-point scale that represents your judgment of the overall progress towards project targets:



PART I-C - PROJECT SIGNIFICANCE

011 C.1 - RELATION TO SECTOR AND PROGRAM GOALS (See detailed instructions M.O. 1026.1)

This section is designed to indicate the potential and actual impact of the project on relevant sector and program goals. List the goals in col. b and rate potential and actual project impact in cols. c and d.

a. CODE NO. (AID/W USE ONLY)	SCALE FOR COLUMN c: 3= Very Important; 2= Important; 1= Secondary Importance SCALE FOR COLUMN d: 3= Superior/Outstanding; 2= Adequate/Satisfactory/Good; 1= Unsatisfactory/Marginal	c. POTENTIAL IMPACT ON EACH GOAL IF PROJECT ACHIEVES TARGETS	d. ACTUAL IMPACT ON GOAL TO DATE RELATIVE TO PROGRESS EXPECTED AT THIS STAGE
b. SECTOR AND PROGRAM GOALS (LIST ONLY THOSE ON WHICH THE PROJECT HAS A SIGNIFICANT EFFECT)			
(1)	Increasing government revenues	3	2
(2)	Improving Fiscal Administration	3	2
(3)			
(4)			

For goals where column c. is rated 3 or 2 and column d. is rated 1, explain in the space for narrative. The narrative should also indicate the extent to which the potential impacts rated 3 or 2 in column c. are dependent on factors external to the achievement of the project targets, i.e., is there a substantial risk of the anticipated impact being forestalled by factors not involved in the achievement of project targets. If possible and relevant, it also would be useful to mention in the narrative your reading of any current indicators that longer-term purposes, beyond scheduled project targets, are likely or unlikely to be achieved. Each explanatory note must be identified by the number of the entry (col. b) to which it pertains.

012 NARRATIVE FOR PART I-C.1 (Continue on form AID 1020-25 I):

The principal goal of the tax program is that of increasing GOG revenues. The means by which this goal is met is via more efficient use of the tax collection system and through the imposition of certain new or improved taxes. Heretofore, emphasis for greater revenue yields has been via the legislative route. Since the creation of the Tax Administration Reform Commission, Ministerial-level attention has been sharpened to the positive effect on revenue yield that improved tax administration can offer. However, this realization has come a little late to the government in power, and the fact that Guatemala is in an election year has substantially reduced the impact that this Commission could have. Evidence of this is found in the fact that fundamental changes necessary in such areas as personnel, budget support, procedures, etc., are not fully supported or modified to take into account the political ramifications that such changes may have upon the electorate. It is, however, anticipated that after the elections (March 1970) more concrete and positive actions and support for improvements in tax administration will be forthcoming.

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PART I-C - Continued

C.2 - GENERAL QUESTIONS

These questions concern developments since the prior PAR. For each question place "Y" for Yes, "N" for No, or "NA" for Not Applicable in the right hand column. For each question where "Y" is entered, explain briefly in the space below the table.	MARK IN THIS COL.
013 Have there been any significant, unusual or unanticipated results not covered so far in this PAR?	N
014 Have means, conditions or activities other than project measures had a substantial effect on project output or accomplishments?	Y
015 Have any problems arisen as the result of advice or action or major contributions to the project by another donor?	N
016 If the answer to 014 or 015 is yes, or for any other reason, is the project now less necessary, unnecessary or subject to modification or earlier termination?	N
017 Have any important lessons, positive or negative, emerged which might have broad applicability?	Y
018 Has this project revealed any requirement for research or new technical aids on which AID/W should take the initiative?	N
019 Do any aspects of the project lend themselves to publicity in newspapers, magazines, television or films in the United States?	N
020 Has there been a lack of effective cooperating country media coverage? (Make sure AID/W has copies of existing coverage.)	N

021 NARRATIVE FOR PART I-C.2 Identify each explanatory note by the number of the entry to which it pertains. (Continue on form AID 1020-25 I as necessary):

- 014 -- Discussed in 012, narrative on preceeding page.
- 015 -- OAS/IDB tax teams have also been active in Guatemala, but cooperation has always been excellent.
- 017 -- In spite of our desire for rapid movement and action in an area where in the United States many of the projects enumerated here are undertaken by the administrative side of government, in Guatemala these represent an area of extreme political sensitivity and perforce require patience in attaining even the simpler project goals.

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PART II - IMPLEMENTATION REPORT

II-A - STATUS OF SCHEDULE

022 A-1 - **INDIVIDUAL ACTIONS** (See detailed instructions M.O. 1026.1). This is a listing of major actions or steps which were scheduled for physical start or continuing implementation in the reporting period as reflected in the Project Implementation Plan, Part I.

PIP ITEM NO.	MAJOR ACTIONS OR STEPS; CAUSES AND RESULTS OF DELAYS; REMEDIAL STEPS	(b) STATUS - PLACE AN "X" IN, ONE COLUMN		
		INITIATED	PROBLEMS	To be Initiated
		BEHIND SCHEDULE	ON SCHEDULE	AHEAD OF SCHEDULE
	The focus of the project relates to changing attitudes of high level officials. Specific action is proposed on a broad range of issues, but a PIP has not yet been designed. The proposed set of actions under the ProAg signed in September, 1969, are listed below; almost all of these courses of action remain open in 1970. Listed as "to be initiated" are those steps on which no action has yet been taken.			
A.				
I.				
1.	Analyze receipt, flow and storage of tax returns and related documents.	1967	No	
2.	Prepare process charting of specific operations and tasks		No	1970
3.	Develop procedures for work simplification to ensure greater use of resources and timely processing.	1968	No	
II.				
1.	Study the possibility of assigning number to taxpayers that will identify geographic location, legal organization, and/or economic activity.		Yes	?
2.	Study time utilization and ADP equipment needs of the tax office.	1969	Yes	
3.	Make a system analysis - input - and design systems review procedures.		Yes	?
4.	Determine management requirements and prepare necessary programs.		Yes	? ?
5.	Determine ADP personnel training needs and use of AID/IRS training programs	1969	Yes	
6.	Develop system and procedures for processing refund returns, review, and issuance of checks.	1964	Yes	
B.				
I.				
1.	Study means for locating taxpayers by activity and/or by profession, and feasibility of legally using such sources for information.	1966	Yes	
2.	Program input of information to obtain a match with existing taxpayer list.		Yes	
3.	Develop system and procedures for securing delinquent tax returns and taxes, and subsequent follow-up activities.	1966	Yes	

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PAR CONTINUATION SHEET

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II. A. Continued	Initiated	To be Problems Initiated
II.		
1. Proceed as rapidly as possible in updating master taxpayer list and systematize procedures for maintaining such information current.	1968	Yes
III.		
1. Develop a system for rapid identification of delinquent accounts and referral to legal staff for collection.	1969	Yes
2. Establish systematic procedures for the collection of delinquent accounts.	1969	Yes
3. Centralize the control for pay-orders issued and cancelled; where possible use ADP system.	1969	No
C.		
I.		
1. Develop a program for a systematic control of industrial businesses which receive tax incentives.		No 1970
2. Analyze procedures for assignment, reporting, and reviewing tax returns selected for audit; recommend necessary changes.	1967	No
3. Define the primary verification procedure and establish a separate office audit for those returns which require more thorough investigation.	1968	Yes
4. Develop tax return classification and selection system.	1968	No
II.		
1. Define audit supervisor responsibilities.	1967	Yes
2. Develop an Inspector evaluation program.		No 1970
3. Develop a systematic, uniform and recurring audit production and review function reporting system.	1969	No
D.		
I.		
1. Improve procedures for appeals to Ministry of Finance and Public Credit to:		
a) Ensure taxpayer has appealed after depositing 20% of disputed tax.	1969	Yes
b) Establish a monthly reporting system which would include: Number of tax returns and amount of adjustments and related tax submitted to the Ministry; resolutions made in terms of number of tax returns, adjustments, and tax and balances on hand.	1969	Yes

PAR CONTINUATION SHEET

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II. A. Continued		Initiated	To Be Problems Initiated
E.			
I.			
1.	Develop a statistical program that will		
	a) Fulfill the needs of executive personnel- Minister - Director, etc.		No 1971
	b) Analyze revenue receipts and provide break- down by economic activity.	1964	No
	c) Provide necessary information for intelligent economic and tax policy planning programs	1966	Yes
	d) Measure effectiveness of tax administration.	1967	Yes
F.			
I.			
1.	Develop procedures for publishing information of general interest to all taxpayers.	1964	Yes
2.	Institutionalize procedures for issuing and controlling newspaper and other publicity.		Yes 1970
II.			
1.	Develop a system for discussing with the private sector proposed rulings, regulations, etc.		Yes ?
2.	Study feasibility of establishing at the Minis- terial level an Advisory Committee of representa- tives of the private sector to discuss important legislative or administrative changes.		Yes ?
3.	Determine ways of collaborating with the universi- ties to provide lecturers, discussion leaders, etc., on role of taxation and economic develop- ment, as well as a means of educating the public with respect to technical aspects of the law		Yes ?
G.			
I.			
1.	Establish in coordination with the Civil Service Office, an internal system of personnel adminis- tration, and develop an in-service promotion program based upon periodic evaluation, job performance and length of service.		No ?
2.	Establish minimum education/experience pre hiring standards and examinations.	1963	Yes
II.			
1.	Study space and equipment needs and means of better utilizing existing equipment.	1969	No
2.	Study feasibility of using open-shelf filing of tax returns.		Yes ?

PAR CONTINUATION SHEET

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II. A. Continued

Initiated
To be
Problems Initiated

H.

I.

- | | | |
|---|------|------|
| 1. Develop a plan for the unification of the existing separate tax Directorates: | | |
| a) Determine office-space needs | No | 1970 |
| b) Review organizational plan to define lines of authority, responsibilities, and achieve organization balance. | No | 1970 |
| c) Determine staffing requirements | No | 1970 |
| 2. Until such time as the unification referred to above is not achieved, absorb the administration of the stamp (timbres) tax within the Directorate General of Income Tax. | 1969 | No |

H.

- | | | |
|---|-----|------|
| 1. Revise and modify the functions of the Programs and Studies Division of the Income Tax Directorate so that it will be responsible for; planning and control activities; review, analysis, and evaluation of systems and procedures; formulate recommendations of necessary changes which will result in a better utilization of resources and reduce unnecessary expenditures of personnel time. | Yes | 1971 |
| 2. Identify areas needing technical advice and establish procedures for preparation and dissemination. | No | 1970 |

PAR CONTINUATION SHEET

This sheet is to be used for any Narrative Sections for which sufficient space has not been provided on the form. Identify each narrative by its Part and Section Designation.

II. A. Continued - PROBLEMS

ITEM NUMBER:

- A-II-1 This project is a long-term one and ~~one~~ that will require a radical change in the thinking of GOG tax officials. The use of single tax payer identification number for use by him for all types of taxes could be considered one of the most significant steps that could be undertaken by the GOG for an effective control of taxpayers per se, as well as overall tax administration improvement, especially when coupled with electronic data processing.
- 2 thru 6 Plans are in the mill for a feasibility study to reorganize and centralize data processing ministry-wide. This is an area in which the present technician lacks the necessary expertise to successfully operate.
- B-I-1 thru 3 Problems arise in that, though specific projects have been undertaken to locate delinquent taxpayers, no follow-up activity have been undertaken by the GOG. This area requires additional manpower inputs by the GOG tax offices which up to now they have failed to introduce. This area is difficult to quantify in terms of additional taxes. Though the Mission's tax advisors believe it would be substantial, the Tax Directorates almost insist upon a "guarantee" of "X" dollars of income before they'll undertake these follow-through activities.
- B-II-1 TDY assistance inputs by USAID/G resulted in procedures for updating master taxpayer lists, but due to lack of adequate EDP machines (lack of budget support) no follow-through in this area was undertaken.
- B-III-1 & 2 System designed, forms prepared, but lack of follow-up by Directors cause continuous problems.
- C-I-3 Primary Verification functions redesigned and is operating, but no decision made on converting this unit into an Office Audit function.
- C-II-1 Supervisory responsibilities have been defined, but no implementation has been undertaken by Directorate.
- D-I-1 Difficulties arise in securing necessary information from Ministry officials. Directors lack "drive" in pressuring these ministry officials for information.
- E-I-1 (c & d) Interested parties have not yet determined what information is necessary for tax policy; therefore, outputs by EDP cannot be made available until information is entered on punched cards and/or tapes.
- F-I-1 Feeling in Tax Directorates is that public should not be in on criteria to be used by Inspectors. Although much discussion has been had indicating that unless the public knows what the Directorate will do in a given adjustment area, they cannot file their returns using that

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This sheet is to be used for any... narrative by its Part and Serial Designation

II. A. Continued - PROBLEMS

ITEM NUMBER:

- F-I-1 (cont.) ... however,
- F-I-2 ... good,
- F-II-1 thru 3
- G-I-2
- G-II-2 ... overcome
- H-II-1 ... trained and of in-

PART II - Continued

II-A.2 - OVERALL TIMELINESS

If project implementation is (place an "X" in one block):

BLOCK (X) If checked, place an "X" in any of the blocks one thru eight that apply. This is limited to key aspects of implementation, e.g., timely delivery of commodities, return of participants to assume their project responsibilities, cooperating country funding, arrival of technicians.

(a) On schedule	
(b) Ahead of schedule	
(c) Behind schedule	X
(1) AID/W Program Approval	
(2) Implementing Agency (Contractor/Participating Agency/Voluntary Agency)	
(3) Technicians	
(4) Participants	
(5) Commodities (non-FFF)	
(6) Cooperating Country	
(7) Commodities (FFF)	
(8) Other (specify):	

II-B - RESOURCE INPUTS

This section appraises the effectiveness of U.S. resource inputs. There follow illustrative lists of factors, grouped under Implementing Agency, Participant Training and Commodities, that might influence the effectiveness of each of these types of project resources. In the blocks after only those factors which significantly affect project accomplishments, write the letter P if effect is positive or satisfactory, or the letter N if effect is negative or less than satisfactory.

1. FACTORS-IMPLEMENTING AGENCY (Contract/Participating Agency/Voluntary Agency)

024 IF NO IMPLEMENTING AGENCY IN THIS PROJECT, PLACE AN "X" IN THIS BLOCK:		032 Quality, comprehensiveness and candor of required reports	G
025 Adequacy of technical knowledge	G	033 Promptness of required reports	G
026 Understanding of project purposes	G	034 Adherence to work schedule	G
027 Project planning and management	G	035 Working relations with Americans	G
028 Ability to adapt technical knowledge to local situation	G	036 Working relations with cooperating country nationals	G
029 Effective use of participant training element	G	037 Adaptation to local working and living environment	G
030 Ability to train and utilize local staff	G	038 Home office backstopping and substantive interest	G
031 Adherence to AID administrative and other requirements	G	039 Timely recruiting of qualified technicians	F
		040 Other (describe):	

2. FACTORS-PARTICIPANT TRAINING

041 IF NO PARTICIPANT ELEMENT IN PROJECT, PLACE AN "X" IN THIS BLOCK:		TRAINING UTILIZATION AND FOLLOW UP	
PREDEPARTURE		052 Appropriateness of original selection	
042 English language ability	NA	053 Relevance of training for present project purposes	G
043 Availability of host country funding	G	054 Appropriateness of post-training placement	G
044 Host country operational considerations (e.g., selection procedures)	F	055 Utility of training regardless of changes in project	G
045 Technical professional quality of staff	G	056 Ability to get meritorious ideas accepted by supervisors	P
046 Quality of technical supervision	G	057 Adequacy of performance	G
047 Quality of general supervision	G	058 Continuance on project	G
048 Participants' collaborative in planning content of program	NA	059 Availability of necessary facilities and equipment	G
049 Cooperation by participants' supervisors in planning training	NA	060 Mission or contractor follow-up activity	G
050 Host country facilities for training	G	061 Other (describe):	
051 Other (describe):			

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PART II-B - Continued

3. FACTORS-COMMODITIES

PLACE AN "X" IN APPROPRIATE BLOCK:	062 FFF	063 NON-FFF	X	064 NO COMMODITY ELEMENT	
					072 Control measures against damage and deterioration in shipment.
065 Timeliness of AID/W program approval (i.e., PIO/C, Transfer Authorization).					073 Control measures against deterioration in storage.
066 Quality of commodities, adherence to specifications, marking.					074 Readiness and availability of facilities.
067 Timeliness in procurement or reconditioning.					075 Appropriateness of use of commodities.
068 Timeliness of shipment to port of entry.					076 Maintenance and spares support.
069 Adequacy of port and inland storage facilities.					077 Adequacy of property records, accounting and controls.
070 Timeliness of shipment from port to site.					078 Other (Describe):
071 Control measures against loss and theft.					

Indicate in a concise narrative statement (under the heading a. Overall Implementation Performance, below) your summary appraisal of the status of project implementation, covering both significant achievements and problem areas. This should include any comments about the adequacy of provision of direct hire technicians as well as an overall appraisal of the comments provided under the three headings (b, c & d) which follow. For projects which include a dollar input for generation of local currency to meet local cost requirements, indicate the status of that input (see Detailed Instructions).

Discuss separately (under separate headings b, c & d) the status of Implementing Agency Actions, Participants and Commodities. Where above listed factors are causing significant problems (marked N), describe briefly in the appropriate narrative section: (1) the cause and source of the problem, (2) the consequences of not correcting it, and (3) what corrective action has been taken, called for, or planned by the Mission. Identify each factor discussed by its number.

079 NARRATIVE FOR PART II-B: (After narrative section a. Overall Implementation Performance, below, follow, on form AID 1020-25 I as needed, with the following narrative section headings: b. Implementing Agency, c. Participants, d. Commodities. List all narrative section headings in order. For any headings which are not applicable, mark them as such and follow immediately below with the next narrative section heading.)

a. Overall Implementation Performance.

Commodity input has been very small to this extent in the tax program. Commodities acquired during past 3 years have been purchased locally.

PART III - ROLE OF THE COOPERATING COUNTRY

The following list of illustrative items are to be considered by the evaluator. In the block after only those items which significantly affect project effectiveness, write the letter P if the effect of the item is positive or satisfactory, or the letter N if the effect of the item is negative or less than satisfactory.

SPECIFIC OPERATIONAL FACTORS:

080 Coordination and cooperation within and between ministries.	N
081 Coordination and cooperation of LDC gov't. with public and private institutions and private enterprise.	N
082 Availability of reliable data for project planning, control and evaluation.	N
083 Competence and/or continuity in executive leadership of project.	P
084 Host country project funding.	N
085 Legislative changes relevant to project purposes.	N
086 Existence and adequacy of a project-related LDC organization.	N
087 Resolution of procedural and bureaucratic problems.	P
088 Availability of LDC physical resource inputs and/or supporting services and facilities.	P
089 Maintenance of facilities and equipment.	
090 Resolution of tribal, class or caste problems.	N
091 Receptivity to change and innovation.	N
092 Political conditions specific to project.	N
093 Capacity to transform ideas into actions, i.e., ability to implement project plans.	N
094 Intent and/or capacity to sustain and expand the impact of the project after U.S. inputs are terminated.	N
095 Extent of LDC efforts to widen the dissemination of project benefits and services.	N
096 Utilization of trained manpower (e.g., participants, counterpart technicians) in project operations.	P
097 Enforcement of relevant procedures (e.g., newly established tax collection and audit system).	P
098 Other:	

HOST COUNTRY COUNTERPART TECHNICIAN FACTORS:

099 Level of technical education and/or technical experience.	P
100 Planning and management skills.	N
101 Amount of technician man years available.	P
102 Continuity of staff.	N
103 Willingness to work in rural areas.	
104 Pay and allowances.	N
105 Other:	

In the space below for narrative provide a succinct discussion and overall appraisal of the quality of country performance related to this project, particularly over the past year. Consider important trends and prospects. See Detailed Instructions for an illustrative list of considerations to be covered.

For only those items marked N include brief statements covering the nature of the problem, its impact on the achievement of project targets (i.e., its importance) and the nature and cost of corrective action taken or planned. Identify each explanatory note.

106 NARRATIVE FOR PART III (Continue on form AID 1020-25 1):

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PART IV - PROGRAMMING IMPLICATIONS

IV-A - EFFECT ON PURPOSE AND DESIGN

Indicate in a brief narrative whether the Mission experience to date with this project and/or changing country circumstances call for some adjustment in project purposes or design, and why, and the approximate cost implications. Cover any of the following considerations or others that may be relevant. (See Detailed Instructions for additional illustrative considerations.) Relevant experience or country situations that were described earlier can simply be referenced. The spelling out of specific changes should be left to the appropriate programming documents, but a brief indication of the type of change contemplated should be given here to clarify the need for change.

For example, changes might be indicated if they would:

- 1. better achieve program/project purposes;
- 2. address more critical or higher priority purposes within a goal plan;
- 3. produce desired results at less cost;
- 4. give more assurance of lasting institutional development upon U.S. withdrawal.

107 NARRATIVE FOR PART IV-A (Continue on form AID 1020-25 I);

This project is indeed an important one; not only for better tax administrative but for the effect on revenue yield that better tax administration will produce.

The project is an ambitious one, but it cannot be successfully carried out with only one full-time technician. TDY assistance is only a stop-gap measure. Continuous and sustained technical assistance is necessary for a minimum of two years to establish a good institutional base, after which it can begin to be reduced. Without such assistance, it is doubtful that the modest gains forecast for 1970 can be achieved. The GOG personnel, though they try to cooperate, lack the necessary managerial skills necessary to establish a base that will be self-sustaining once the US support is withdrawn. However, our technical assistance must be coupled to a GOG commitment to sincerely carryout the recommendations made

IV-B - PROPOSED ACTION

108 This project should be (Place an "X" in appropriate block(s)):

- 1. Continued as presently scheduled in PIP.
- 2. Continued with minor changes in the PIP, made at Mission level (not requiring submission of an amended PIP to AID/W).
- 3. Continued with ~~minor~~ changes in the PIP (but not sufficient to require a revised PROP). A formally revised PIP will follow. X
- 4. Extended beyond its present schedule to (Date): Mo. Day Yr. Explain in narrative, PROP will follow.
- 5. Substantively revised. PROP will follow.
- 6. Evaluated in depth to determine its effectiveness, future scope, and duration.
- 7. Discontinued earlier than presently scheduled. Date recommended for termination: Mo. Day Yr.
- 8. Other. Explain in narrative.

109 NARRATIVE FOR PART IV-B:

No PIP yet exists. It is anticipated that during calendar year 1970 a realistic timetable for implementing the projects described in Annex C of the ProAg will be prepared.

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