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PARAGUAY POVERTY REDUCTION PROGRAM QUARTERLY REPORT

OCTOBER-DECEMBER 2007

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0. INTRODUCTION AND SUMMARY

This report covers the activities and results of Paraguay Vende from October to December 2007. The project provided technical assistance to 19 businesses that produce 24 products (see section 2; table 3). Assistance focused on developing the trade chains in the three economic corridors and mainly benefited small, rural producers. The USD 15.8 million of increased sales and 1.9 million person days, achieved during the first seven month of the extended FY 2008, represent 75 and 74 percent of the established sales and employment targets, respectively (see table 1).

Table 1
Paraguay VENDE II Achievements

Targets and Results	Life of Project											
	FY 2008					FY 2009				FY 2010		
	Q-4	Q-1	Q-2	Q-3	Q-4	Q-1	Q-2	Q-3	Q-4	Q-1	Q-2	Q-3
	jun-sep	oct-dec	Jan-mar	april-jun	jul-sep	oct-dec	Jan-mar	april-jun	jul-sep	oct-dec	Jan-mar	april-jun
Increased Sales - US\$												
Q1 2008 Achievements		6,948,503										
Accumulated Results		15,832,046										
FY 2007/8 accomplished	75,39%											
Proposed targets for FY 2008 (16 months)	\$21,000,000											
Life of project accomplished	27,78%											
Life of project targets (37 months)	\$57,000,000											
Increased Exports - US\$												
Q1 2008 Achievements		2,189,687										
Accumulated Results		7,845,249										
FY 2007/8 accomplished	92,30%											
Proposed targets for FY 2008 (16 months)	\$8,500,000											
Life of project accomplished	34,11%											
Life of project targets (37 months)	\$23,000,000											
Increased employment, person days												
Q1 2008 Achievements		802,256										
Accumulated Results		1,960,455										
FY 2007/8 accomplished	73,98%											
Proposed targets for FY 2008 (16 months)	\$2,650,000											
Life of project accomplished	27,42%											
Life of project targets (37 months)	\$7,150,000											
Increased investments, US\$												
Q1 2008 Achievements		3,380										
Accumulated Results		19,148										
FY 2007/8 accomplished	1,13%											
Proposed targets for FY 2008 (16 months)	\$1,700,000											
Life of project accomplished	0,41%											
Life of project targets (37 months)	\$4,650,000											

Source: Monitoring Unit (UMR) of Paraguay Vende

This report is divided into four sections:

Section one of this report consists of three subsections describing technical assistance activities, the achievements and information about the program's additional objectives. There is detailed information about the products and firms assisted, including two new client firms that were recently incorporated into the project's activities.

Section two is about the Economic Service Centers (CSE) and focuses on the prospected firms that will be the future source of sales and employment generation.

Section three concentrates on the additional objectives of the task order and includes information on program beneficiaries, the organization of events and diagnostics that are reported to the Mission every six months.

Finally, Section four discusses the criteria and activities of the monitoring unit and section five reports on financial resources spent and the consultants that are currently under contract with Chemonics and the subcontractors.

1. TECHNICAL ASSISTANCE AND ACHIEVEMENTS

Technical Assistance to Client Firms

As the FY 2007/08 work plan states, Memorandums of Understanding (MOU's) with client firms established under Vende I are active and will continue under Vende II when the owners or managers remain the same. Also, as indicated in the Q4 2007 Report these firms have maintained their former business plan until September 2007. However, only those firms with renewed business plan since October 2007 have been considered for reporting results.

Although some assistance provided to former client firms of Vende I continue on the same path as before, many of the business plans authorized by them now focus on new areas or products. All assistance provided is based on negotiated business plans that take into consideration the product's trade chain. The entrepreneur is considered as the most empowered agent of the trade chain who assures sustainability to the achievements. While the MOU ('convenio') is always signed with the entrepreneur, assistance is also provided to small producers, or to the buyers within the trade chain.

Chung Bo, located in Concepción, is a Korean based manufacturer of food and beverages interested in sourcing commodities and finished products from Paraguay. The new business plan also includes other businesses like chili and cooked meat.

Exporting bananas and pineapples to Argentina remains the focal point of the assistance provided to Guayaibí, but this time the business center is working more closely with ACDI/VOCA in improving the productivity and the quality achieved by the cooperative. In order to access new technologies and methodologies, Paraguay Vende plans to contact the USAID ARCO project implemented by Chemonics in the Chapare region of Bolivia. The project is also considering contacting other sources of international consultancies in order to further improve this business.

The business plan for Destisur has not changed and the assistance continues to be based on increasing supply and finding buyers for ethanol 95°. While Fibrac's business plan has not changed, the project is now providing a consultancy to launch a new line of kitchen and bathroom furniture for the local market.

For Hierbapar, the business plan includes not only herbs but as the development of the cultivated area for sesame in the region of Concepción and Loreto.

The business plan for Imperio Guaraní this focuses on the development of the required quality demanded by the international buyers.

In the case of Kemagro, the new business plan includes assistance to extend the cultivation of Inia: the new sesame variety in the region of Misiones and Canindeyú. During Vende I this type of sesame was demanded by US buyers but little progress was made by the firm to fulfill the required supply. Shirosawa has a similar business plan to that under Vende I.

COMPASA is incorporating new businesses like recycling motor filters.

Cooperativa Bergthal now requires assistance to increase their supply of wheat because its demand for flour surpassed its level of production capacity based on wheat supply from the cooperative members.

Dalazen has incorporated to its business plan de sales of equipment for producing bio-diesel.

Frutika's business plan is now based on modernizing management, especially its skills and database for cost analysis and investment decision systems. Increasing sales of fruit juices continues to be a priority because its capacity is largely unused at the current sales volume.

Grupo Estancias FD is in the same line as Frutika, because the firm has virtually no middle management and was in great need to become a modern firm; a shift from its usual farm-based organization.

HNR Industrial is switching from hand bags to fashion clothing focused of the Brazilian market and requires training to redesign the production process.

The new business plan with Cooperativa Chortitzer aimed at exporting dairy products was not signed since this client is halting milk exports to Brazil due to production shortages caused by unfavorable weather conditions.

The new business plans for Molinos El País (MEP) and UPISA stress the need to rethink sales to the local market and increase the importance of the Paraguayan consumer as part of their business. MEP will participate at the FABE in May and, with the help of the project, start a promotion of its parboiled rice. UPISA changed its focus towards increasing pork supply to its slaughterhouse and Paraguay Vende's business center in Encarnación is gearing up to provide assistance to promote pork production.

Currently, Alex and Forestal La Poderosa are the only new client firms with signed business plans. The assistance for developing export to Brazil of Chinese assembled motorbikes by Alex S.A. started as a demand driven project. The Brazilian buyer has been involved from the very beginning of the project and the eastern business center engaged in the formation of the close partnership with the Paraguayan assembler.

Forestal La Poderosa, a supply driven entrepreneur, is developing the production of charcoal for export. The production process is based on state of the art technology imported from Brazil and the use of reforested eucalyptus. The plantation was acquired from a bankrupt business in the late 1990's affected by the banking crisis. The present owners did not find a

stable buyer, so the Vende project brought the charcoal supplier in contact with an Italian importer.

Many client firms are pressed by revenues and profits and this makes them more interested in improving their productivity and financial management and also in investing in suppliers and new types of sales, especially reducing the number of transaction layers to reach the final consumers. Most firms are now in need of investing in fixed assets and welcome Paraguay Vende's aid to guide them towards credit facilities.

Paraguay Vende is in a unique position to organize and provide the aforementioned services for client firms, especially because other providers like REDIEX only focus on exports, PR100 only concentrates on modernization without targeting specifically on increasing sales. Vende targets sales increase as a must and engages in all three areas: internal and firm-specific bottlenecks, those within the supply side and those focused on foreign or local sales. On the other hand, the project needs to focus more on alliances with other players in the field, like banks, projects and large firms. The cost for improving productivity and management of client firms is considerably higher than the cost of finding new buyers or suppliers.

Increase of Sales, Employment and Investments

The project currently assists 24 products from 19 client firms. Except for two, all others continued from Vende I (see table 2). Sales increase between Q1-2007 and Q1-2008 for most assisted firms is tremendous (see table 2). Firms increased sales for their assisted products at least 34% (UPISA) but many show almost a three-fold increase (Guayaibi), grew more than five times (Dalazen), or over six times (Compasa) and 14 times (Hierbapar). These achievements reflect economic growth in the corridors and have generated many new jobs that did not exist one year ago.

Table 2
Increase of Additional Sales of Client Firms Vende I and Vende II

Client firms	% Increase of Additional Sales, Q1/2007-Q1/2008
UPISA	34,%
Molinos El País	41%
Estancias FD	40%
HNR Industrial	66%
Dalazen	531%
Cooperativa Bergthal	91%
Destileria del Sur	53%
Fibrac	93%
Compasa	643%
Cooperativa Guayaibi	276%
Hierbapar	1,406%

Source: Monitoring Unit (UMR) of Paraguay Vende

In terms of additional sales generated by our technical assistance system, the most important results during the Q4 2007 period were for pork meat and cold cuts for UPISA; as shown in table 3. Compared to the same period last year, the firm decided to double the volume of its local sales and slightly decrease its export (7% less), mainly because of a lower exchange rate. This quarter the local demand absorbed 56% of UPISA's sales and the remainder 44% were exported (see table 3).

Most client firms had similar experiences as UPISA during this quarter. Local sales have gained in importance whereas export value dropped during this period, resulting in a 68% for local sales and 32% for exports. Accumulated results of Vende II show that the relationship is 50% / 50% (see table 3). In terms of the results of Vende I the proportions was inverse to these results: 2/3 abroad and 1/3 local. One possible explanation for this change is the reduced value of the US dollar, affecting revenues for exporters considerably.

Table 3
Results Generated by the Firms Assisted
Oct-Dec 2007 and Accumulated FY 2007/8

Results per Client Firms and Products ↓			Total Additional Sales US\$		Additional Local Sales US\$		Additional Exports US\$		Additional Employment (Person Days)		Additional Investment US\$	
			Q-1 FY 08	Accumulated	Q-1 FY 08	Accumulated	Q-1 FY 08	Accumulated	Q-1 FY 08	Accumulated	Q-1 FY 08	Accumulated
CENTER	1	Chung Bo	465.452	465.452	-	-	465.452	465.452	67.114	67.114	-	-
	2	Cooperativa Guayaibí	147.879	168.150	61.201	70.055	86.678	98.095	24.540	27.904	-	-
	3	Destisur	697.261	1.751.208	697.261	1.751.208	-	-	57.647	144.784	-	-
	4	Fibrac	432.745	733.766	432.745	733.766	-	-	62.454	105.898	-	-
	5	Hierbapar	237.187	237.187	237.187	237.187	-	-	34.200	34.200	-	-
	6	Imperio Guaraní	32.840	32.840	6.194	6.194	26.646	26.646	4.735	4.735	-	-
	7	Semillas Kemagro	-	116.221	-	-	-	116.221	-	19.296	-	-
	8	Shirosawa Company	-	3.978.879	-	-	-	3.978.879	-	660.273	-	-
	9	COMPASA	314.104	314.104	314.104	314.104	-	-	25.836	25.836	-	-
Subtotal			2.327.469	7.797.807	1.748.693	3.112.515	578.775	4.685.292	276.527	1.090.031	-	-
EAST	10	Cooperativa Bergthal	1.369.481	2.216.214	1.369.481	2.199.204	-	17.010	142.370	230.396	-	-
	11	Dalazen	167.766	329.349	167.766	329.349	-	-	10.171	19.968	-	-
	12	Frutika	34.063	78.754	-	-	34.064	78.754	4.912	11.356	-	-
	13	Estancias FD	185.982	353.649	185.982	353.649	-	-	30.843	58.622	-	-
	14	HNR Industrial	61.856	190.893	61.856	190.893	-	-	7.744	23.786	3.380	19.148
	15	Cooperativa Chortitzer	-	496.744	-	-	-	496.744	-	38.276	-	-
16	Alex	66.201	66.201	-	-	66.201	66.201	4.160	4.160	-	-	
Subtotal			1.885.349	3.731.804	1.785.085	3.073.095	100.264	658.709	200.201	386.564	3.380	19.148
SOUTH	17	Molinos El País	550.801	592.298	-	-	550.801	592.298	79.421	85.404	-	-
	18	UPISA	2.184.883	3.710.137	1.225.038	1.801.188	959.846	1.908.950	246.108	398.456	-	-
	19	Forestal La Poderosa	-	-	-	-	-	-	-	-	-	-
Subtotal			2.735.685	4.302.435	1.225.038	1.801.188	1.510.647	2.501.247	325.528	483.860	-	-
Total			6.948.503	15.832.046	4.758.816	7.986.798	2.189.687	7.845.248	802.256	1.960.454	3.380	19.148
Products			Sesame oil	Chili powder	Fresh bananas	Fuel ethanol	Stevia sweetener					
			Sesame seed	Herbs (teas, culinary)	Pineapples	Fiber glass products	Recycled motor oil					
			Wheat flour	Farm equipment	Oil processing equip.	Fruit juices	Organic yerba mate					
			Acerola pulp	Hand bags	Clothing	Milk	Motor bikes					
			Rice	Pork meat	Cold cuts	Charcoal (eucaliptus)						

Source: Monitoring Unit (UMR) of Paraguay Vende

However, there were also interesting accomplishments on the export front. For instance, the first shipment of motorbikes by Alex to Maringa (Brazil) was accomplished in December 2007 and represents a significant milestone in the trade relationship between Paraguay and Brazil (see table 3). The next shipment of assembled motorbikes is expected to reach a 40% of Mercosur content. This would turn them into "made in Paraguay" according to Mercosur's rules of origin prevailing for Paraguay.

Cooperativa Guayaibi exported 14 trucks of pineapples to Buenos Aires, compared to 5 during the same period in 2007. Although they experienced a drop in prices, the combined effect with the lower exchange rate generated less income with a similar volume. The total value exported increased 3.8 times compared with the same period in 2007. There were not important restrictions at the border this year, as it happened in 2007 when many trucks could not enter Argentina. This year Guayaibi also supplied the Asuncion market with a larger volume and the lower prices attracted more consumers.

Since we began assisting Guayaibi the focus always centered on searching more buyers and maintaining stable trade relationship with their single buyer in Argentina; who was linked to the Cooperativa by the Vende I project. Vende is also improving post-harvest handling technologies for their fruits and packaging, and facilitated the Guayaibi's access to credits to invest in fixed assets for the banana plantations, including cables and irrigation systems. The Cooperativa still has a weak management that is not fully prepared to handle the current trade volume in fruits and the required financial resources. This weakness adds extra pressure on the business center to provide solutions.

Accumulated results on sales and employment include 29% generated by sesame seed exports (Shirosawa, Kemagro, Hierbapar) and sesame oil (Chung Bo). The second most important business supported by the Vende project is UPISA, which produces frozen pork and cold cuts; accounting for 23% of total sales generated so far (see table 3). While six firms have approved MOU's, business centers are now dedicated to sign MOU's with new firms and will incorporate new products into the Vende portfolio.

Technical Assistance Beneficiaries

The single most important impact of additional sales within assisted firms is that they generate employment that reaches many beneficiaries. According to table 3 above, the employment achieved during the initial seven months of project assistance to 19 firms and 24 products was 1.960.454 person days. If these person days of additional employment are transformed into full time jobs of 5 days, 13.000 people got new employment during these 30 weeks, between June and December 2007 (the first 7-month period for Vende II).

The aforementioned employment is not concentrated in 13.000 beneficiaries but as table 4 shows, about 97.000 people. The total number of employees working for Vende-assisted companies is 1.220, however, the impact on employment extends much further. The indirect impact to small farmers is the most significant, since it involves 95.689 people (see table 4). Furthermore, when we take into account the many rural NGO's involved with our client firms (see table 4), the conclusion could be that this is mainly a rural employment project.

The above conclusion could be misleading, though, because many small farmers work with a wide category of agents within the trade chains - urban firms, entrepreneurs living in the cities, urban employees, consultants from the cities, urban consumers, etc. – that are an essential part of the key factors that explain the achievements. In this sense, the economic corridors linking agents into a trade chain are the key concepts of the Vende approach.

It is surprising that 95 % of the project beneficiaries are people in the central corridor. These are mostly small farmers, and according to estimations from client firms, 60% of them are

women and 40 % men (see table4). Although there is a small positive impact per beneficiary – 12 person days of employment during a period of 30 weeks or less than half a day per week – this is spread out over a large population (92.000 people).

In the eastern and southern corridors, the project's impact is about 3 person days per week, which should be considered large enough to stimulate formal employment, increase income and provide positive on-the-job training effects. In the case of the central corridor, the present impact on people's employment may increase to a level of one person day per week if more products or additional land are incorporated by famers and firms like Shirosawa, Kemagro, Chung Bo, Hierbapar and Destisur buy up this new production. Firms are incorporating new products to their processing lines, like Chung Bo with chili and Hierbapar with oregano, while others like Guayaibi increases its involvement in bananas and pineapples.

Table 4
The Beneficiaries of the Assistances Accumulated FY 2007/8*

Client firms	ONGs		Volunteers	Students	Small farmers	Work-force	Business community / private sector	Total	
	Urban	Rural						Women	Man
1 Chung Bo	0	0	0	0	5.000	13	27	3.008	2.032
2 Coop. Guayaibi	5	0	6	0	352	4	6	220	153
3 Destisur	0	0	0	1	4.124	24	4	2.441	1.712
4 Fibrac	0	0	0	0	30	41	27	24	74
5 Hierbapar	6	25	6	6	13.300	30	18	8.049	5.336
6 Imperio Guaraní	Nd	nd	nd	nd	nd	nd	nd	nd	nd
7 Kemagro	0	0	0	0	2.100	5	9	1.262	852
8 Shirosawa	0	9	0	0	71.500	113	64	42.293	29.393
9 COMPASA	0	0	0	0	59	35	11	30	75
CENTER	11	34	12	7	91.524	287	144	54.349	37.670
10 Coop. Bergthal	0	0	0	0	285	71	9	21	344
11 Dalazen	0	0	0	5	0	69	2	12	64
12 Frutika	0	0	0	0	3.500	124	2	1.409	2.217
13 Estancias FD	0	0	0	0	150	140	2	130	162
14 HNR Industrial	0	0	0	0	0	35	2	5	32
15 Coop.Chortitzer	nd	nd	nd	nd	nd	nd	nd	nd	nd
16 Alex	0	0	0	0	0	250	4	13	241
EAST	0	0	0	5	3.935	689	21	1.590	3.060
17 Molinos El País	0	0	1	5	230	70	9	20	295
18 UPISA	nd	nd	nd	nd	nd	nd	nd	nd	nd
19 Forestal La Poderosa	nd	nd	nd	nd	nd	nd	nd	nd	nd
SOUTH	0	0	1	5	230	70	9	20	295
TOTAL	11	34	13	17	95.689	1.046	174	55.959	41.025

Source: Monitoring Unit (UMR) of Paraguay Vende.

*Note: This data has been gathered by the CSE's following a template prepared by the unit. The criteria's used by the CSE's to preempt the requested data are available at the UMR and could be sent on request. Four of the 19 firms have not responded on time and their data will be completed on the next quarterly report. The data will be analyzed and discussed during staff meetings and its quality and interpretation may improve, and will be reported in the next quarter.

1 ECONOMIC SERVICE CENTERS

The business centers initially concentrated on how to pick up the lines of useful assistances; as initiated under Vende I. Now, they are exploring and establishing new assistances (see table 5). From the 21 potential new client firms, seven already have an approved agreement, whereas one is pending approval and the remainder 12 firms are in the negotiation process.

As subcontractors activities started under Vende II in August 2007, the CSE were strongly supported by the Monitoring Unit, which, in turn, received technical assistance from the USAID Peru PRA project on the methodologies to renew the old business plans and to measure project impact.

In October, the CSE's began to change their focus towards extending assistance to new firms and products, and received the technical help of two Chemonics specialists, Antonio Calzada and Jim Riordan. Many key issues were raised during their one-week tour visiting business centers and client firms. Training the business advisers and directors of the CSE is considered a key issue for achieving high performance and will be part of the agenda for future quarters. Many new products are very likely to receive assistance. These include chicken, manioc starch, clothing and organic sugar (see table 5).

Table 5
Negotiation Assistances to New Firms

Firms explored for assistance	Approved MOU's negotiating business plan	Waiting for Approval MOU's	Negotiating MOU's	Products	Markets
CENTER					
1 Bouncopy			X	Call Center	External
2 Pollpar			X	Chicken	Inter/ext
3 Alimentos Ecológicos			X	Sesame seed	External
4 Coopafiol			X	Beef	External
5 Canopy		X		Yerba mate	External
6 Grupo de ganaderos			X	Frozen cooked beef	External
7 Almisa			X	Manioc starch	External
8 Coop. Cnel. Oviedo			X	Fuel alcohol	Internal
9 Vicoza			X	Integral organic sugar	External
10 Arasy			X	Organic sesame	External
EAST					
11 Sitsa	X			Call Center	External
12 Féculas Paraguayas	X			Manioc starch	External
13 MMKM			X	Clothing	External
14 Megaplasticos			X	Plastics	External
15 Pechugon			X	Chicken	Internal
SOUTH					
16 Ingenio Santa María	X			Organic sugar	External
17 Algisa	X			Organic cotton	External
18 Aravore	X			Organic clothing	External
19 Laura Raatz	X			Yerba mate	External
20 Original SCI	X			Eucalyptus seeding	Internal
21 PAZHMA			X	Carrots	Internal

Source: based on information presented at the staff meetings

2 CAPACITY BUILDING, TRAINING, CONSULTATIONS AND DIAGNOSTICS

Many additional activities have been undertaken during the past seven months resulting in achievements summarized in table 6. Besides launching the project and establishing the CSE's, the project organized an average of one event per month that resulted in seven reported achievements (see table 6). According to the reporting classification of the task order, the training activities (A and B) require participant data, whereas the diagnostics and the consultations with the private sector do not need participant data (C and D). The lower files on table 6 provide the type of assistance provided to client firms.

The study on bio-fuels that was scheduled for this quarter has not started but is included in the agenda for the following quarter. The project anticipates signing two new agreements (Cooperativa Coronel Oviedo and Almisa) and to also further business consolidation in Destisur, which is currently in the process of selling to new owners. Once these client firms are settled, the project will start the proposed study and base its structure on the demands from both of the aforementioned client firms and the Vice-Ministry of Industry. An additional study requested by firms is on the opportunities to export cooked beef. This will also begin this upcoming quarter if the agreements with beef producers are signed.

Table 6
Additional Achievements, June-December 2007

Achievements	Number	Observations
A. Investment capacity building and improving trade	112	One event of presentations & discussions with sesame producers and exporters. (101Participants, 16 Women and 85 Men) One event of presentations & discussions with organic producers of Itapua. (11Participants, 1 Woman and 10 Men)
B. Improving the trade and investment environment	15	One event of presentation & discussions on assistances to countries with a TLC with USA. (4 Women and 11Men)
C. Trade and Investment diagnostics	0	
D. Consultations with private sector	4	Three events of presentations and roundtable discussions with beef producers. One roundtable discussion about trazability with sesame entrepreneurs.
E. Assistances for capacity building to export	10	(Coop. Guayaibi; Kemagro;Coop. Bergthal; Dalazen; Frutika; HNR Industrial; Coop. Chortitzer; Alex; Molinos El País; UPISA)
F. Assistances to improve their management practices	5	(Dalazen; Frutika; Estancias FD; HNR Industrial; UPISA)
G. Assistances to access bank loans or private equity	5	(Cooperativa Guayaibi; Fibrac; Hierbapar; Imperio Guaraní; UPISA)
H. Assistances to invest in improved technologies	13	(Coop. Guayaibi; Destisur; Fibrac; Hierbapar; Imperio Guaraní; Kemagro; Shirosawa; COMPASA; Dalazen; Frutika; Coop. Bergthal; HNR Industrial; UPISA)
I. New members of associations	0	

Source: Monitoring Unit (UMR) of Paraguay Vende and information presented at the staff meetings

3 THE MONITORING UNIT

The Monitoring Unit verified the sales reports for the first quarter of fiscal year 2008, visiting each one of the companies and maintaining interviews with each entrepreneur. In some cases the data was modified according to the information provided by the firms.

This quarterly report includes data from some companies that did not arrive on time during the previous quarter and it has been added to the Q1 2008 data. This is the case for Chung Bo, Hierbapar, Imperio Guaraní, COMPASA, Bergthal, Dalazen, Frutika and UPISA.

Since the harvest season has not started, only Chung Bo is reporting exports for sesame oil made from seed stocks purchased during the 2006/2007 season.

The update on growth and employment coefficients will be done during the following quarter, because the project is still expecting the final report of a consultancy on this area. The new approach on growth coefficients discard the criteria of calculating it per sector and use criteria for calculating it per industry or product category where the assistance is imbedded. The employment coefficient is changed into a product based multiplier, instead of the former industry based multiplier. This change of the coefficients will improve the accuracy of the corrections on sales and employment achievements reported to USAID.

The Unit continues with its effort to establish clear and accountable business plans and assist the CSE in negotiating terms between the business centers and the client firms, that are understandable, accountable, and makes it easier for the unit to carry out its mission to assess project results and achievements.

4 ADMINISTRATION, COMMUNICATION AND PLANNING

Most consultants have been contracted by the CSE of the Center and the East (see table 7). The season for cultivation is the most important moment for the Central Corridor and the business center invests all its available resources on these activities. Assistance activities in the Eastern and Southern Corridors are based more on the business advisors from the CSE and therefore have demanded fewer consultancies.

The following main activities are planned to be carried out between the January and March 2008:

- Travel to Bolivia to meet with the USAID-funded MAPA/FUNDACION VALLES and ARCO projects, and to access technology for improving oregano, banana and pineapple production.
- Study of bio-fuels and cooked beef
- Meetings to establish alliances, DCI and GDA
- Launching the new website
- Launching the first bulletin for Vende II