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ASSESSMENT OF DEVELOPMENT RESULTS EVALUATION OF UNDP CONTRIBUTION **PARAGUAY**



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efficiency COORDINATION AND PARTNERSHIP sus
NATIONAL OWNERSHIP relevance MANAGING FO
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ASSESSMENT OF DEVELOPMENT RESULTS PARAGUAY

EVALUATION OF UNDP CONTRIBUTION

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ASSESSMENT OF DEVELOPMENT RESULTS: EVALUATION OF UNDP CONTRIBUTION – PARAGUAY

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We hope this evaluation will help drive the strategic partnership between UNDP and the Government of Paraguay, as this organization moves forward in the process of transforming itself into an increasingly more relevant and valuable ally to the country.

FOREWORD

This report presents an independent evaluation of the United Nations Development Programme (UNDP) contribution to development results in Paraguay. It was conducted by the Evaluation Office of UNDP. The evaluation looked at the relevance and strategic positioning of UNDP support and its contribution to development results in the country between 2002 and 2010. In addition, UNDP interventions were evaluated in the programme areas of democratic governance, poverty reduction, human development and achievement of the Millennium Development Goals, the environment, and risk management and natural disasters.

UNDP interventions have reflected the country's major needs and government priorities over the period under evaluation. However, UNDP-Paraguay's three thematic areas (governance, poverty and environment) are so broad, that within them we must define criteria and strategies that allow for better focusing of efforts. Its contribution in the area of democratic governance deserves special recognition in the context of the country's democratic transition over the past decade. Progress has been made in defining a strategic framework that is more relevant in terms of development, and a strategic shift is under way towards a programme that favours advisory services and technical assistance. However, operational constraints may undermine its capacity to produce results. UNDP-Paraguay has undertaken several initiatives to strengthen its internal capacity, both administrative and substantive, and

the evaluation vouches for these efforts. The evaluation also highlights challenges related to the sustainability of UNDP programmes.

UNDP-Paraguay has good analytical capacity, and the information it produces is deemed reliable, impartial and technically sound. The knowledge products produced by UNDP make an important contribution to understanding the socio-economic circumstances of the country. UNDP administrative procedures are considered transparent and relatively efficient. The evaluation showed that the added value of UNDP has been seen as creating impacts through indirect support to civil society, with less focus on the most vulnerable populations. The support provided to the Government has focused on its executive branch, with insufficient ties to the legislative or judicial branches.

The Evaluation Office sincerely hopes that this evaluation supports current and future UNDP efforts to work alongside the Government and its national partners in the journey towards achieving higher levels of human development.



Juha I. Uitto
Deputy Director
Evaluation Office, UNDP

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ACRONYMS AND ABBREVIATIONS

ADR	Assessment of Development Results
AECID	Agencia Española de Cooperación Internacional para el Desarrollo (Spanish Agency for International Cooperation for Development)
ANR	Asociación Nacional Republicana (National Republican Association, Colorado Party of Paraguay)
BCP	Banco Central de Paraguay (Central Bank of Paraguay)
CADEP	Centro de Análisis y Difusión de la Economía Paraguaya (Centre for Analysis and Diffusion on the Paraguayan Economy)
CCA	Common Country Assessment
CCNU	Centro de Coordinación de las Naciones Unidas (United Nations Coordination Centre)
CCF	Country Cooperation Framework
CECTEC	Centro de Educación, Capacitación y Tecnología Campesina (Centre for Education, Training and Rural Technology)
CEE/CIS	Central and Eastern Europe/Community of Independent States
CEPEP	Centro Paraguayo de Estudios de Población (Paraguayan Centre for Population Studies)
CONAM	Consejo Nacional del Ambiente (National Environmental Council)
CPAP	Country Programme Action Plan
CPD	Country Programme Document
DENDE	Desarrollo en Democracia (Development in Democracy)
DGEEC	Dirección General de Estadísticas, Encuestas y Censos de la Secretaría Técnica de Planificación (General Office of Statistics, Surveys and Censuses of the Technical Secretariat for Planning)
EAP	Economically Active Population
EAT	Enfoque Armonizado de Transferencias (Harmonized Transfer Focus)
ECLAC	Economic Commission for Latin America and the Caribbean
ENREPD	Estrategia Nacional para la Reducción de la Pobreza y la Desigualdad (National Strategy for the Reduction of Poverty and Inequality)
EU	European Union

FAO	Food and Agricultural Organization
FOCEM	Fondo de Convergencia Estructural del MERCOSUR (MERCOSUR Structural Convergence Fund)
GEF	Global Environment Facility
GNB	General National Budget
GPI	Geographical Prioritization Index
GTZ	Gesellschaft fuer Technische Zusammenarbeit (German Technical Cooperation)
HDI	Human Development Index
HPI	Human Poverty Index
IFAD	United Nations International Fund for Agricultural Development
IDB	Inter-American Development Bank
ILO	International Labour Organization
IMF	International Monetary Fund
INDERT	Instituto Nacional de Desarrollo Rural y de la Tierra (National Institute for Rural and Land Development)
IPS	Instituto de Previsión Social (Social Security Institute)
MAG	Ministerio de Agricultura y Ganadería (Ministry of Agriculture and Livestock)
MDG	Millennium Development Goal
MEC	Ministerio de Educación y Cultura (Ministry of Education and Culture)
MERCOSUR	Mercado Común del Sur (Common Southern Market)
MH	Ministerio de Hacienda (Ministry of Finance)
MIC	Ministerio de Industria y Comercio (Ministry of Industry and Trade)
MJT	Ministerio de Justicia y Trabajo (Ministry of Justice and Labour)
MSPBS	Ministerio de Salud Pública y Bienestar Social (Ministry of Public Health and Social Welfare)
NEP	National Environmental Policy
NGO	Non-Governmental Organization
NHDR	National Human Development Report
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
OHD	Office of Human Development

PAHO	Pan-American Health Organization
PHS	Permanent Household Survey
PLRA	Partido Liberal Radical Auténtico (Authentic Radical Liberal Party)
PRODDAL	Project on the Development of Democracy in Latin America
PRODOC	Project Document
RBLAC	Regional Bureau for Latin America and the Caribbean, UNDP
SAS	Secretaría de Acción Social (Secretariat for Social Action)
SEAM	Secretaría del Ambiente (Secretariat for the Environment)
SEBRAE	Servicio Brasileño de Apoyo a Empresas (Brazilian Business Support Service)
SENASA	Servicio Nacional de Salud Ambiental del Ministerio de Salud Pública y Bienestar Social (National Environmental Health Service of the Ministry of Public Health and Social Well-being)
SGP	Small Grants Programme of the Global Environment Facility
SIEC	Sistema de Información de Estadísticas Continuas del Ministerio de Educación y Cultura (System of Continuous Statistical Information)
SINAFOCAL	Sistema Nacional de Formación y Capacitación Laboral (National Labour Training System)
SISNAM	Sistema Nacional del Ambiente (National Environmental System)
STP	Secretaría Técnica de Planificación de la Presidencia de la República (Technical Secretariat of Planning)
TRAC	Target for Resource Assignment from the Core
TSJE	Tribunal Superior de Justicia Electoral (Board of Elections Superior Court)
UNA	Universidad Nacional de Asunción
UNACE	Partido Unión Nacional de Ciudadanos Éticos (Party of the National Union of Ethical Citizens)
UNAIDS	United Nations Joint Programme on HIV/AIDS
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNIC	United Nations Information Centre

UNICEF	United Nations Children's Fund
UNIFEM	United Nations Women's Fund (now part of UN Women)
USAID	United States Agency for International Development
UNS	United Nations System
UNV	United Nations Volunteers
WFP	World Food Programme
WHO	World Health Organization

EXECUTIVE SUMMARY

INTRODUCTION

This Assessment of Development Results (ADR) examines the contribution made by the United Nations Development Programme (UNDP) to achieving development results in Paraguay from 2002 through June 2010. These years are divided into two UNDP planning periods, since Paraguay has had two United Nations Development Assistance Frameworks (a joint planning instrument for the United Nations system). The first ran from 2002 to 2006, and the second from 2007 to 2011, which was extended until 2012. There has also been a Country Cooperation Framework (CCF), which ran from 2002 to 2006 and a Country Programme Document (CPD) for 2007 to 2011.

According to the methodological guidelines of the UNDP Evaluation Office, this assessment has applied the criteria of relevance, effectiveness, efficiency and sustainability of outcomes to assess the contribution of UNDP's project portfolio towards development results. The strategic positioning of this organization in Paraguay was assessed using the criteria of relevance, responsiveness to the needs and changes in context, alliances forged to increase the impact of UNDP interventions and the promotion of United Nations values from a human development perspective.

In 1989, a coup d'état and new elections ended the 35-year dictatorship of General Alfredo Stroessner, who ruled using a tightly woven network consisting of the Armed Forces, the Colorado Party of Paraguay and the Government. A series of reforms have been launched since the 1990s, including the development of a new constitution, which laid the foundation for the modernization of the country.

The major development challenges of the last decade include a high level of socio-economic inequality, weak public and private institutions, lack of transparency and access to information in both sectors, with a prevailing atmosphere of mistrust between them, economic growth with little capacity to create jobs leading to a failure to reduce poverty in the country and blatant environmental degradation.

UNDP-PARAGUAY

The analysis of the management of the UNDP Office in Paraguay during the period under review has resulted in the following findings:

- **Strategy.** In the last decade progress has been made towards defining a strategic framework that is more relevant in terms of

Table 1. Evaluation Criteria

Project portfolio	UNDP as an institution, at the strategic level
Relevance	Relevance
Effectiveness/Efficacy	Responsiveness to the needs and changes in context
Efficiency	Alliances
Sustainability of outcomes	Promotion of UN values

Source: UNDP Evaluation Office, *ADR Method Manual, Guidelines for an Assessment of Development Results (ADR)*, New York, 2010.

development, and a strategic shift towards a more ‘substantive’ programme has been initiated (advisory services and technical assistance). There has been a move away from the preponderance of ‘management services’ offered to the Government, but the same thematic focus has continued. There is significant agreement between the mandate expressed in UNDP strategic documents and strategic-political statements made by the Government and other partners in the period under review.

- **Organization.** UNDP has undergone major changes in its organization and its finances during the period under review, including structural reorganizations (such as staff reductions and changes in recruiting methods as a result of two corporate audits requested by the country office). Other changes include the introduction of the Atlas system,¹ together with a set of corporate rules and administrative processes, and in programme management. At the beginning of the period under review, UNDP administered a programme more than 90 percent financed by government funds and classified as modernization of the State. In the second planning cycle (2007-2011), management project services were greatly reduced in favour of smaller-sized technical assistance projects, many executed directly by UNDP. This change substantially reduced UNDP’s financial income, partially offset by higher contributions from third parties and corporate funds.
- **Coordination of United Nations System (UNS).** Paraguay’s two United Nations Development Assistance Frameworks (UNDAF) were assessed; these frameworks helped create a common vision of United Nations support to the country. With shared headquarters (the Casa de las Naciones Unidas) since 2001, high-impact joint projects (Investing in People and others) and a culture of regular coordination meetings with joint

responses to new challenges have improved joint activities and reduced duplication. However, systematic joint monitoring of the UNDAF is a pending topic for the United Nations Representative Office.

FINDINGS AT THE PROGRAMMATIC LEVEL

At the programmatic level, the results of UNDP interventions can be summarized as follows:

- **Relevance.** UNDP interventions have responded to the country’s major needs and government priorities; however, these are so broad in the three thematic areas of UNDP-Paraguay (governance, poverty, environment) that within them we must define criteria and strategies that allow for better focusing of efforts.
- **Effectiveness.** Due to the concentration of support for entities within the executive branch, characterized by institutional weakness and limited policy stability (except in macroeconomics), UNDP support for the achievement of development goals has only been modestly effective.
- **Efficiency.** Given the limitations of its governmental counterparts, the country’s limited institutional alternatives (civil society, private sector, academia) and a complicated context for politics and decision-making, UNDP operational and programmatic services have been relatively efficient in terms of resource management, completion times and programmatic responses. Financial constraints within the country office and the demands of corporate systems that have been implemented have affected its efficiency.
- **Sustainability.** In the period under review, policies for improving human development have been established, but this has taken place in an environment characterized by instability and lack of measured results. Contributions towards capacity development processes tend to erode. The evaluation indicates that

1 The Atlas system is the software currently used for corporate planning and financial management.

UNDP interventions have lacked broader institutional anchoring negotiated with the Government – including outside the public sphere – as well as adequate monitoring and evaluation systems.

FINDINGS AT THE STRATEGIC LEVEL

At the strategic level, the evaluation found the following:

- **Positioning.** UNDP-Paraguay has been repositioned in the last decade as a recognized development partner due to its neutrality and capacity, and it has intensified its advisory services, technical assistance, facilitation of dialogue and provision of information in response to demands from both government agencies and institutions, as well as needs for human development in the country.
- **Responsiveness.** Responsiveness to requests from the executive branch has been high; the consistency of responses – reflected in the composition of its project portfolio and activities – was affected by changes in the legislative and executive branches. Also, the broad manner in which strategic planning was proposed did little to focus efforts.
- **Alliances.** Cooperation with non-governmental sectors (civil society, academia, the private sector) has been modest, and it is critical that this be strengthened in order to fulfil UNDP's mandate.
- **Millennium Development Goals (MDGs).** Together with the Government, UNDP has pushed for the inclusion of the MDGs on the political agenda. It has supported the executive branch in monitoring progress towards achieving them and it has coordinated the inter-institutional round table on these matters.
- **Cross-cutting themes.** The topic of gender, which has been a cross-cutting issue for the last 15 years, has gained momentum since 2007 through the establishment of a working group. The topic of youth is also addressed through specific projects.

- **Focusing.** Focusing on the poor and marginalized sectors has been largely indirect, but this focus is increasing with the strategic shift towards substantive direct-execution projects and the strengthening of decentralized actions. It would be advisable to conduct a cross-sectional study of the extent to which UNDP services reach the poor and marginalized.
- **Coordination.** International cooperation agencies are faced with a complex governmental picture. UNDP played a role in donor coordination.

CONCLUSIONS

The evaluation has reached the following conclusions:

1. In view of the profound changes taking place in the political history of Paraguay, in the past decade UNDP has participated in areas that are crucial to establishing the basis for further human development. Its portfolio of activities is less spread out, but more explicit strategic policy instruments are needed to ensure adequate focus.
2. The reduction of project management services and strengthening of advisory services and so-called 'substantive' technical assistance has created additional challenges for the financing of its structure and new projects. This has implications for the definition of its strategy.
3. As a result of the strategic shift since 2008, UNDP has worked to strengthen its analytical capacity. The presence of a forum for analysis and proposals, known for its capacity and impartiality, has enriched the development debate in the country, during a critical time of change. This has been a hallmark of UNDP during the period under review.
4. UNDP has mainly supported the executive branch during the period under review. There has been limited participation in the planning efforts of other key players, both public and private.

5. Most UNDP projects do not have indicators to measure their results at the outcome level or the sustainability of their results, nor do they have exit strategies incorporated in their design.

RECOMMENDATIONS

STRATEGY

UNDP's overall strategy is formulated in the UNDAF, CPD and CPAP. However, it is recommended that UNDP formulate a national strategic document that concisely determines:

- The basic guidelines that will ensure the greatest leveraging of scarce UNDP resources in terms of human development results. Today, two guidelines take precedence: supporting public policies and support for spaces for dialogue. There is no reference to establishing broad plans of policy implementation capacities, both of which are needed to achieve real improvement in the provision of public services to the disadvantaged segments of the country's population.
- The different lines that UNDP carries out (topical and cross-sectional areas, research and dissemination of knowledge, project management, activities not related to projects) and those implemented by mandate from headquarters (e.g., administration for other agencies) with cost implications.
- The allocation of resources (staff, time, funds) between the defined lines, each with its own funding plan, updated periodically.

In the three main areas of intervention, it is similarly suggested that internal brief documents be drawn up that define the strategy by topical area, with sufficient specificity to facilitate transparent selection of activities to support. In terms of overall strategy or topical strategies, it is recommended that UNDP specify which MDGs it intends to focus its support on.

Greater precision in defining the focus of activities that target priority groups for UNDP is needed, indicating how those activities intend to reach them.

COOPERATION MODALITIES

The strategic shift towards more 'substantive' activities presents UNDP with the challenge of developing a working format that allows it to carry out a longer-term programme, thinking of new forms of shared implementation (with the private sector, UNDP, the public sector and actors from neighbouring countries). UNDP is encouraged to explore modalities, including the design of joint projects and activities with national stakeholders and other United Nations agencies. For such projects, longer-term financing should be sought via different channels (global funding, development banks, foundations, etc.).

UNDP has had an impact on the debate about the country's context and its needs for more equitable human development, serving as a source of proposals and activities for the organization itself. It is recommended to actively seek funding to maintain the space created and further extend the debate on poverty, inequality and human rights, including dissemination of analysis and proposals on these matters within the country.

STRATEGIC ALLIANCES

Improving the effectiveness of social programmes requires processes of strengthening initiatives in more than just the public sector. It is suggested that UNDP use its defined thematic strategies to explore possibilities for establishing further alliances with networks that include NGOs, businesses and other stakeholders. The goal is to strengthen capacity in the non-profit sector, particularly in projects targeted at disadvantaged groups and young people, with due regard to gender equity.

Paraguay is exposed to the economic and ecological shifts and changes of neighbouring countries, particularly Brazil and Argentina; this affects the development prospects of disadvantaged segments of the population. It is recommended that the UNDP regional network (Southern Cone) and other actors from neighbouring countries engage in a process of reflection in order to

identify joint projects with direct relevance for the improvement of key aspects of human development in Paraguay.

MONITORING AND EVALUATION

UNDP should mobilize external support or corporate networks to strengthen the continuous

monitoring of finances, administration and substantive activities. Structured monitoring and evaluation (M&E) should become a management tool. With regard to institutions and government projects, it is recommended that more attention be paid to the issue of M&E in order to support proper tools for more efficient public management.

INTRODUCTION

1.1 OBJECTIVES AND SCOPE OF THE EVALUATION

Assessments of Development Results (ADRs) offer an independent view of the contribution made by the United Nations Development Programme (UNDP) towards achieving development in the countries where it operates. The purpose of an ADR is to improve accountability and to learn lessons from the strategy and operations undertaken by UNDP in each country, based on the evidence gathered.

This ADR was conducted at the request of the Executive Board, under the UNDP evaluation policy.² It evaluates two programme cycles contained in the strategic documents of that organization in Paraguay, for the 2002-2006 and 2007-2011 periods. There were three government administrations during those periods: Luis Ángel González Macchi (ANR, 1999-2003), Nicanor Duarte Frutos (ANR, 2003-2008) and Fernando Lugo Méndez (Patriotic Alliance for Change, made up of seven parties, from 2008 to present). The country office had three resident representatives during this period: Lucien Muñoz (2000-2003), Henry Jackelen (2003-2007) and – after an interim period overseen by the Assistant Representative Igor Bosc – Lorenzo Jiménez de Luis (mid-2008 to the present).

The objectives of this ADR are:

- a) to provide an independent assessment of progress in achieving the results expected and

set out in UNDP planning documents, as well as considering unintended results;

- b) to analyse how UNDP has positioned itself to add value in response to needs and changes in the national context;
- c) to present core findings, draw conclusions and make recommendations with a view to the next programme cycle.

1.2 METHODOLOGY AND EVALUATION CRITERIA

The methodology applied is based on the general guidelines for ADRs³ developed by the UNDP Evaluation Office (EO) and under the ADR terms of reference (Annex 1).

The evaluation has used the following assessment tools:

- studies of documents provided by the country office and others collected during the evaluation process or accessible online (see Annex 2);
- individual and group interviews of persons linked to programmatic aspects of UNDP (see Annex 3) and members of the international cooperation community in the country;
- field visits by the evaluation team members in separate missions,⁴ including the Division of Specialized Attention for Victims of Family Violence in an Asunción police station;

2 <www.undp.org/evaluation/documents/Sp-Evaluation-Policy.pdf>

3 UNDP Evaluation Office, 'ADR Manual', New York, 2010.

4 The following areas were visited: City of Abaí (Joint water and sanitation programme, training event), the city of General Aquino (Opportunities project), the city of Vaquería (Agricultural Producers Committee), the city of Abaí and San Juan Nepomuceno (Bridges to Inclusive Development project), the city of Encarnación and the San Rafael Park Reserve (Wild Paraguay project). See Annex 4 for more specific information.

- joint data processing work by a portion of the team.

Conceptually, the evaluation distinguishes between the programmatic level and strategic level, due to the need to include the impact of multiple projects and programmes supported by UNDP-Paraguay as part of the strategic assessment. There were a total of 145 programmes and projects during the evaluation period. The evaluation of the UNDP Country Programme did not seek to discover the results of development limited to the scope of each project, but rather to capture the contribution of the project portfolio towards achieving the expected objectives and outcomes.

At the programme level, we analysed the contribution of UNDP using the criteria of relevance, effectiveness, efficiency and sustainability of outcomes. With respect to measurements of effectiveness, it is clear that much of the expected results involve complex, long-term changes, while UNDP interventions often cover a period of one to four years. Therefore, in some cases it was not possible to find evidence of final outcomes, although it was possible to ‘observe’ medium-range outcomes and processes, such as changes in perceptions, new approaches and methods, and a revitalization of actors and institutions, which together with other external factors may contribute to the achievement of the expected outcomes. Often, UNDP support has consisted of facilitating processes and enhancing their quality.

At a strategic level, the following evaluation criteria were applied: relevance, responsiveness to needs and changes in the context, alliances forged to increase the impact of UNDP interventions and the promotion of United Nations values from the perspective of human development. This level included relevant UNDP cross-cutting activities that are not necessarily linked to a specific project.

1.3 EVALUATION PROCESS

The Evaluation Office initiated the evaluation process with a preparatory mission to the UNDP-Paraguay country office in April 2010, informing it of the decision of the Executive Board to conduct an ADR. The availability of information was verified, and an agreement was made with the Government to establish a National Reference Group to assist with the evaluation.

In addition, a team of four consultants was identified and assembled (one international member and three Paraguayan⁵), which carried out a scoping mission in May 2010 to prepare for the main evaluation mission. The team defined the internal division of labour and selected a sample of projects to include in each topic (for the sample selection, see Annex 4). The inception report of May 2010 presented the methodology and work plan the team would use to address its evaluation task. It also specified the interviews, field visits and group discussions to be conducted by each team member. Each evaluator applied the data analysis tools described in Annex 6 of the ‘ADR Method Manual’ dated March 2010 (semi-structured interview guide, interview summary, summary of information gathered from different sources, classification by evaluation criteria) within the framework of the evaluation matrix plan and in accordance with Annex 1 of the ADR Manual.

The main mission took place from 12 July to 4 August 2010. At the end of the mission, feedback meetings were organized with: a) the UNDP Representative, b) UNDP executive and programme staff, and c) the National Reference Group for the ADR. Comments made during these meetings were considered in the process of drafting the report.

The main limitation in conducting the evaluation has been the limited availability of information on project and programme results from the first planning cycle evaluated (2002-2006).

5 Markus Reichmuth, team leader; James Spalding, Guillermo Monroy and Cynthia Gonzalez, Paraguayan consultants.

Information on projects from the first cycle consists mainly of project documents (PRODOC); in rare cases, documents were found that reported project results on an annual basis or for other intervals of time, except in the Results-Oriented Annual Reports (ROAR), which are reports of results produced by the country office itself. Large projects such as Wild Paraguay or Investing in People offered documentation from substantive reviews and external evaluations.

To overcome the paucity of information from the first cycle, the mission added to the list of interviewees using stakeholders involved in earlier UNDP projects. In addition, it sought to select projects which had been preceded by other projects with staff who knew their history. Nevertheless, these constraints limited the accuracy and comprehensiveness of the evaluation findings with respect to the first cycle.

Chapter 2

DEVELOPMENT CHALLENGES AND NATIONAL STRATEGIES

2.1 COUNTRY CONTEXT AND DEVELOPMENT CHALLENGES

Geographical and demographic background.

Paraguay is located in the heart of South America and covers an area of 406,752 square kilometres. The Paraguay River divides the country into two regions: the West (Chaco) and the East (see Map 1). Although the Western region encompasses 60 percent of the total land area, it is inhabited by only 2.7 percent of the population. Of the approximately 6.3 million Paraguayans, 60 percent are younger than 30; 1.7 percent of the total population belongs to one of the nation's 20 indigenous peoples. The latter groups are those who suffer the greatest conditions of inequality at a national level.⁶ In 2008, 57.7 percent of the population lived in urban areas.⁷ The 2009 National Human Development Report put together by UNDP-Paraguay estimates that over half a million Paraguayans have migrated to other countries. Between 2001 and 2007, the number of emigrants was about 280,000, most of whom went to Argentina and – in the most recent years within that period – Spain.

Cultural background. One of the country's leading cultural characteristics is its inhabitants' identification with the Guaraní culture, which is mainly expressed through language. The vast majority of the Paraguayan population is bilingual (Guaraní-Spanish), and both are official languages, although Guaraní is not usually used in written communication. Nationally, the predominant language at

home is Guaraní (59 percent), followed by Spanish (36 percent), although the rate of urban households that prefer to communicate in Spanish rises to 55 percent. The 2008 National Human Development Report (*Informe Nacional sobre el Desarrollo Humano: Equidad para el Desarrollo*) presents an analysis of how the structures of socio-economic inequality are reflected and reproduced in the Guaraní language.

History and political challenges. Since its independence in 1811, the country's political history has been characterized by long periods of dictatorship and by the war of the Triple Alliance (1864-70) against Argentina, Uruguay and Brazil. This conflict led to the loss of much of Paraguay's territory and population. In 1954, General Alfredo Stroessner came to power through a coup d'état. This ruler managed to retain political control over the country for 35 years through a network consisting of the Armed Forces, the Colorado Party of Paraguay and the Government. Stroessner had himself re-elected eight times as President of the Republic. In alliance with the landed elite, the regime first ruled through control over the lands – the main source of wealth creation – and then, through the state, the hydro-electric production. The Stroessner dictatorship perpetrated a series of human rights violations and suppressed any dissent within the political-military structure and civil society in general.

In 1989, General Andrés Rodríguez led a coup and subsequently called for new elections. Once

6 UNDP-Paraguay, 'Informe Nacional sobre el Desarrollo Humano: Equidad para el Desarrollo' [National Human Development Report: Equity for Development], Asunción, 2008.

7 Government of the Republic of Paraguay, General Office of Statistics, Surveys and Censuses, 'Anuario Estadístico del Paraguay', 2008.

Map 1. Paraguay



elected, his government laid the groundwork for the country's modernization. This process included the first agricultural census, electoral reform, subnational elections, legislative reform and constitutional reform resulting in a new Constitution, along with educational reform and economic and financial liberalization. Under the 1992 Constitution, the Government of Paraguay adopted "...representative, participatory and pluralistic democracy, based on the recognition of human dignity,"⁸ all part of a proposal to build a new political system with free democratic participation.

The candidate of the National Republican Association (NRA), commonly known as the Colorado Party, won each subsequent presidential election (in 1993, 1998 and 2003). According to the Common Country Assessment (CCA) conducted by the United Nations System in Paraguay at the beginning of the period under review here (2001), the country's weak domestic political institutions had a negative impact on intraparty conflict management, the recruitment and training of cadres, the articulation of social demands and the construction of a programmatic agenda. Up to the time of the evaluation, an almost permanent state of internal conflict – which was only overcome in fleeting moments to achieve electoral goals – prevented political parties from constituting a guiding political class capable of generating substantive policy proposals.

In April 2008, the current President (2008-2013) and former bishop Fernando Lugo, in alliance with the main opposition parties, was elected with 41 percent of the vote. This resulted in the first peaceful transfer of power in the executive branch after 61 years of domination under the Colorado Party. However, the ANR held a slim majority in both houses of the legislature, followed closely by the PRLA – the Authentic Radical Liberal Party. The fact that no party has an absolute majority has led to continuous negotiations between the parties

and the executive branch when seeking to pass laws and other issues dependent on the legislature.

Economic structure, changes and challenges.

The Paraguayan economy is characterized by a high degree of dependence on agriculture, with soy at the forefront. It is currently the sixth largest producer and fourth largest exporter of soy in the world. The agro-export model implanted in the Stroessner era continues in effect, with a significant level of Brazilian investment. This sector was supplemented in the 1980s by output from the bi-national hydroelectric plant in Itaipú, the largest in the world (production capacity of about 95,000 MW/h). In the 1990s, this was joined by the bi-national power plant in Yacyretá (production capacity of 20,000 MW/h, equivalent to one-quarter of Argentina's total electricity consumption). Under the Treaty of Itaipú currently in force, half of the production belongs to Paraguay, which nevertheless consumes only 5 percent. The country receives royalties from the sale of the remainder to Brazil. This constitutes a substantial income for the state; in 2004, for example, royalties from the bi-national companies accounted for 20 percent of the central government's total expenditures.

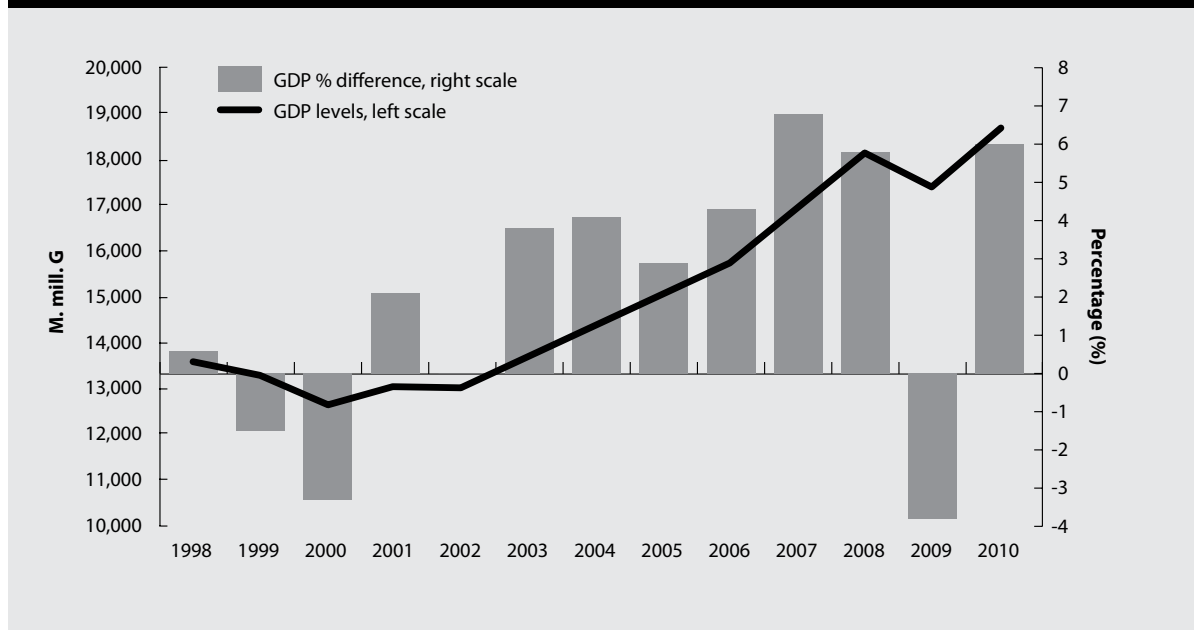
The 2008 Statistical Compendium published by the Department of Statistics, Surveys and Censuses (DGEEC, for its initials in Spanish) indicates that agriculture accounts for 30 percent of the country's gross domestic product (GDP), with industry accounting for 13.7 percent, construction 4 percent, and services 52 percent. Due to its geostrategic position and its open economy, economic changes in Brazil and Argentina are felt immediately in Paraguay. Cross-border trade, especially with Brazil, remains a major factor in the economy⁹; this includes, for decades, sustained growth and a significant element of contraband. The tax burden in the decade under review ranged between 10 and 12 percent of GDP, with

8 Article 1, National Constitution of the Republic of Paraguay.

9 World Bank, 'Paraguay At A Glance', Available online.

10 UNDP, NHDR, 2008, p.198.

Figure 1. Evolution of Real GDP, 1998-2010



Source: Banco Central de Paraguay, Economic Studies Office (the latest estimate for the PCP increases the projection for 2010 from 6 percent to 9 percent).

a regressive tax structure (mostly indirect taxes on consumption). These taxes are joined by non-tax revenues, which increased 2008 treasury revenues to 18 percent of GDP at current prices.

Paraguay has a large informal sector. The International Labour Organization estimated that in 2005, 61.5 percent of urban employment was informal.¹⁰ It is noteworthy that the largest legal generators of revenue for the country – agricultural exports and energy – create little productive employment, but that almost 30 percent of the economically active population (EAP) worked in the primary sector in 2007.¹¹ Between 2002 and 2008, the unemployment rate was halved, from 17.5 percent to 8.1 percent, but one-third of the economically active population was

still unemployed or underemployed in 2008.¹² According to IMF calculations, between 1970 and 2005 productivity of the Paraguayan economy declined at an annual rate of 0.5 percent.¹³ In the first half of the decade, industry and trade remained stagnant. Therefore, the country faced the challenge of creating productive jobs to reduce inequalities and poverty and creating the conditions for greater human development of its youthful population.

Because of its advanced productive sectors, the country achieved a per capita income of US\$2,110 in 2008,¹⁴ showing continued growth in the period under consideration (with the exception of 2009), all under a condition of macroeconomic stability (Figure 1). Paraguay is classified

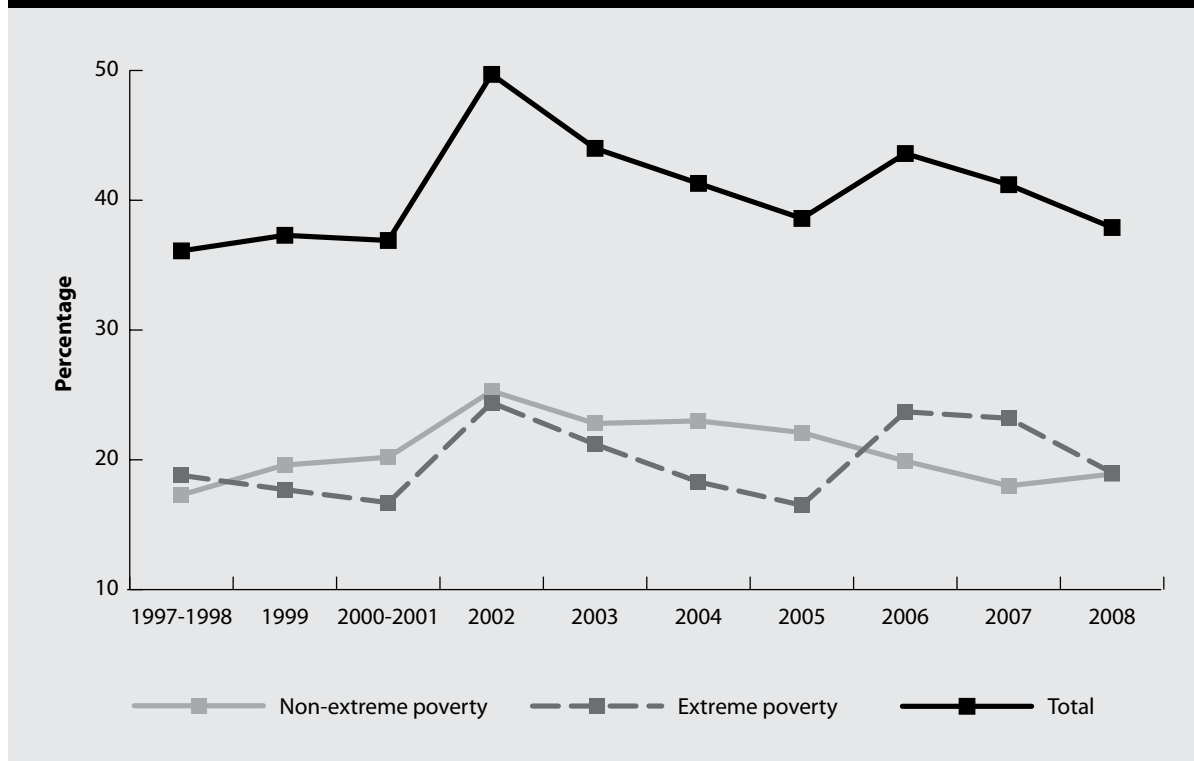
11 Government of the Republic of Paraguay, General Office of Statistics, Surveys and Censuses, 'Encuesta de Hogares Indígenas 2007', 2008.

12 UNDP-Paraguay, 'Políticas Sociales en Tiempos de Crisis', Presentation by Minister of Finance Dionisio Borda, December 2009.

13 UNDP, 2008, op. cit. p.186.

14 Atlas method, World Bank, 'Paraguay At A Glance'.

Figure 2. Changes in Poverty Levels in Paraguay, 1997-2008



Source: Investing in People Project. Gasto social en el Presupuesto: La Pobreza y los ODM en el Paraguay: escenarios y políticas públicas. UNDP/UNICEF/UNFPA. Paraguay. December 2009

as a lower middle-income country. Despite this, the trend does not reflect inclusive growth but rather is based on inequalities that have existed since the period of dictatorship. For example, land distribution remains very unequal – similar to that which prevailed in 1991 – and there are significant barriers to access to the factors of production and legitimate production opportunities. According to the Economic Commission for Latin America and the Caribbean (ECLAC), Paraguay's Gini coefficient – a measure of income inequality – worsened between 2000 and 2006 (by 1.4 percent). In addition, land utilization

in agriculture and forestry has been carried out without considering environmental sustainability, resulting in soil erosion and accelerated deforestation and loss of biodiversity.¹⁵ Climate change has resulted in severe droughts and loss of crops (soy, for example). Land-use planning and a more rational use of natural resources are sorely needed.

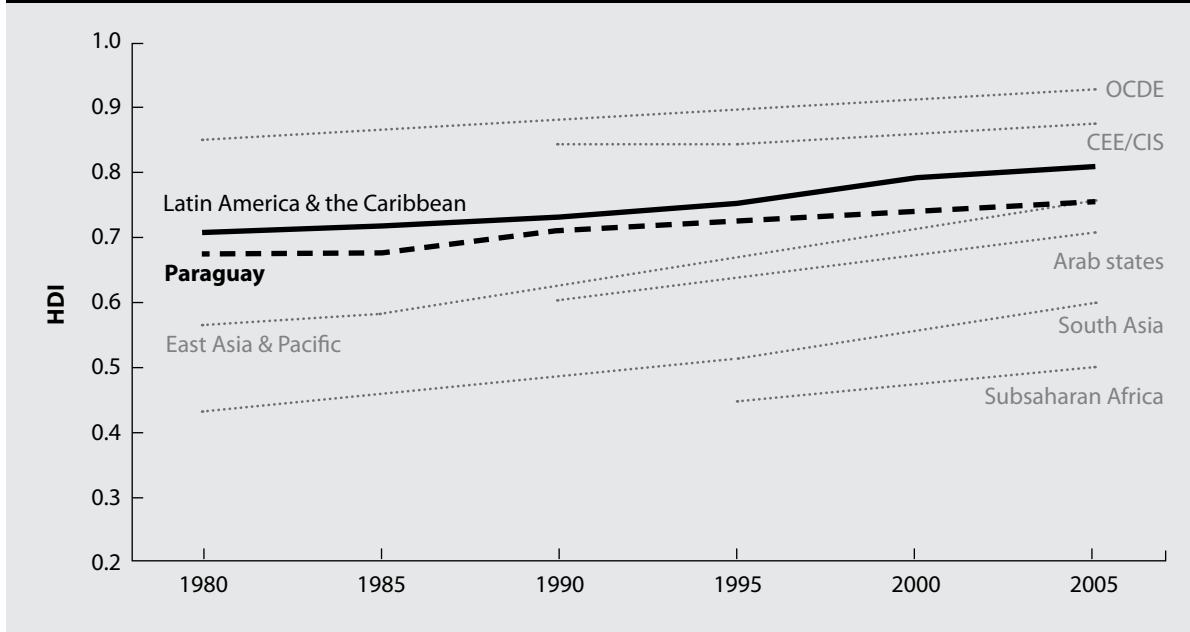
On a global level, Paraguay ranks lower than most other Latin American economies (120 of 139) on the World Competitiveness Report for 2010-2011,¹⁶ while in the World Bank's Ease of Doing Business classification,¹⁷ which measures

15 SEAM and DGEEC, 'Compendio Estadístico Ambiental del Paraguay, hacia la construcción de indicadores ambientales', 2010, with information from 2000 through 2007.

16 World Economic Forum, 'Global Competitiveness Report 2010-2011', Geneva, 2010. Paraguay moved up four positions from 2009-2010; Argentina was ranked 87, Brazil 58, and Bolivia 108.

17 The 'Doing Business' project, available at www.doingbusiness.org, measures a combination of 11 indicators; the two most strongly weighted factors are constraints on employing workers and trade barriers to legal foreign trade.

Figure 3. HDI in Paraguay, 1980-2005



Source: Indicator table G of the Human Development Report 2009

indicators in 183 countries, Paraguay sits at 124 (not far from Argentina and Brazil). Its participation in MERCOSUR is perceived as a challenge, given the asymmetries, the country's lack of access to the sea and its structural weaknesses.

Poverty levels. Not long ago, the Bureau of Statistics (DGEEC) reviewed the methodology for calculating poverty and, in late 2009, concluded that between 1997 and 2008, poverty levels in Paraguay increased from 36.1 percent to 37.9 percent; in rural areas levels declined from 51.6 percent to 48.8 percent, but they increased in urban areas from 22.5 percent to 30.2 percent.¹⁸ In 2008, a high proportion of the poor – one-half, or 1.16 million people – lived in extreme poverty, although in recent years there has been slight improvement in their absolute numbers.

Human Development Index (HDI) and Millennium Development Goals (MDGs). Paraguay has improved its level of human development in the last 25 years, but at a slower rate than other countries. Thus, its international ranking has dropped from 95 in 2005 to 101 in 2007, according to UNDP HDI (2007 and 2009).

According to updated information from the 'MDG Monitor', a UNDP database that tracks the progress of countries in achieving the MDGs, Paraguay has not achieved five of the eight Goals (eradicate extreme poverty, reduce child mortality, improve maternal health, combat diseases like AIDS and malaria, ensure environmental sustainability) nor is it expected to achieve them by 2015. It might achieve two (universal primary education and promotion of gender equality and the empowerment of women), while not enough information is available from the last (develop a global alliance for development).¹⁹

18 Government of the Republic of Paraguay, General Office of Statistics, Surveys and Censuses, 'Boletín Pobreza, Mejora de la metodología de medición de pobreza en Paraguay, Resultados 1997-2008', 2009.

19 UNDP/UNICEF/UNFPA, 'Investing in People Project, Gasto social en el Presupuesto: La Pobreza y los ODM en el Paraguay: escenarios y políticas públicas', Asunción, 2009.

One aspect that has attracted the attention of this evaluation has been the limited availability of statistical data on aspects of public life during the decade under review, although availability has gradually improved with the cooperation of external agencies (IDB, UNDP and others). According to the information gathered, this is due, in part, to weaknesses in data collection. The DGEEC, like other agencies (e.g., public records), has a wealth of information, but it processes only a portion, and not all of that has been made accessible to the public. One of the challenges in creating a better-informed citizenry and promoting the development of participatory democracy remains the provision of reliable data on the national circumstances.

2.2 NATIONAL DEVELOPMENT POLICIES AND STRATEGIES

In September 2000, Paraguay undertook a commitment to achieving the MDGs. In the 1990s it had begun to change government budget allocations in a manner that privileged education and health over the areas of defence, infrastructure and communications, and it had defined one initial social policy regarding education.

In 2000-2001, UNDP supported the Ministry of Planning (STP, for its initials in Spanish) in preparing a social and economic plan that provided a framework for government action and international cooperation. Using a participatory process, this framework included the formulation of an initial strategy for poverty reduction.

The programme of the Nicanor Duarte Frutos administration, which took office in mid-2003, was called the 'Agenda for a Better Country'. It included four strategic objectives: a) to restore confidence in state institutions and their

representatives; b) to promote active citizen participation in building democratic institutions; c) to revive the economy and create jobs under a new model of sustainable development; and d) to combat poverty, corruption and lack of public security. These objectives were embodied in 14 programmatic foci.²⁰

At this time, the Government undertook a number of important reforms: for example, in the areas of customs, procurement, taxation and budgeting. However, there was little progress in reforming other areas, such as finance, public enterprises or the organization of the executive branch.

In the social area, the Social Action Secretariat (SAS) of the Presidency designed a National Strategy to Combat Poverty, Inequality and Social Exclusion (ENREPD), with the support of UNDP. This text was published in November 2003 and sought to guarantee extremely poor families access to basic services that could improve their nutrition, health, education, housing, etc. Some of the programmes established began to be launched in late 2005, although the strategy was only approved by presidential decree in September 2006.

In parallel, the Secretariat of the Environment (SEAM, for its initials in Spanish) was created in 2000, along with the National Environmental System (SISNAM) and the National Environment Council (CONAM). This organization developed the National Environmental Policy (PAN, 2005) with the help of strong outside support, including UNDP. Its goal is to preserve natural and cultural heritage and adapt their use in a way that ensures the developmental sustainability, equitable distribution of benefits, environmental justice and the quality of life of

20 1) Modernization of public administration. 2) Reliable and predictable economic environment for investment. 3) Sustainable economic growth. 4) An educational revolution seeking to improve human capital. 5) Health priorities and policies. 6) Public works and construction of affordable housing. 7) Energy for development. 8) Environmental protection. 9) Foreign involvement and new international relations. 10) Development of new spaces: state and society. 11) Human rights. 12) Combating poverty and social exclusion. 13) Fight against corruption. 14) Modernization of security forces.

the people of Paraguay.²¹ Despite the strategic importance of the sector, the Government has allocated limited financial and technical resources toward SEAM and the implementation of the PAN (less than 1 percent of the national budget).

In late 2004, the 2011 Plan for Economic Growth with Equity began to be implemented. This plan had been developed in a workshop with the participation of all sectors, under the leadership of the Ministry of Finance, where actions aimed at achieving the MDGs were proposed. Through the SAS, the introduction of the Social Protection Network was highlighted, along with a series of social programmes targeting groups living in extreme poverty.

In 2006, the President extended the duties of the Social Cabinet, created in 2003 with support from UNDP and consisting of 14 ministries and secretariats of ministerial rank, by assigning it the role of coordinating agency with respect to government social policies and programmes. The ENREPD coordinated the initiatives, resources and functions of the institutions included in the Social Cabinet, through the Office of the Strategic Plan to Combat Poverty (DIPLANP, for its initials in Spanish) and the Technical Secretariat of Planning (STP).

Specifically, a series of public programmes began to be implemented starting in 2005. The Government selected 66 districts to be prioritized for intervention programmes that would combat poverty through what is now the Geographical Prioritization Index (GPI), and the Social Safety Net was launched through three programmes:

- Families Programme (Tekoporá, through conditional transfers).
- The ABRAZO programme for the progressive elimination of child labour in the street.
- The ÑOPYTYVO Programme for Puerto Casado/La Victoria, targeting 500 vulnerable families.

Others were also implemented:

- The Food and Nutrition Programme (PROAN) to reduce maternal and child malnutrition in underserved populations in 17 districts.
- The National Plan for the Revitalization of Family Agriculture (2003-2008), including the Programme to Support the Development of Small Cotton Farms (PRODESAL).
- The Development of Industry and Handicrafts programme, which sought to formalize the sector and create new businesses, and the Integrated Support for SMEs System;
- The Strengthening Paraguay's Export Competitiveness Project (FOCOSEP), which sought to form business groups for export activities.

In financial terms, the Government's social investment rose from US\$400 million in 2002 to US\$1,507 million in 2007.

The administration that took office in mid-2008 has sought to extend policies in the area of social support and investment, arguing for inclusive human and social development that would guarantee the exercise and enjoyment of human rights.²² However, the change of administration has meant that, at the administrative level,²³

21 Its strategy approaches include: a) incorporating the criteria of proactiveness, proposal, and social participation into environmental actions and initiatives; b) encouraging the building of strategic alliances and coordination with other policies; c) designing and implementing a National Environmental Quality System; d) promoting decentralization of environmental management; e) developing and promoting the institutionalization of the National Environmental System (SISNAM); f) promoting the rights and intercultural development of indigenous peoples; and g) implementing programmes that involve populations in buffer zones, that diversify funding sources and that incorporate the benefits of environmental services.

22 Presidency of the Republic of Paraguay, 'Segundo Informe al Congreso Nacional, Período 2009-2010', July 2010.

23 Regular public employees enjoy job security under the law.

Table 2. The Country's Critical Needs and Proposed Solutions From the 2008 NHDR	
Needs	Proposals
Elimination of impunity and substantial reduction in corruption	1. 'Party neutralization' and reform of the judiciary 2. Front-line combat against corruption and impunity
Reinventing the State to promote equitable development	3. Professionalization and modernization of the bureaucracy 4. Social spending increases, improvement and monitoring
Transformation of politics and the empowerment of the citizenry	5. Modernization of political parties 6. Strengthening of citizen participation
Sustainable economic growth that will benefit the entire population	7. The momentum of quality economic growth

Source: NHDR, 2008

hiring people with little experience in government administration (with few exceptions), many of them coming from civil society. Both UNDP and government officials emphasize that during this administration, focuses, policies and strategies have changed to a greater extent than under previous administrations.

In 2008, UNDP launched the 'National Human Development Report: Equity for development', with conclusions that summarize four critical needs and formulate seven proposals for structural solutions in the country's political, economic, social and environmental realms, while at the same time stating the main axes of UNDP's mission.

In September of that year, the Minister of the Treasury, who had served the same function from 2003 to 2006, introduced the Social and Economic Strategic Plan for 2008-2013 (PEES) in order to improve the lives of everyone in the

country without exception.²⁴ The plan formulates six strategic objectives²⁵ and establishes the goals of sustained growth averaging 5 percent annually, reduction of extreme poverty from 19.4 percent to 10 percent by the fifth year, and improving the quality of public expenditures, with emphasis on social investments targeting extreme poverty. Furthermore, it stipulates nine specific goals in the area of poverty reduction.

In April 2009, a presidential decree turned the Social Cabinet into a technical/political agency of the Presidency, through which the executive branch would coordinate the process of defining, implementing, monitoring and evaluating governmental social policies. It was intended, furthermore, to enhance coordination and complementarity of social policies in general and in particular at the territorial level.

24 UNDP also supported the preparation of portions of the PEES (e.g., competitiveness) with the help of external consultants, prior to the change of administration. The PEES includes a sharp analysis of the recent socio-economic development of the country (see www.hacienda.gov.py/web-finance/index.php?c=436).

25 1) Pursue continuing economic growth, emphasizing more job creation and better income distribution, diversifying exports to achieve more stable international economic integration while maintaining fundamental macroeconomic balances. 2) Strengthen state institutions to improve the effectiveness of public policies, improve the quality of public services and implement a stable system of laws that provide legal safeguards for people and investments. 3) Increase and improve investment in social areas, especially in education and health, focusing public spending on the fight against extreme poverty. 4) Encourage the diversification of the productive structure, preserving the environment and making better use of the country's energy and human resources. 5) Promote the economic participation of civil society and the private sector so as to strengthen microenterprises and small businesses, especially small farms, seeking to increase their competitiveness. 6) Harmonize and coordinate government actions to support decentralized regional development.

In mid-2010, the Social Cabinet submitted its 2010-2020 Proposed Public Policy for Social Development, entitled 'Paraguay for All', prepared in a broadly participatory effort by the Technical Unit of the Social Cabinet, with support from the European Union, UNDP, UNICEF and the FAO. The proposal identifies four strategic areas: 1) quality of life for all; 2) social inclusion and the eradication of poverty and inequality; 3) inclusive economic growth; and 4) institutional strengthening and efficiency in social investment.

The framework of this proposal included a social protection system called 'Saso Pyahu' as a strategy to mitigate and overcome extreme poverty. It will do so by establishing a set of public policies seeking to reduce vulnerability and improve the quality of life of families, especially those in the poorest municipalities. Eleven flagship programmes²⁶ – most of them already in operation²⁷ – have transformed policy into concrete action. The plan in question constitutes a programmatic framework for the implementation of public policies by central government entities, by subnational government administrations, by the private sector and by civil society organizations. It includes management tools, such as the map of public service offerings, a common annual operating plan, a Social Investment Fund (FES, for its initials in Spanish) as the main financial instrument, annual reports and the national statistical system as a provider of necessary information, as well as the round table of cooperative partners in the social sector.

There has been limited but growing involvement of civil society organizations in drafting national strategies. In the past two decades the presence and visibility of national and international non-governmental organizations (NGOs) in the country has increased. These organizations have worked both in the area of poverty reduction and in the areas of environment and risk management, defence of indigenous rights and even in aspects of governance. Through equity funds and funding from international cooperation agencies, a greater variety of NGOs with more capacity have been offering opportunities to create partnerships for wider democratic participation, pursuing goals defined within the framework of sustainable human development.

The country's entrepreneurial class, and the utilization of profit-earning opportunities in the market, were subject to limitations due to permitting processes and political protectionism. The change from an established entrepreneurial class to one that arises not through protectionism but rather through merit, in legitimate markets, is of fundamental importance to poverty reduction. In striving to accomplish this transition, the State continues to look for ways to improve conditions for doing business in Paraguay through various MIC projects supported by UNDP. Business sectors that are members of the Association of Christian Business Owners (ADEC, 1981), Business Ethics Pact (PEC, 2005) and the Global Compact (promoted since 2000 by the United Nations at a global level, and established in 2008 in Paraguay)²⁸ provide platforms for a greater contribution the development strategies,

26 Tekoporá Programme; ABRAZO Programme; Family Health Units; Paraguay Reads and Writes. Youth and adult literacy; Inclusion of people in the exercise of their right to identity; National Food Security Programme for Family Agriculture; Namba'apo Paraguay. Temporary Employment Programme; Improving Living Conditions; Water supply and sanitation in urban, rural and indigenous communities; Comprehensive Agrarian Reform; Territory, participation and development: indigenous peoples secure their territory.

27 In health, for example, the Government has expanded the Primary Health Care (PHC) Strategy, the Tekoporá Programme has increased coverage from 14,000 families in 2008 to 112,000 families in extreme poverty in June 2010; the Executive Coordinator for Land Reform (CEPRA) was created; and in the area of nutrition, National Sovereignty and Food and Nutritional Security Plan for Paraguay (PLANAL) has been established, which in some way represents a continuation of the PROAN programme.

28 See www.adec.org.py; www.pactotico.com.py; www.pactoglobal.org.py; and UNDP-Paraguay, 'Estudios de casos, Responsabilidad Social Empresarial,' Asunción, 2008 and 'Estudios de caso, Red local del Pacto Global de Paraguay,' Asunción, 2008.

although the issue of corporate social responsibility has emerged only recently in the country. The President of the Republic has recently declared his interest in working more closely with the private sector.

One of the main challenges to the more efficient implementation of public policies remains institutional arrangements and the strengthening of inter-institutional coordination, so as to avoid duplication and promote synergies. It is also necessary to find agreements on the country agenda, especially taking into account data on emigration²⁹.

2.3. INTERNATIONAL AND NATIONAL COOPERATION IN DEVELOPMENT

Wide-scale bi-national investments. From the 1970 to the 1990s, Paraguay negotiated and contributed to the monumental investments and projects involved in the Itaipú and Yacyretá hydro-electric power plants through national, bi-national and international investment and financing (primarily Brazil and Argentina)³⁰. Although these loans will continue to be repaid for at least another decade, in the last two decades these projects have yielded substantial income for the national treasury to cover the work of the Government.

International technical cooperation devoted to sustainable development took off in the 1990s, although the configuration of the country – its size, natural resources, its geo-strategic position – attracted a limited number of donors. The Technical Secretariat of Planning (STP) of the Presidency

of the Republic³¹ has presented little summary information on international cooperation in the country.³² Data on the various forms of development cooperation are scattered, and no recent systemizing publication has been found. Paraguay joined the Paris Declaration on Development Aid Effectiveness in mid-2009. The Ministry of Finance, responsible for national government debt policy and whose head is the Paraguayan Secretary of State, in dealings with multilateral banks (IDB, World Bank, CAF, FONPLATA), exercises control over loans from international development banks in Paraguay and, in the evaluation period, has assumed a more substantive role, defining plans and content and running pilot projects.

According to the STP, in 1997 the major multilateral contributors were the European Union, the IDB and the United Nations agencies, while at the bilateral level they were Japan and Germany³³. In total, there were 151 projects supported by non-refundable contributions, reflecting a committed sum of US\$279 million³⁴ (60 percent bilateral, 40 percent multilateral) devoted, in order of priority, to strengthening the State, the agricultural sector, social sector (education, health), the environment and the industrial sector. In the areas of strengthening the State and support for the commercial and industrial sectors, UNDP was the main provider of cooperation services. It contributed 8.7 percent of the funds, while the Government – financed largely by loans from multilateral development banks – contributed the bulk of the financial outlay. In 2004, in the area of institutional modernization, the largest contributions

29 See UNDP-Paraguay, 'Informe Nacional sobre el Desarrollo Humano 2009, Ampliando horizontes: Emigración internacional paraguaya', Asunción, 2009, for more information about recent historical trends in this area, and UNDP-Regional, 'Informe sobre desarrollo humano para Mercosur 2009-2010. Innovar para incluir: jóvenes y desarrollo humano', 2010.

30 The cost of construction for Itaipú, e.g., with accrued interest on loans, amounted to some US\$16 billion.

31 The General Directorate of International Technical Cooperation was created within the STP in 2004.

32 The evaluation team obtained two documents about STP on the matter: a '1996-97 International Technical Cooperation Annual Report', produced by the Wasmosy administration, and a summary of the 'Non-Refundable International Technical and Financial Cooperation. Cumulative execution at June 2004', established through a project with UNDP.

33 The report does not list the contribution of USAID (which existed, but was lower than it was in 2004). The STP shows a similar picture for 2004 but includes USAID as the largest bilateral contributor thanks to the approval of the Threshold Programme (US\$30 million). Documents of cooperation institutions offer very different figures; many do not provide definitions or specify exactly what contributions they refer to.

34 From 1998 to 2004, total annual outside contributions ranged from US\$220 to US\$280 million, according to the STP (2004).

came from USAID, Germany, the European Union, the IDB, the OAS, UNDP and UNICEF. Meanwhile, in natural resources and environment it was Germany, UNDP (Global Environment Facility funds) and USAID who were the main contributors. Poverty-reduction measures were financed mainly by the European Union (through budgetary support), Taiwan and, increasingly, by Spain, which has become an important strategic partner for UNDP as a result of its support for multilateral cooperation through the UN³⁵.

Currently, the areas of governance, poverty reduction and environment remain key in the agenda of Paraguay's cooperative partners, including international development banks. In its 'Country Strategy with Paraguay 2009-2013', IDB³⁶ includes modernization/reform of the State as a crucial point and is the second most important sector in terms of disbursement over the last five years (the first is infrastructure of all kinds). In turn, the World Bank's 'Strategy of Partnership with the Republic of Paraguay 2009-2013' highlights governance as one of three strategic sectors, alongside the fight against poverty and economic growth in a sustainable environment; within this area it focuses on the fight against corruption³⁷. At the same time, the risks identified in their strategies label weak governance as a 'high' risk, particularly in the relationship between the executive and legislative branches, since the ruling APC coalition does not have a majority in the legislature.

The contributions of international cooperation on behalf of Paraguay have increased in this decade. But even taking the figures given by the

STP (2004), external contributions to national development are less than 2 percent of GDP per year (approximately 6 percent of central government expenditure in 2003). The importance of international cooperation in Paraguay consists of encouraging and complementing government investment in areas of high importance for human development – social, economic and environmental – and in raising national capacities to manage the country's own resources.

South-South Cooperation. Paraguay maintains cooperative ties with Argentina through the Argentine Fund for Cooperation (FO-AR) and has an existing cooperation agreement with Brazil to facilitate the exchange of personnel and information. According to the General Secretariat (SEGIB), there were 1,879 bilateral South-South cooperation initiatives in Latin America between 2007 and 2008, which represents an increase of 27 percent. In 80 percent of these cases, countries such as Cuba, Argentina, Mexico and Brazil were the partner supplier. More than half of those actions took place in Venezuela (due to its close relationship with Cuba) and Paraguay (because of its relationship with Argentina). The economic cost of these initiatives exceeded US\$13 million. South-South and triangular cooperation accounted for some 72 initiatives/projects in 2008. Of these triangulations 60 percent involved Chile and Mexico as supplier partners. The biggest recipient partner of these initiatives was Ecuador (27 percent), followed by Nicaragua, Paraguay and El Salvador (each receiving between 10 percent and 20 percent of all initiatives). Funding came primarily from Japan and Germany (with 67 percent and 24 percent respectively),

35 The Spanish Agency for International Cooperation for Development (AECID, for its initials in Spanish) works with UNDP through three lines of funding and projects: a) it delegates AECID project management to UNDP, e.g. in the area of governance (taxation, security, etc.); b) MDG projects won from the Spain Fund by UNDP-Paraguay through competitive processes, handled through UNDP; and c) a new Spain-UNDP Fund for Latin America, for which it is currently developing the strategic framework of cooperation.

36 The IDB is the main multilateral actor in Paraguay, with a portfolio of 106 projects worth more than US\$750 million as of March 2009.

37 For more details, see Appendix IV, 'Governance and anti-corruption in Paraguay' in World Bank, 'Strategy of Partnership with the Republic of Paraguay 2009-2013', 2009.

38 Secretaría General Iberoamericana (SEGIB), 'Informe de la Cooperación Sur-Sur en Iberoamérica 2009', Madrid, November 2009.

followed last by Spain (9 percent).³⁸ Finally, several government entities, in particular the European Union, cooperate indirectly with Paraguay through a strengthening of MERCOSUR. A MERCOSUR structural fund³⁹ also favours that country, seeking to partially compensate for its structural disadvantages compared to other members. Through a recent agreement, Brazil co-finances and supports the administration of a programme to build 160,000 houses in Paraguay.

One of the main challenges that Paraguay must face in order to overcome its problems of inequality and poverty and a deteriorating environment, is to achieve a vision of equitable development that is shared broadly throughout the country. This concerns building credible public structures and competitive political and economic systems that people can identify with, based on rules that apply to all and that offer equal opportunities.

39 The MERCOSUR Structural Convergence Fund (FOCEM).

UNDP IN PARAGUAY

3.1 UNDP'S STRATEGY AND COORDINATION WITH THE UN SYSTEM

The first United Nations Development Assistance Framework (UNDAF) that governed United Nations agencies in Paraguay was developed in 2001-2002. Its predecessor, the Common Country Assessment of the UN System in Paraguay (CCA 2001), identified the main nodes of development: "a depleted model of economic growth, environmental degradation, inequality and social exclusion, and a rule of law that is limited in its scope and in its effect". The United Nations System then proposed to direct its cooperative efforts towards the following general objective: "To contribute to Paraguay's sustainable human development through the strengthening of its democratic and representative institutions, overcoming social inequalities and respect for the environment within a framework of full respect for human rights." This objective was and is in effect for the period under evaluation and for the entire UN System in Paraguay.

Based on this first UNDAF, in early 2002 UNDP prepared and submitted its Second Country Cooperation Framework (CCF), in effect initially for 2002-2004, and later extended to 2006. This paper proposes the following strategic topical areas: a) human development and poverty

eradication; b) democratic governance and modernization of the State; c) competitiveness, international economic integration and productive development; and d) information technology and communication for development.

At the beginning of the evaluation period (2000-2001), UNDP-Paraguay went from a programmatic situation requiring urgent operational-type measures (sorting out a dispersed portfolio, regularizing contracts and establishing suitable offices). To accomplish these ends, it leased the Casa de las Naciones Unidas, among other actions. It also initiated substantive actions, such as the preparation of a second National Human Development Report (2003)⁴⁰, which offered a penetrating image of the situation of the country, and of projects supporting the development of strategies and policies (e.g., a White Paper on institutional reforms, the establishment of a budgetary watchdog organization for analysis of social expenditures, in cooperation with UNICEF⁴¹, promoting the Global Compact, etc.). In the discussion of the 2004 national budget, the legislature that took office in 2003 began to introduce restrictions on the management of government projects and programmes by external cooperation agencies such as UNDP⁴², until this format was subjected to the same budgetary timing to which the State is subject, in 2007.⁴³ The refocusing of UNDP, encouraged by both UNDP and the Government, led the organization to a critical financial situation in

40 In 1995, it had published the first National Human Development Report devoted to gender issues.

41 See <www.gastosocial.org.py>

42 Since that year, transfers of national funds for administration to international institutions have been restricted in legislative discussions on the national budget.

43 As in other countries, working through UNDP involved the possibility of making budget transfers to this body for multi-year periods, thus preventing unspent balances at the end of each year from being handed over to the national treasury. This made it easier to achieve continuous project execution. In recent years, the Ministry of Finance has been evaluating the idea of having the State operate with multi-year budgets.

Table 3. Programmatic Outcomes Indicated by UNDP in the Two Planning Cycles (2002-2011)

Area	2002-2006 Outcomes	2007-2011 Outcomes
1. Democratic governance and modernization of the State	<ul style="list-style-type: none"> ▪ Institutional development of democratic governance, and implementing a vision for the future of the country. ▪ Strengthening management capacity of key government sectors. ▪ Promotion of public safety and human rights. 	<ul style="list-style-type: none"> ▪ Strengthening democratic governance, sustained by a government administration capable of formulating and implementing transparent, effective, gender-sensitive policies, with the support of an active citizenry, ensuring full respect for human rights and promoting State accountability.
2. Poverty reduction and sustainable human development (in the 1st cycle, competitiveness, international economic integration and productive development were specified)	<ul style="list-style-type: none"> ▪ Formulation, discussion and implementation of the national strategy for poverty reduction. ▪ Improvements in the provision of access to services, productive resources and assets to the poor. ▪ Promotion of sustainable human development through the preparation and dissemination of the National Human Development Report. ▪ Promotion of private sector competitiveness and productive activities. 	<ul style="list-style-type: none"> ▪ Poverty reduction and improvement in standards of living and quality of life for lower-income populations, through the development of human capital and greater access to quality basic services. ▪ Progress towards achieving the MDGs with respect to reducing poverty by one half.
3. Environmental management	<ul style="list-style-type: none"> ▪ Strengthening of institutions in the sector and promotion of activities geared towards protecting biodiversity and renewable energy, and prevention of desertification and climate change. 	<ul style="list-style-type: none"> ▪ Building the capacity of government administrations for integrated environmental management and the promotion and management of sustainable and equitable development.

Source: Compiled by the Evaluation Office from the applicable UNDP planning documents

2005⁴⁴, prompting the UN Representation to request administrative support from UNDP headquarters that year⁴⁵ with the goal of increasing the efficiency of the office. One result was the establishment of stricter agency standards on staff recruitment.

Among the changes that occurred in that decade at UNDP headquarters, there are three that greatly influenced the programmatic aspect in the offices of the countries in the region: a) starting in 2004, a centralized corporate system for activity/project portfolio record keeping and management was introduced (Atlas); b) UNDP corporate

thematic areas were unified⁴⁶; and c) a process was launched redirecting UNDP interventions away from a model that consisted mainly of providing project management services and towards an approach of fewer administrative service and an increased advisory role in the areas of policies, and the development of national structures and capacities to promote human development.

The next planning cycle began in 2005 with the CCA, followed by the preparation of the 2007-2011 UNDAF⁴⁷ and in this framework, the UNDP Country Programme Document (CPD).

44 It reached the point where it only had one month's worth of financial reserves available.

45 The dispatch of what UNDP called a 'Management Change Team' (MCT), a term that refers to an organizational change plan that must propose solutions in critical situations.

46 See <www.undp.org/spanish/temas/>

47 Since there will probably be a change of government in 2013, the term of the UNDAF has been extended to that year, with its mid-term evaluation covering through 2011.

This process was joined, for the first time, by the 2007-2011 Country Programme Action Plan (CPAP), which was agreed on and signed by the Government. This document regroupes UNDP-Paraguay actions into three areas: democratic governance, poverty reduction, and environment and sustainable development (see Table 3).

In the two phases evaluated, UNDP set out to achieve the outcomes listed in Table 3, according to the format of the logical framework introduced in the last planning cycle.⁴⁸

In terms of content, there is continuity in the thematic focus of UNDP-Paraguay between the two cycles in response to political and socio-economic development of the country.

Support for the economic development area, which was specified in the first cycle in terms of poverty reduction, has continued in the second cycle without being made explicit. However, the type of projects implemented have changed substantially, due to a reduction in ‘management projects’, which consist mostly of administrative and management services according to UNDP rules, such as hiring and paying staff and the acquisition of goods (in exchange for cost recovery) and an increase in technical assistance projects. Larger-scale projects have also continued, such as Investing in People or the Office of Human Development, whose activities are relevant to more than one subject area.

In the period under consideration, projects were reclassified due to the adjustment of different

classificatory concepts⁴⁹ and the decision to separate management projects from technical assistance projects, classified into one of the three subject areas. In the latter case, we are mainly talking about projects executed directly by UNDP (direct implementation or execution), while management projects have been implemented by government agencies following UNDP rules (national execution or implementation).⁵⁰

3.2 UNDP-PARAGUAY PROGRAMME AND ORGANIZATION

UNDP has undergone major changes in its structure, programme and finances during the evaluation period.

Until the introduction of the Atlas system, UNDP-Paraguay used the FIM system for record keeping and monitoring of projects, activities and finances.⁵¹ The introduction of the Atlas system in 2004 established a global common base for record keeping and accountability used by all UNDP offices in real time. Therefore, globally comparable datasets are available starting in 2004. The two cycles evaluated here basically compare two periods of three years each: 2004-2006 and 2007-2009 (including the first months of 2010 in some cases).

Changes of the volume of resources managed by UNDP (Figure 4) show a substantial reduction of budgeted funds in the second cycle. However, the delivery rate in the first cycle was relatively low (see Figure 9) and increased in the second.

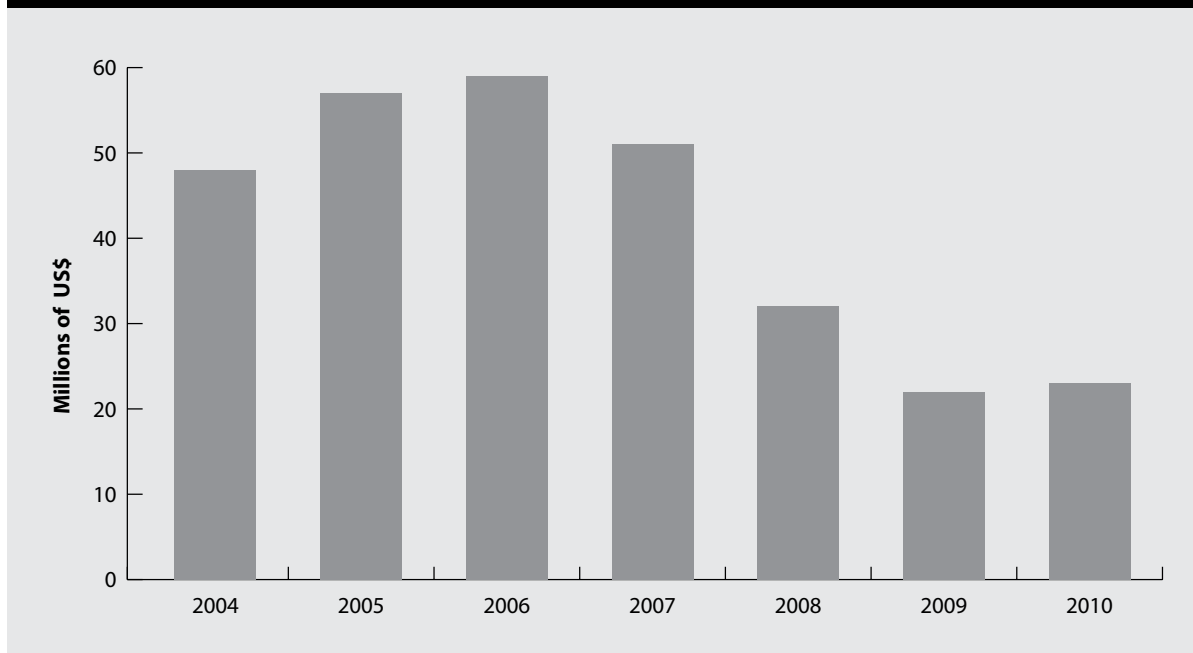
48 The 2007-2011 logical framework also specifies programme outputs, with indicators, baselines and targets, as well as partners and financial resources.

49 Classificatory concepts not always specified in the thematic areas include: under governance, democratic expression and the notion of modernization; under poverty, the notion of achieving MDGs, competitive/productive development and risk management; and under the environment, the notion of sustainable development, local development or, less frequently, energy. The issues of gender, youth and indigenous peoples are cross-sectional in nature, but in Paraguay they are handled as work areas. The Office of Human Development (OHD) and the topic of crisis prevention and recovery (CPR) are framed as projects.

50 In UNDP terminology, national execution/implementation projects are referred to as NEX or NIM, and UNDP direct execution/implementation projects are known as DEX or DIM.

51 The Financial Information Management (FIM) System, a UNDP corporate system.

Figure 4. Annual Budget for 2004-2010 Current Projects (current US\$)



Source: Prepared by the authors using data provided by UNDP-Paraguay

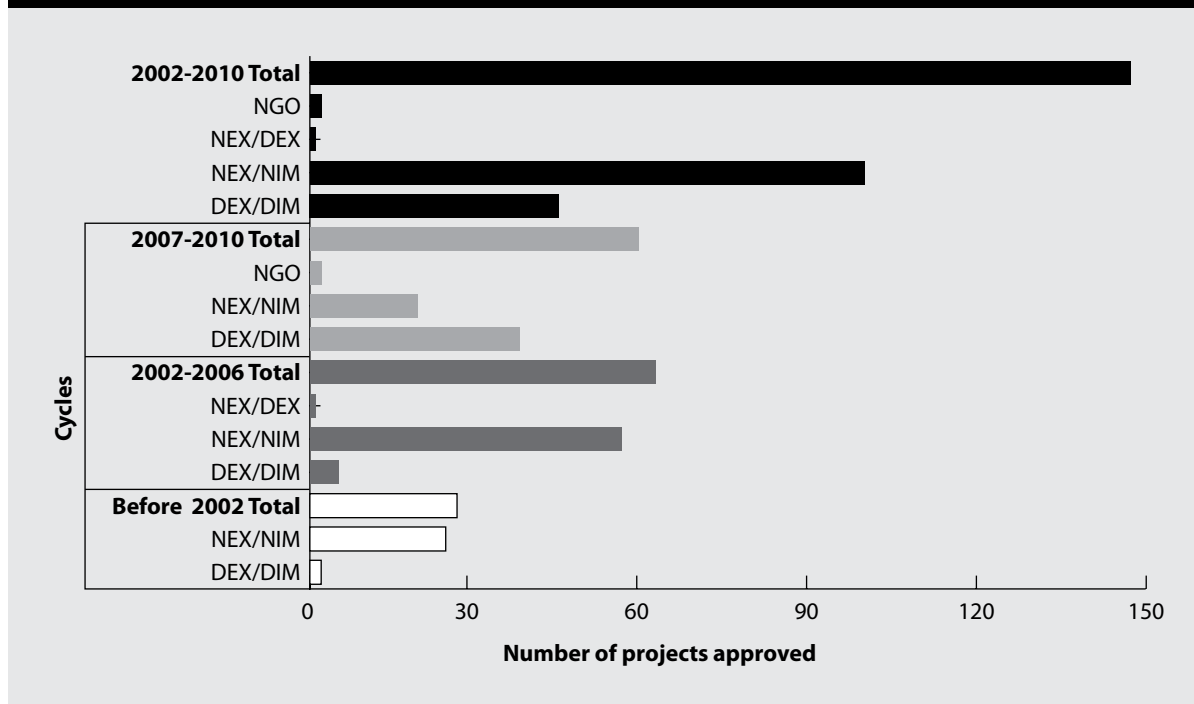
In addition, the composition of the project portfolio and funding sources has changed (Figure 5). While in the first cycle six projects were executed under direct UNDP administration, referred to as DEX (direct execution) or DIM (direct implementation), in the second cycle this type of project increased to 37, or two-thirds of those approved.⁵² At the same time, the average budget per project dropped substantially. In these cases, funding did not come from the Government, but rather from UNDP or third parties. The projects implemented under the responsibility of government departments, but in accordance with UNDP contracting and procurement rules, characterized by the acronym NEX (national execution) or NIM (national implementation), dropped from 55 in the first cycle to 19 projects approved in the second, mainly coming prior to the change of government. Since mid-2008, when there was a change of administrations in the executive branch, there has been increasing opposition from the other branches of government to

facilitating the implementation of projects and programmes coming from the executive branch, several of which are linked to UNDP. In both cycles, two formats (NEX and DEX) have been combined on the same project. In addition, the second cycle witnessed the approval of two projects executed by civil society organizations.

This restructuring of the portfolio led to a reduction in income for UNDP. While the previous model was to provide project management services for a fee to recover costs, a wider range of service offerings that UNDP refers to as substantive – advising and technical assistance – forced its national office to seek funding for such activities, since corporate UNDP has reduced resources for this part of the work for their offices in Latin America. Currently, UNDP and the Government have opted for a combination of both services: management and substantive.

⁵² This section is based on a list of 145 projects submitted to the evaluation, established in 2010 (also see Annex 4).

Figure 5. Number of Projects Approved, by Execution Format, 2002-2010*



*Includes projects that are assumed to be approved before 2002. These have numbers beginning with 1901 or 1905 (26 cases), one project was a combination of DEX and NEX.

Source: Prepared by the authors using data provided by UNDP-Paraguay.

In the period under consideration, most of the funding for the portfolio came from government funds, primarily through loans from the IDB and the World Bank. Cutbacks in 'management projects' significantly reduced the proportion of government funds administered by UNDP in the second cycle, partially offset by resources from third-party institutions and equity funds.⁵³

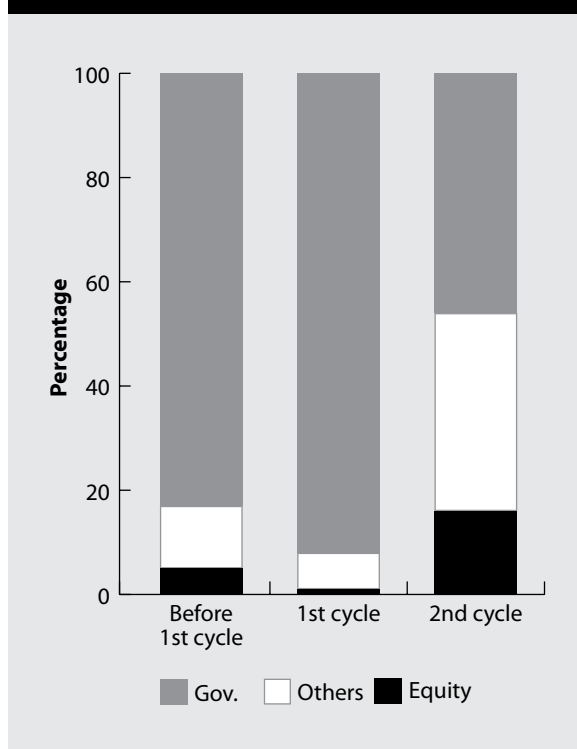
The total level of expenditure in 2008 was equivalent to that for 2004 (see Table 4). Typically, in the years following a change of administration, once relationships are established between UNDP and the executive branch, the volume of execution tends to increase.

In 2008, UNDP regular resources increased substantially in Paraguay, although they accounted for less than 10 percent of programme costs. The programme was faced with a critical structural and financial situation in 2008 – an indication that the institutional crisis in 2005 was only the beginning of a profound process of adjustment.⁵⁴ At the time of this evaluation, the office went through a process of redefining its profile to reflect the new strategic directions and limitations to which it is subject. Because of these changes, UNDP approached corporate headquarters to increase its contributions from different internal sources, which has occurred.

53 According to the UNDP website, the available budget for 2010 (US\$22.5 million) is divided as follows: Government of Paraguay, 45 percent; IDB, 25 percent; UNDP, 10 percent; Government of Spain, 8 percent; Spanish bilateral funds, 4 percent and others 8 percent (European Commission, GEF, the Italian Government, GTZ, JICA, UNAIDS, UNEP, USAID). The IDB percentage could, as before, be understood as government resources, since it amounts to loans to the Government, raising its share to 70 percent.

54 The revaluation of the Guaraní against the US dollar, which fluctuated by 26 percent in two years, tended to exacerbate these problems.

Figure 6. Budget for Approved Projects, by Funding Source, per Cycle (Percent)



Source: Prepared by the authors using data provided by UNDP-Paraguay.

Figure 7 shows the approval of new projects, by cycle, in the thematic areas as a result of strategic-programmatic decisions of UNDP. It does not reflect projects approved in the

first cycle that continued into the second; the existing portfolio of UNDP programmes at the time of this evaluation amounted to 98. The figure presents the projects, sorted by subject area, according to the reclassification made in 2008-2009, which created the category of management projects. We can see:

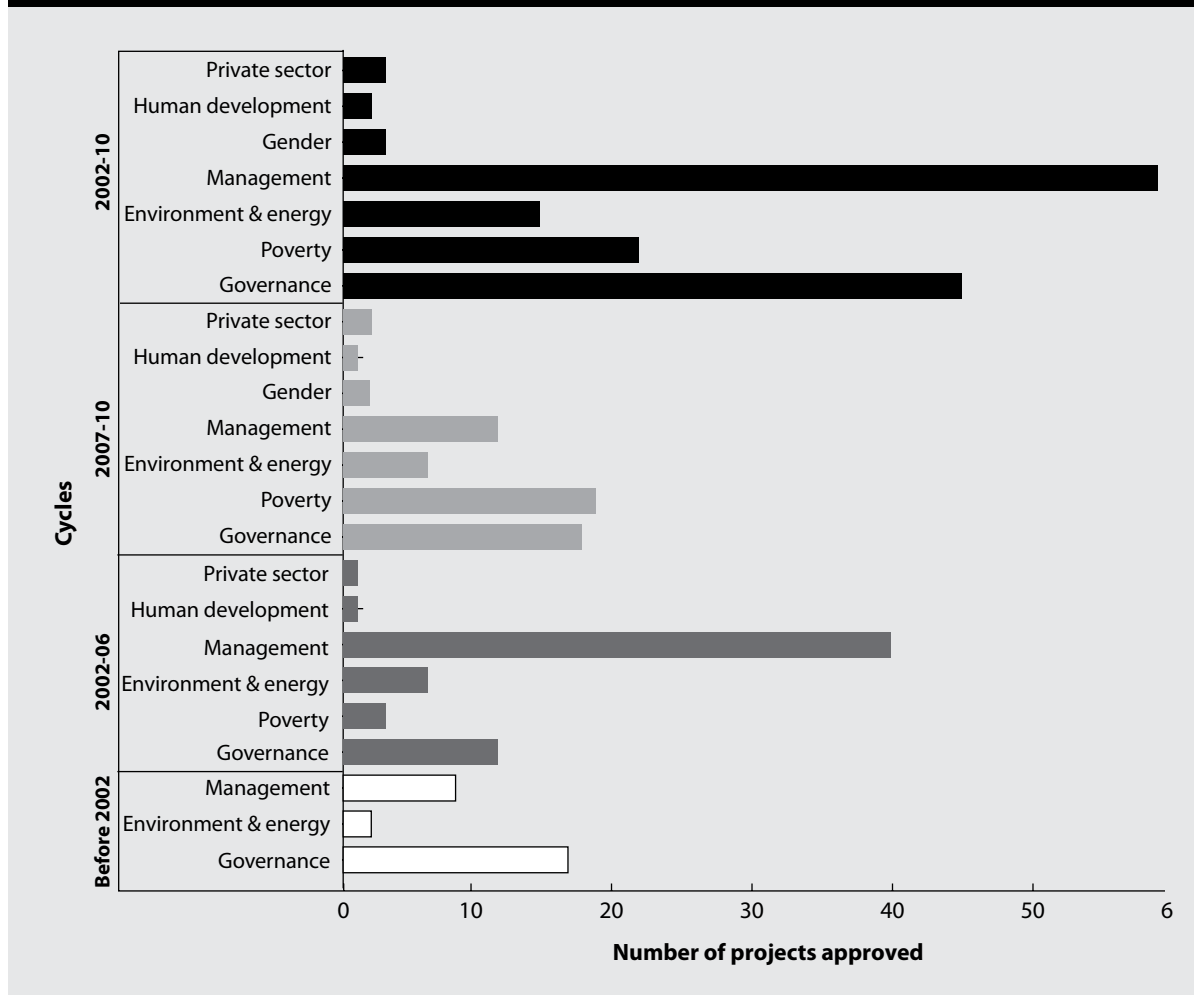
- the reduction of management projects from 39 in the first cycle to 11 in the second (through the end of 2009); until the first cycle, these projects were mostly recorded under the category of state governance and modernization, and poverty; these projects are funded primarily by the Government, usually with multilateral loans;
- the increase in projects in the area of governance, from 11 in the first cycle to 17 in the second;
- the increase in projects in the area of poverty reduction, from 3 in the first cycle to 18 in the second (up to 2009);
- continued support in the area of environment, with the approval of 6 projects in each of the two cycles;
- the approval of 3 projects in the area of governance in the second cycle, versus no such projects in the previous cycle.

Table 4. Total Expenses for the Programme, Management and Financing of the UNDP Office, 2004-2009

Expenses (in thousands of US\$ and %)	2004	2005	2006	2007	2008	2009
A. Total Programme Expenses	20,752	25,999	35,687	33,072	20,420	17,215
B. Total Global Management Expenses	1,227	1,065	1,350	1,724	1,958	1,538
C. Total Expenses, Regular Resources	424	565	641	734	1,821	1,708
D. Ratio Total Regular Resources/ Programme Total (C/A)	2.0%	2.2%	1.8%	2.2%	8.9%	9.9%
E. Ratio Total Regular Resources/Global Total Management Expenses (C/B)	34.6%	53.1%	47.5%	42.6%	93.0%	111.1%
F. Ratio Total Global Management/Total Regular Resources (B/A)	5.9%	4.1%	3.8%	5.2%	9.6%	8.9%

Source: Atlas snapshot

Figure 7. Number of Projects Approved by Priority Area, per Cycle, and Total 2002-2010*



* Includes projects that are assumed to be approved before 2002 (26 cases)

Source: Prepared by the authors using data provided by UNDP-Paraguay.

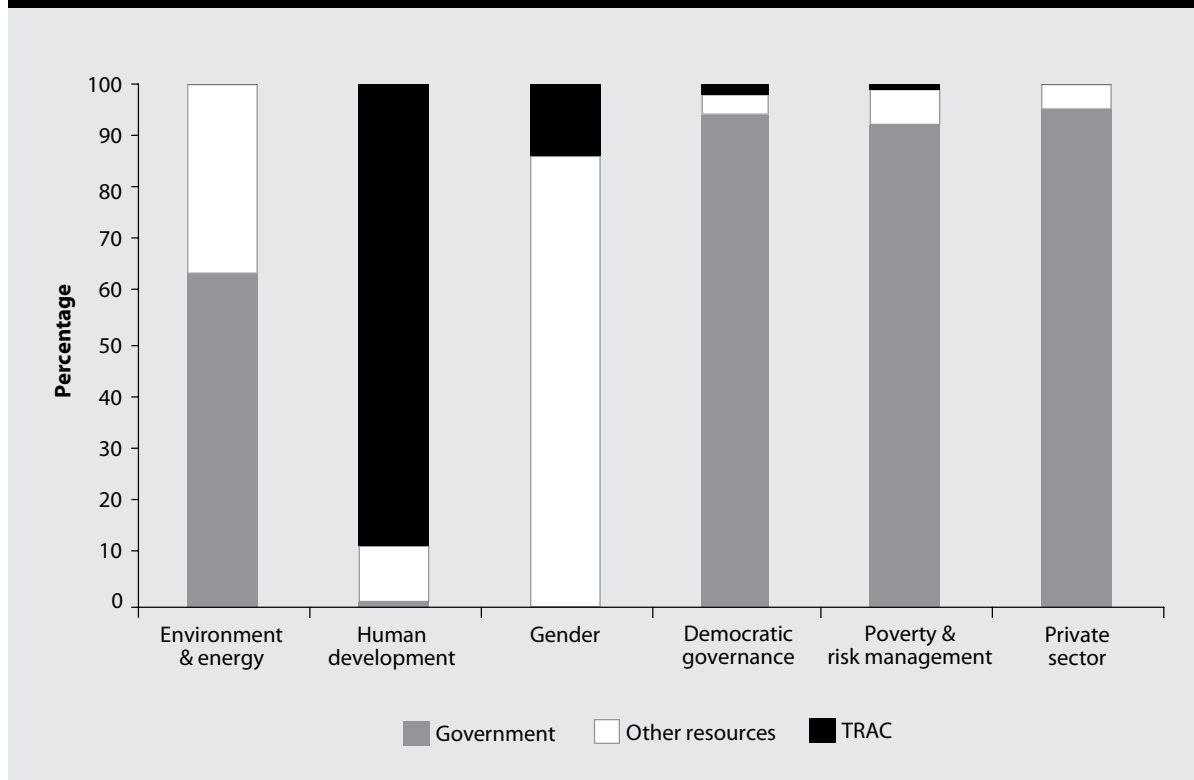
This comparison shows, first, the strategic shift towards substantive projects. The number of projects approved in the two cycles was almost the same. However, the average budget per project fell substantially (see Figure 4), with a diversification of funding sources.

It should be noted that this figure does not include activities not included in projects financed by UNDP or donors, such as the promotion of new initiatives (e.g., the Global Compact among the country's business community), if they did not result in an approved project proposal. Nor does it include advocacy, facilitation of connections or

visits by national authorities to countries in the Southern Cone, etc., which are generally small in financial terms, but can be substantial and lead to new projects.

In terms of absolute financial volume by thematic area, UNDP-Paraguay invested and managed funds totalling the same amount in the two major areas of governance and poverty (including support to the private sector), with just over 40 percent each, followed by the environment, with 15 percent. This distribution reflects the relative strategic importance attached to these three main thematic areas.

Figure 8. Distribution of Budget Funds by Source, by Priority Area, 2004-2010



Source: Prepared by the authors using data provided by UNDP-Paraguay.

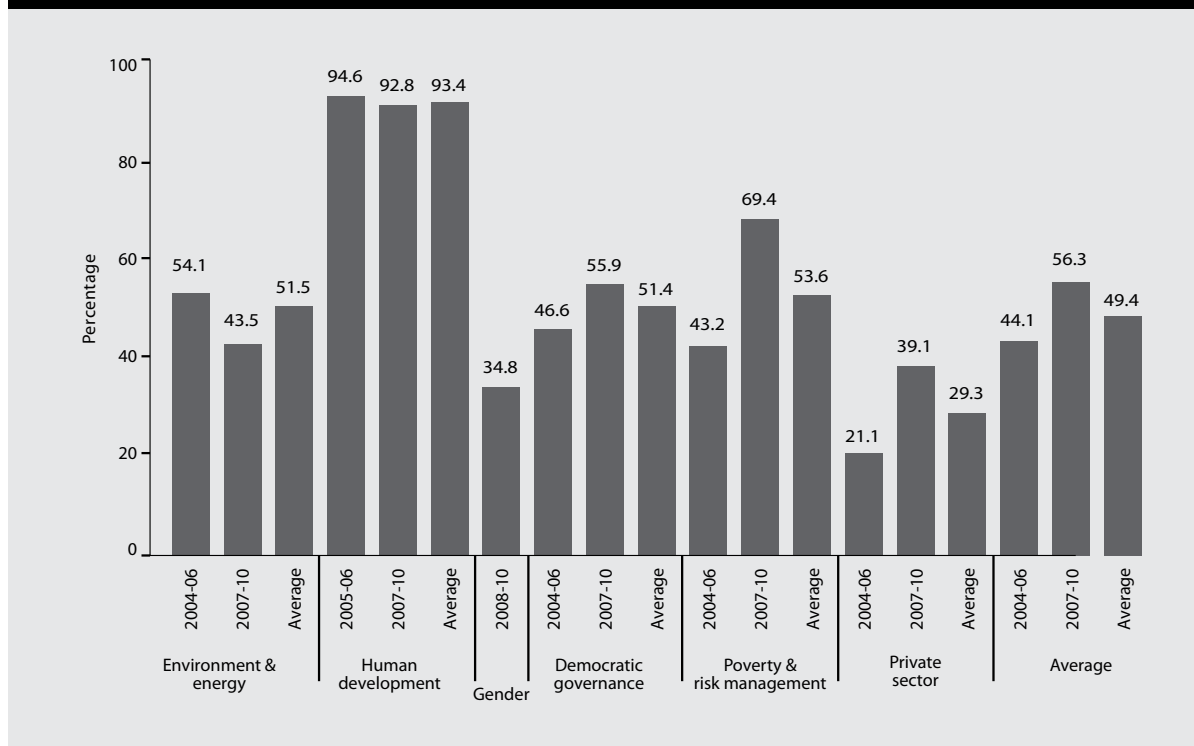
Figure 8 shows the relative distribution of budgets by funding source. The area of governance accounted for the highest percentage of UNDP funds. Forty-six percent of their contributions to activities were classified under this heading; human development (which includes the OHD project) and poverty/risk management received 20 percent respectively; another 8 percent was allocated to environment and 3 percent to the private sector. As with human development and gender – both receiving a relatively small volume – no government funds were provided, and they were instead financed with UNDP funds (in the first case) and third-party sources (in the second case). In the area of the environment, contributions from the Global Environment Facility (GEF) were available.

Execution rates in the different subject areas have been uneven. In general, these rates were low in the first cycle and improved in the second (Figure 9).

The area of human development corresponds to the Office of Human Development (OHD), consisting of six staff members (to 2008) housed in the UNDP office. The high execution rate is explained by the fact that the OHD is, administratively, an internal project. We find support to the private sector at the other extreme in terms of execution rate, consisting mostly of projects with the Ministry of Industry and Trade that were slow to take off. In the larger thematic areas – governance and poverty reduction – we note substantial improvement in the execution rate in the second cycle, mainly because the first cycle constituted a period of programmes initiation and launching.

According to the organizational chart in effect as of September 2008, UNDP-Paraguay together with the United Nations Resident Coordinator Office had a staff of 59, of whom 49 percent were employed in operations (finance, administration, human resources, procurement), 17 percent in the

Figure 9. Budget Execution Rate by Subject Area and Cycle, 2004-2010



Source: Prepared by the authors using data provided by UNDP-Paraguay Office.

Programme Unit, including the Office of Human Development, and 13 percent in the management and coordination of the UN System, which also includes the communication division.

There has been an increase in the number of fixed-term contracts and services, including personnel employed by UNDP for projects, along with staff of other UN agencies administered by UNDP (such as UNFPA, UNIFEM, UNIC, etc.). However, given the financial situation (which, again, was critical in 2008-2009), staffing was reduced by the end of that period. This is changing the composition of employment relations in favour of greater flexibility to respond to changes in the availability of resources.

Project monitoring and evaluation changed gradually during the last decade. When the programme was devoted to management projects, the job of UNDP was to carry out this

Table 5. UNDP-Paraguay Human Resources by Area, September 2008

Area	Staff	Proportion of total
CR and Management Office	13	22%
Programmes and OHD *	17	29%
Operations	29	49%
Total	59	100%

* According to the UNDP Office in Paraguay, the HR team (currently four staff members) contributes to programmatic activities through analysis and proposals (induction of projects, e.g., in the water sector). This team is hired by project, and, like all project staff, are not included in the human resources of the UNDP Office.

Source: Prepared by the authors using data provided by UNDP-Paraguay Office.

administration using implicit operational control. Information on outcomes was produced according to the rules of co-financing institutions such as the IDB, the Andean Development Corporation

(CAF) or the World Bank. Another substantive project that grew over time – Investing in People – includes a methodology for monitoring and evaluation of government social spending.

In terms of the UNDAF, United Nations Resident Coordinator Office has not systematically monitored outcomes, despite having developed a framework of outcomes and indicators. As UNDP launched DEX projects, the need for monitoring – and thus the need for knowledge of corporate systems – increased. In 2005, the Atlas system was introduced as a tool for the purposes of record keeping and administration. According to UNDP, project monitoring was always conducted through visits and regular discussions with partners, and progress reports were established, although in this current assessment we were unable to obtain these documents, except (for the current period) for those pertaining to projects visited in field.⁵⁵

Structured monitoring and evaluation depend largely on the application of preparatory tools

(such as baselines, logical frameworks, plans, etc.), and project management tools (documented meetings, standardized reporting, internal evaluations, etc.). In view of the project documents that have been made available, UNDP monitoring tools have been modest. A recent internal analysis⁵⁶ states in this regard that, in many cases, tools were not established early in the project, annual operating plans (AOPs) were not requested on time, and these tools were not converted into monitoring tools, nor was there adequate systematization of information (e.g., in project reports, meetings with memory aids and documented field visits) nor were outputs directly recorded in Atlas.

UNDP-Paraguay is currently undertaking an effort to use the Atlas system to monitor projects, which presupposes establishing the tools to make this possible as a part of projects. Since 2009, work plans have been established, by supported institution, which serve as tools for monitoring.

Box 1. Summary of Key Findings in Chapter 3

Strategy. In the last decade, progress was made in defining a more relevant strategic framework in terms of development. A strategic shift took place towards a more substantive programme (advisory services and technical assistance), moving away from the preponderance of management services provided to government agencies. This lent continuity to the same thematic focus. There is high level of agreement and alignment between the mandate expressed in UNDP strategic documents and the strategic-political statements of the government administrations in office in the period under review.

Organization. UNDP has undergone major changes in its organization and its finances during the period under review, including structural reorganizations, such as staff reductions and changes to the methods for recruitment, and the introduction of the Atlas system, along with adjustments to a series of corporate rules and administrative processes.

Programme management. At the beginning of the period under review, UNDP managed a programme more than 90 percent financed by government funds and classified under the topic of government modernization. In the second planning cycle (2007-2011), management project services were greatly reduced in favour of smaller-sized technical assistance projects, many executed directly by UNDP. This change substantially reduced UNDP's financial income, partially offset by higher contributions from third parties and corporate funds.

UN System Coordination. UNDAFs from this decade helped create a common vision of United Nations support to the country. With a shared headquarters (the Casa de las Naciones Unidas) since 2001, high-impact joint projects (Investing in People and others) have been undertaken, and a culture of regular coordination meetings with joint responses to new challenges has emerged, improving joint activities and reducing duplication. However, there is still some duplication, and United Nations coordinators do not conduct systematic joint monitoring of the UNDAF.

55 The project information made available for this ADR consisted mainly of several PRODOCs, covering fewer than half of the 145 projects included in the list.

56 UNDP Programme Unit, Monitoring and Evaluation System, April 2010.

Chapter 4

UNDP CONTRIBUTION TO DEVELOPMENT RESULTS

4.1 THEMATIC AREAS

UNDP activities were evaluated with a view to meeting the outcomes expected in the two planning cycles (Table 3, Chapter 3). A sample of projects (Annex 4) was analysed that reflected the organization's contributions towards achieving development results in the various subject areas.

4.1.1 RELEVANCE AND EFFECTIVENESS IN DEMOCRATIC GOVERNANCE

Relevance

In their design phases, both UNDAFs had participation from representatives of the executive branch and included national strategies and official supporting documents, along with final institutional internal control.⁵⁷ Using the general guidelines and global thematic areas identified in these documents as a point of reference, UNDP, together with the Government, developed the corresponding Frameworks and Action Programmes (CCF 2002-2004 and CPAP 2007-2011). However, it should be noted that representatives of legislative and judicial branches have been absent from the design of the

UNDAF, which somewhat limits its perspective, approaches and sought-after objectives.⁵⁸

During the first cycle, UNDP had a wide-ranging portfolio of 'development services' classified under the rubric of 'modernization of the State',⁵⁹ although it also implemented specific substantive initiatives and launched projects that have endured over time (see the following paragraphs). In the second cycle, efforts focused increasingly on these kinds of programmes⁶⁰ and recently, two main strategic priorities have been defined: promoting public policies and creating spaces for dialogue. Beginning in 2009, the approval of new management projects decreased, and ongoing projects began wrapping up. That year, UNDP established task forces known as the Project Management Platforms, dedicated to providing support services to government agencies in implementing projects. These had the dual objective of achieving efficiency in the execution and development of the management capacity for institutions that receive this type of cooperation, including facilitating compliance with local regulations, such as the Budget Act, the Financial Administration Act and the Public Procurement Act, among others.

57 The 2002-2006 UNDAF was based on the '1999-2003 Government Plan' and the '1999-2003 Economic and Social Strategic Plan', while the 2007-2011 UNDAF was based on the '2011 Growth with Equity Plan', the 'Paraguay National Environmental Policy' and the 'National Strategy for the Reduction of Poverty and Inequality (ENREPD)'.

58 The current UNDAF refers to the active participation of 11 institutions (including ministries and decentralized agencies) and five NGOs.

59 For example, PRODECO, using government funds loaned from the IBRD (US\$10 million); Strengthening the Tax Administration, with funding from the Government through a loan from the IDB (US\$4.5 million); Strengthening the Development of Justice Centres, funded by the Government (US\$31 million).

60 For example, support to the Secretariat of the Civil Service to design and carry out reforms in the civil service sector; the implementation of a project with the Office of the Presidency to draw up a draft law for reform of the executive branch structure; backing for the Social Cabinet to improve its management, as well as the development of social policy; and the implementation of a project seeking to strengthen capacities to define and apply water and sanitation policies.

In the first period, numerous management projects were funded by loans from the IDB. Under this system, UNDP's role was limited largely to handling consultancy procurement and payment procedures, without having a significant influence on project development or the design of exit strategies, while providing a shield against possible political pressure or tampering. There were also important initiatives, such as the preparation of an analysis and proposal in the area of institutional reform in Paraguay, also known as the White Paper⁶¹ in 2003, the creation of the Office of Human Development in 2005, the support of six governors in strategic management, support for the Supreme Court of Justice, the Judicial Council, the Attorney General and the Ministry of Interior in the area of public security. Additionally, in both 2003 and 2008, UNDP supported the presidential transition teams for those periods. This cooperation was used to design the governments' national plans and strategies, as well as sectoral targets for some of the key ministries.

The transition to the second cycle was influenced externally by the National Congress in its provisions for the National Budget Act, which restricted the transfer of new government funds to UNDP for its administration. UNDP responded by making a significant effort towards achieving synergies with other donors and multilateral agencies in recent years. Furthermore, the organization is currently in the process of dialogue with the Supreme Court of Justice, the Ministry of Industry and Trade and the Ministry of Finance, among others, to extend management project programmes that are intertwined with relevant national services (e.g., the procurement of goods). The transition was influenced internally by provisions from the Regional Bureau for Latin America and the Caribbean that sought to strengthen a more substantive approach.

UNDP-Paraguay interventions in the area of governance have been increasingly consistent with national needs, as well as relevant to its mandate and to objectives set out in planning documents. With a greater emphasis on the provision of 'substantive' services, UNDP has deepened its support, leading to a greater leveraging of its scarce resources on behalf of human development, without losing sight of the importance of facilitating the implementation of appropriate policies, a goal to which project management services can make a major systemic contribution. The various actors and levels relevant to the area of governance – such as the legislative and judicial branches, subnational governments, civil society, private sector and academia – remain to be incorporated into future planning with greater force.

Efficiency

The results formulated by UNDP in part coincide in the two planning cycles (Table 3) and emphasize different aspects of governance. The primary purpose is the same throughout the study period. The formulation of results currently in force sums up the challenge of supporting governance in a more complete manner.

Out of the sample of governance projects analysed, most demonstrate concrete progress, allowing UNDP's contribution to development processes to be observed in an exemplary manner.

The information collected on project management emphasizes that public agencies and multilateral organizations preferred, in past years, to hand over project management to UNDP for two main reasons: to devote resources exclusively to the project and to ensure smooth and transparent implementation. It is likely that the management work done by UNDP has thus contributed to greater efficiency and effectiveness in the implementation of projects

61 Prats, Joan, 'Libro Blanco sobre la Reforma Institucional en Paraguay', Instituto de Gobernabilidad de Cataluña and UNDP-Paraguay, Asunción, 2003.

in the last decade.⁶² However, the attraction of UNDP as a project manager has decreased during the last period evaluated. The State has steadily improved some management systems (e.g., reforms to government procurement with the support of the IDB and UNDP). At the same time, the turning over of administration of national resources to outside managers such as UNDP has been restricted.⁶³ The organization, in turn, has increased its administrative demands (e.g., new manual for NEX projects from 2006 to 2009, including rules for payments, for the hiring of consultants, etc.). At the same time, questions have been raised about preponderance of management services in its programme. However, this evaluation has found that the operating rules of the ministries are still a major deterrent to their efficiency and effectiveness⁶⁴, a fact acknowledged by the Office of the Presidency itself, which has launched a new initiative to better manage the organization of the executive branch (with support from UNDP).

UNDP has been supporting various government departments for three decades. One recent example is the project with the Ministry of the Interior regarding ‘Specialized attention for victims of domestic and gender violence: public safety’, funded by the AECID. This programme includes the creation of Specialized Victim Support Divisions at various key points throughout the country to specifically address allegations of domestic and gender violence. To date, project results have been promising,

with more than 800 police officers and instructors receiving training at the Institute for Police Training.⁶⁵ The two (of six planned) Specialized Divisions established have received over 700 complaints and some 400 telephone inquiries. In a visit made to one of the Specialized Divisions, the mission was able to confirm the progress that had been made, along with equipment installed and improvements undertaken. Furthermore, the interviewee from the Ministry of the Interior responsible for the project noted that without the support of UNDP and AECID, this initiative would not have been carried out due to a lack of domestic financing.

All governance projects were focused on priority areas related to the outcomes and products established in the UNDAF, CPAP and the line of action implemented by the UN Representative. A recent example, the development of an initial nationwide survey, which has resulted in the ‘Democratic Governance Indicators in Paraguay’ report published in 2009, has been a significant effort recognized by the President of the National Congress – with revealing results – and now serves as a baseline. At the same time, the Project to Support the Consolidation of the Government Programme (as well as the support provided by UNDP to the incoming administration in 2003) not only allowed it to complete the expected products but also positioned UNDP as a strategic partner of the new government.

62 In the case of one project – support for the maquila in the Ministry of Industry and Trade – it is seen that implementation through UNDP has been and continues to be crucial; if the professional staff hired by UNDP were offered compensation according to the ministry’s pay scale, most would not continue in their jobs.

63 The need to entrust administration to an extra system external to national systems (and to multilateral lenders, such as the IDB, for example) has been called into question as well as regarding the cost of these services. There has also been concern over what is considered to be an imbalance between administrative services and other, more substantive, services that are not offered, such as help in negotiating such projects and support when problems arise during implementation, among others.

64 Low salaries (even below the minimum wage, and not always accompanied by job benefits), complicated procedures and long, uncertain payment processes, along with the risk of corruption, are characteristics that are mentioned; there are suppliers of goods and services that respond to tenders only if they are made by UNDP.

65 141 urban police officers, 33 teachers and instructors at ISEPOL, 620 officers and non-commissioned officers for the ‘911’ call system, and 44 officers and non-commissioned officers for various police stations in Asunción, Central, Guairá and San Pedro.

The creation of short-term (100 days) and medium-term (5 years) government plans served to focus government priorities. Additionally, the project sought to come to an agreement on policies with various stakeholders, as well as to coordinate international technical cooperation. Another initiative aimed at promoting purposeful dialogue spaces – the Democracy Development Foundation (DENDE) – enjoys support from UNDP. Visionary people are highly receptive to proposals to form part of the network (some 21 parliamentarians and other political leaders), with a favourable attitude towards finding opportunities to discuss and formulate broad lines of future action in the country.

A project managed by the Representative is the one that lends support to the Committee on Bi-national Hydroelectric Entities (CEBH), one priority in the current programme of the Government. The creation of the CEBH by President Lugo has allowed closer inter-agency coordination, broader debate through events and seminars, and national positions that are mutually agreed upon by all stakeholders. Given the potential impact of the policies to be developed by the CEBH, this project may have significant implications for the economic and social development of Paraguay.

Aware that improvement in the management of government administrations is a necessary condition for strengthening the area of governance, UNDP has responded positively to the request for support from the Secretariat of the Civil Service (SFP). Back in September 2008 (one month after taking office), an analysis was carried out by a UNDP regional team, known as the Project for Political Analysis and Prospective Scenarios (PAPEP). The resulting work⁶⁶ allowed for a better understanding of the country's circumstances and for the designing of a road

map. In addition, the SFP (with support from UNDP) prepared its 2009-2013 Institutional Strategic Plan, which included seven general objectives and 28 strategic policies. Furthermore, the SFP is preparing the groundwork to propose a civil service career path, in order to make the whole process of selecting new staff more transparent and to improve the internal conditions to attract and retain capable personnel.

The SFP is also part the inter-agency team⁶⁷ created by the Structural Innovation in the Executive Branch project implemented in 2010, together with the Office of the Presidency, which has two objectives: 1) design a Structural Innovation Plan for the Executive Branch; and 2) to develop a Draft Law on the Organization of the Executive Branch. Although it is still in the first stage (until December 2010), the results can have high impact.⁶⁸ At the same time, the initiative has generated a rapprochement with the major political parties and the private sector, launching a dialogue that has not been achieved in the past. This fact should be emphasized, since there was previously no proactivity on the part of the executive branch in seeking to dialogue with other political actors.

One example of a UNDP intervention operating at various levels of governance at the same time is the Strengthening Capacities for Policy Definition and Application of Water and Sanitation Policies project, a very ambitious and complex undertaking due to the high potential impact on the population, especially in rural areas. This project was proposed to the Fund for the Achievement of the MDGs, financed by the Spanish Government, based on the findings of the Water Uses and Governance in Paraguay document put out by the Office of Human Development in 2006 (taking advantage of the fact that water was

66 UNDP-Paraguay, JICA-SFP, 'Percepciones y Expectativas sobre la Reforma de la Administración Pública', 2009.

67 This team also includes the Ministry of Finance, the General Secretariat of the Presidency of the Republic, the Civil Cabinet (coordinator), the Technical Secretariat of Planning and the Ministry of Women.

68 In 2008 the Government of Peru established a permanent institution, in the form of the SERVIR foundation that seeks to modernize the civil service, an initiative with similar goals (www.servir.gob.pe).

the theme of the 2006 HDR). The decision to include this project in the democratic governance portfolio emerged as a result of its having been submitted to the economic governance window of the MDG Fund. This was done on account of the Government's need to achieve greater institutional coordination in the area of water and sanitation due to the scattered and diverse financial resources available to the sector and the need for a more involved citizenry. The complexity of the sector is confirmed by checking the number of signatories to the project. From the UN System, the signatory agencies are UNDP, UNICEF, PAHO-WHO and the ILO, while the government side includes four public institutions (STP, MOPC, MSPBS and ERSSAN). The scope of action is greater yet, because there are also subnational goals in 14 communities (including 4 indigenous communities), including private providers. It also sets goals related to the strengthening of the citizenry to promote and protect their rights.

Twelve years after a first sector analysis, and thanks to this project, Paraguay now has an 'Update of the Sector Analysis of Drinking Water and Sanitation', which covers the current state of the sector in detail and proposes strategies. This project has also served to unify data (through a survey conducted with support from UNDP) to enable the implementation of strategies based on common statistics. At the same time, the project has enabled the preparation of manuals, with the goal of administering the sector and implementing best practices. There have been several seminars, and the evaluation mission had the opportunity to participate in one of them during a visit to the community of Abaí, Caazapá, where it observed how the inter-agency team trained villagers in the management of their wells.

Considering the set of projects and management efforts that UNDP has been involved with for various Paraguayan government departments, the effectiveness of its contribution has been greatest in two areas: a) the management of public projects (with most of those in the area of governance falling in the first cycle), which was reduced in the second cycle; and b) the analysis of

key aspects – such as institutions and the public budget, the country's human development, etc. – in both periods, with occasional contributions to making viable initiatives and policy proposals. It has supported the various administrations in the formulation of visions as a basis for public policy, with greater intensity in the second cycle. The information gathered points to the usefulness and effectiveness of UNDP support in these areas.

In other aspects of governance, in particular those such as ones devoted to establishing institutions to address the challenges of large-scale development – including the organization of the executive branch, strengthening of the legislative branch, the application of sector policies (water, e.g.), and state accountability – the effectiveness of UNDP support has been subject to long-term processes of nation building. UNDP has increased its support in these areas since 2009, but with few visible results so far.

The inclusion of civil society organizations and subnational governments seeking to strengthen governance structures and practices from the grassroots has received early encouragement from UNDP-Paraguay. Representatives of civil society organizations participated in the development and implementation of plans and in some projects (in the areas of the environment, emergency response, the water sector, etc.), but a programme to strengthen civil society per se was not defined.

The challenge for UNDP is to be able to maintain its capacity to manage its current portfolio in the area of governance using the resources it has, and to strategically position and deepen the limited support it can offer in partnership with various partners (executive, legislative, and judicial branches; civil society, private sector, academia).

4.1.2 RELEVANCE AND EFFECTIVENESS IN THE FIGHT AGAINST POVERTY

Strategies and social programmes that support the development of income opportunities and the topic of risk management have been subsumed under the umbrella of poverty reduction. The formulation of the programme outcomes on the

issue of poverty diverges in the two cycles. In the first, the promotion of private sector competitiveness, international economic integration and productive development is one of two main results. In the second, this area was integrated into MDG 1 (halving of extreme poverty), specifically in terms of the development of human capital and greater access to quality basic services.

Relevance

UNDP contributed to the emergence of a new institutional framework for social policies in the country during the period under review. It supported the implementation of the National Strategy for the Reduction of Poverty and Inequality (ENREPD) and the National Food Assistance Programme (PROAN) with efforts in the areas of conceptualization, discussion and reflection.⁶⁹ It is recognized that the theoretical and methodological processes that UNDP launched in this first stage were of high academic standards. In addition, there were periodic studies and reports – including monthly ones – concerning the ‘Social Expenditure Programme: Investing in People’, as well as Human Development Reports, National Reports on the Millennium Development Goals (which gave decision makers accurate information about Paraguay’s social circumstances); and indications on the lines of work that could be taken to improve the population’s living conditions.⁷⁰ However, at this early stage (2002–2006 cycle), there was a lack of articulation between the fight to

reduce poverty and a focus on human rights-based development. There was also a need to deepen the discussion on aid aspects of programme such as Tekoporá (conditional transfers) and the ability to implement approved policies.

UNDP supported the Secretariat of Social Action in obtaining the funds to implement the first phase of Tekoporá, and the Ministry of Finance in the design and creation of the Social Equity Fund (FES). Today Tekoporá is the Government’s most important social and poverty reduction programme, serving approximately 90,000 families in extreme poverty.

With the administration of Fernando Lugo, UNDP took strategic decisions aimed at strengthening the efforts of the Social Cabinet. Between late 2008 and mid-2010, government policy emerged as a series of plans,⁷¹ which could count on the support of structured and widely recognized projects such as Investing in People, whose methodology has been embraced and disseminated by the UNDP Regional Centre for Latin America and the Caribbean, and is being applied by the organization in other countries.

The implementation of social policies and programmes requires an updated information base. UNDP contributed to the establishment of the Paraguayan Information and Management System (SIGPA).⁷² Although there have been some delays, having a tool such as this – which

69 In Paraguay, at various times in recent history, a number of social programmes have been used and manipulated through ‘patronage’ practices. Both the National Food Assistance Programme (PROAN) and the Integrated Rural Development Programme in critical zones, and the Cotton Programme, came under severe criticism and allegations from the media. UNDP was affected by these situations, although it managed to come out clean.

70 The 2003 and 2008 human development reports were of great value to the analysis and discussion of poverty and inequality in the country. The same is true of the Report regarding Youth and Social Exclusion (2002) and the *Cadernos de Desarrollo Humano*, especially issue no. 1, which looked at productive innovation and poverty reduction (2006), issue no. 3, which explored policy directions for reducing inequalities in Paraguay (2007), and issue no. 4, on partnership and productive diversification for rural employment (2008).

71 Those discussed in section 2.2 of this report, in addition to sectoral plans.

72 In 2009, the Investing in People programme focused on the development of a government tool for the systematic analysis of social policy impacts. The initiative culminated in the establishment of SIGPA, which managed to unify computer systems and data sources for the social ministries in order to establish a Single Beneficiaries Registry (RUB) for recipients of social benefits, and enable coordinated and more effective tracking of social policy impact. This system has been able to expand the conditional cash transfer programme, and is the most important pillar of the government’s countercyclical policy to counteract the effects of economic contraction in 2009.

connects various databases related to social programmes (conditional transfers, records of land reform beneficiaries, school health, etc.) and can operate in real time – is a significant advance for the implementation, monitoring and tracking of social policies.

Currently, the portfolio of poverty reduction programmes is saturated and overwhelmed with requests for support, and the country has neither the human nor financial resources to address them. This is an indication both of the relevance of UNDP in this area and of the constraints on creating greater impacts. Analytical inputs and advice from UNDP for the formulation of national poverty reduction strategies have facilitated the processes in question, but UNDP might have been able to encourage more reflection on the policies adopted with an eye towards improvement.

In the economic area, all the Government's plans include and emphasize the goals of economic growth, job creation, offering a favourable investment and business environment, and diversification of the productive structure aimed at improving income distribution. Seeking to promote rural income-generating opportunities, UNDP responded to these needs within the framework of its strategic plans (CCF, CPD), through projects and activities with several partners: the Ministry of Industry and Commerce, the Ministry of Agriculture and Livestock, the microfinance industry and private companies interested in social responsibility (Pacto Global), as well as private actors. The positions of the Government and UNDP in this area are in harmony with the needs of a majority of the population: i.e., to develop productive activities that generate employment and increase income. Conceptually, therefore, this line of action is consistent with the objective of poverty reduction, and it supports a political priority of

the government administration. Question may arise regarding the sustainability of some UNDP interventions, an issue addressed in the corresponding item⁷³; another refers to the popular discussion about the trickle-down effect in cooperation with companies. That is, how much do vulnerable and poor populations – which are the populations targeted in recent UNDP strategic documents (2007-2011) – benefit from such programmes? This point is addressed below.

Regarding the risk management area, since Paraguay's risk profile does not include natural disasters such as earthquakes, hurricanes, etc., this issue has been addressed in an as-needed manner both by the Government⁷⁴ and UNDP. With the creation of the National Emergency Secretariat (SEN) in 2005, whose task is to prevent and counteract the effects of emergencies and disasters of any type – natural or social – the State has confirmed its intention to switch from a model of pure emergency response to a model of disaster prevention. Throughout this process, UNDP – making use of the knowledge held by specialized UN agencies (OCHA/UNDAC) – has been one of the key advisers to the government agencies involved. In 2007, UNDP agreed to establish a technical assistance project to strengthen the SEN.

Efficiency

UNDP played a significant role in the area of **poverty reduction**, making conceptual and methodological contributions at the beginning of the implementation of the Social Safety Net and the programmes that emerged with it, as well as with the National Food Assistance Programme. The Institutional Strengthening of the Social Cabinet project facilitated the definition of its structure and operations, the establishment of proper prioritization and a system protecting social expenditures in the budget.

73 See section 4.1.5 of this report.

74 A fire in a large supermarket – Ykua Bolaños – in 2004, which left some 400 dead and 300 wounded, raised awareness about the presence of different types of risks, the lack of preventive strategies and the need for emergency response policy and systemic capacity.

In the first cycle, UNDP supported a dozen projects characterized as ‘substantive’ in the social realm and provided technical assistance in the area of education (bilingual literacy project – Guaraní-Spanish – at the regional level, launched by ECLAC in 1999) and rural production (e.g., the Community Development Programme [PRODECO], which was funded by the World Bank, as well as technical assistance projects offered to family farmers and peasant and indigenous communities through the MAG). Two projects stand out for their wide recognition and continuity: Investing in People and the Office of Human Development.

UNDP and UNICEF jointly established the Investing in People programme, which was joined by UNFPA in 2005. Previously, the concept of social expenditure was not familiar to the public; in barely one year – between 2003 and 2004 – the subject became firmly established. Thereafter, budgetary analyses, costing of social goals and the MDGs, analysis of social investments, case studies, etc., were conducted on a regular basis.⁷⁵ The experience of this joint undertaking has received several international awards. The programme provides technical assistance to other countries in the analysis of social expenditures and the impact they can have on the budget.

As in the area of governance, processing and publication of analyses of the country’s various social circumstances by the Office of Human Development has been of great importance. Quality information was produced in both the first and second cycles (National Human Development Reports, MDG Reports, Social Expenditure Reports, etc.). However, its circulation was limited; there was no systematic distribution, nor was there sufficient lobbying with valuable information produced to achieve greater dissemination. A broader discussion on poverty, inequality

and human rights was missing; both ENREPD and PROAN created forums for discussion, but these were not sustained over time.

In the second cycle, particularly with the current administration, the strengthening of certain key state institutions has been an active area of support. These include initiatives such as the Social Cabinet, the Secretariat of Social Action, the Ministry of Education and Culture and the Ministry of Public Health and Welfare. The portfolio includes a dozen projects, and UNDP (and UNICEF) has substantially increased funds for the Investing in People project. Also, the Social Economy Unit of the Ministry of Finance, as happened with the Social Cabinet, has begun to generate pilot projects and discussions on the appropriate methods for implementing social policies, with support from UNDP.

In retrospect, it appears that there was a lack of ongoing support during project implementation. In many ways, additional UNDP intervention would have been helpful to overcome weaknesses in the national implementation that was subsequently witnessed:

- While with the National Food Assistance Programme has managed to raise the baseline in 31 districts, so far it has been difficult for the programme to better articulate with the Tekoporá programme (conditional transfers) in order to offer a holistic approach in attending the needs of poor families.
- In the first three years of the Tekoporá programme, no baseline studies were available that would allow the progress of the intervention to be measured. The same thing happened with programmes such as PRODECO and the rural development programmes.
- There was also a need for more guidance with respect to the management skills of those

⁷⁵ See www.gastosocial.org.py and the subsequent bulletins from 2004 onwards.

responsible for programme implementation, as well as the tools needed for monitoring and evaluation.

- In the process of implementing these social policies, it became clear that the State did not have the resources to accompany them with the provision of social services (health and education) that would allow the fulfilment of responsibilities (Tekoporá). As a result, the desire to provide the poor with access to basic services was relegated to a later time.

Although these observations have more to do with the Government's ability to implement its social programmes, they are related to the objectives and results that UNDP aspired to, and especially impact the effectiveness of implementing the social policies adopted. Therefore, even if we look at strategies and programmes designed and implemented starting in 2005-2006, these failed to make substantial impacts on poverty in the country due to their lack of breadth and inadequate quality processes to date. In addition, this assessment has noted that the national strategies, as well as several projects and programmes, have lacked greater involvement from civil society, universities, churches, employers, etc., although it shows an increase in these actors' participation in recent years.

Similarly, greater involvement of local actors in the country was needed. Work on the regional and district plans has gotten under way, although the past two years have begun to see an expanded relationship with local stakeholders through projects such as Effectiveness in Priority Programmes or Bridges to Inclusive Development.

In summary, the effectiveness of UNDP support in the social area, as measured by expected results (see Table 3), has been mixed: success in the field of information (OHD), in supporting the formulation of policies and strategies, in monitoring the national budget in terms of social and other expenditures – which correspond to 'outputs' in the 2007-2011 CPD – but still not reflected in a reduction of poverty (the target for the period covered by the CPD). Government administrations have adopted poverty reduction strategies and programmes, but there has been limited capacity to implement them, and poor people's access to quality services (education, health, water, income opportunities, etc.) has made little progress.

In the **economic area**, UNDP has targeted a wide range of actors, from large to micro-enterprises, and channelled its support – ever since the 1980s – through the MIC (responsible for the majority of support in financial portfolio terms, for a wide range of projects) and more recently of the United Nations Global Compact (since 2001), micro-financial institutions (since 2004) and peasant groups (with projects from the Ministry of Agriculture and Livestock [MAG, for its initials in Spanish] in the first cycle and the Bridges to Inclusive Development project in the second).

In the first cycle, execution rates and results for projects with the MIC, such as the Investment and Exports Network (REDIEX⁷⁶), the Single Export Window (VUE⁷⁷), the Maquila project⁷⁸ and the project to support SMEs, among others, have been low compared to those planned, although they were optimistic. The Maquila project began producing high annual rates of export growth starting in 2005, coinciding with a general boom

76 REDIEX, funded with support from Taiwan and now the IDB, and managed by UNDP since 2004-2005, is a broad public-private partnership that helps investors and exporters identify foreign markets and supports and offers advice to businesses for product placement in eight sectors where Paraguay has comparative advantages (www.rediex.gov.py).

77 Installed in 2005 with support from the IDB, managed by UNDP (www.vue.org.py).

78 Initiated by the State (Maquila Act 1997, regulations added in 2000) in 2002 with funds from the Government and managed by the MIC, according to the UNDP NEX format.

in non-agricultural exports.⁷⁹ Part of the reduction in unemployment in recent years is due to this positive development, although its scope was not sufficient to have an impact on poverty nationally. The 41 companies that joined the special maquila system⁸⁰ have created about 4,300 jobs by 2010, according to the relevant spreadsheets. These companies pay at least minimum wage and cover social security contributions, unlike many companies under the general system.⁸¹ Results are modest but encouraging.

In the second cycle, the Government has requested support from UNDP for new initiatives: for example, a business incubation programme that began with a grant from the Brazilian Service to Support Micro- and Small Enterprises (SEBRAE) and developed with the support of a Uruguayan specialist, then accepted and funded by UNDP in 2008. At the time of this evaluation, the project – now reformulated in some respects – was about to launch. The largest goal is the Government's ambition to establish a broad framework for industrial policy, which has been designed with funding from AECID and the support of UNDP. This would complement the system of incentives (courting investment, facilitating participation in agro-industrial chains, formalization of companies, etc.), establishing a national agency for industrial development, and support for foreign exporters, including greater use of the MERCOSUR Fund for Structural Convergence (FOCEM), the development of a Draft Bill for MSMEs, etc.

Although a more comprehensive overview is certainly desirable, the effectiveness of such support will depend on the MIC's capacity to implement it. The same problem arises in other projects whose management was entrusted to UNDP: it will be essential to lay the groundwork for significant improvement in state agencies' capacity to execute, as indicated by the work to create a new Executive Branch Organization Act (with UNDP support). Several previous projects sought to improve the business climate and produced some modest results, but despite these improvements there is still a pressing need to increase business opportunities on a broad basis.

The Global Compact, established in 2008 after being promoted for years by the UNDP country office, has resulted in 44 institutions joining this network, committed to following the ten social and environmental principles of the Compact. It is another conduit for transmitting principles that promote human development at the global level.

In order to incorporate poor households into productive processes, in 2004 UNDP launched a microfinance programme together with two intermediate financial institutions; this programme, according to its final evaluation in 2007, has had encouraging results.⁸² Subsequently, several pilot programmes were implemented that have resulted in some short-term experiences (Joint Capacities and Opportunities Programme, Bridges to Inclusive Development, etc.). These can lead to ongoing productive

79 Total exports of non-agricultural manufactured goods grew strongly from 2006, 2007 and 2008, with annual rates of 28 percent, 65 percent and 44 percent respectively (in 2009, growth was reduced to 12 percent), according to the Bulletin of Foreign Trade published by the Central Bank of Paraguay in 2010. Today there are about 500 textile shops on the border with Brazil producing for export.

80 These companies have a tax regime that is different from the general system, paying 1 percent of the total of the National Value Added Tax. They also benefit from special regulations for the admission of goods used manufacturing goods subject to re-export.

81 One of the additional effects of professional support for the Maquila Programme to companies is that they are supported through customs, reducing opportunities for corruption.

82 Results for 2007: 980 clients in four departments and 20 municipalities served, two-thirds of them women, with demonstrated impacts on households.

activities performed by groups of rural families in areas where support can be combined with the Paraguay Rural Programme (PPR) sponsored by the Ministry of Agriculture and Livestock, which is financed by an IFAD loan and with which work plans have already been coordinated. Another area of micro-production with development potential is the expansion of the emerging microfinance industry within the country. UNDP has used its convening power, taking advantage of its entry in the area of micro-finance, so that microfinance institutions in the country can establish a network to promote a variety of aspects – regulatory, training, etc. – that are useful for the entire industry. The microfinance heading reflects the main ‘output’ mentioned in the 2007-2011 CPD under the outcome ‘increased income generation for poor and vulnerable populations’. This points to a conceptual guidance derived from the MDGs – that of benefiting poor and vulnerable populations more directly – which is expressed in the 2007-2011 CPD in terms of an expansion of microfinance services to rural microenterprises. The other activities of economic promotion, with the MIC and the private sector, are not explicitly mentioned in the current CPD, and therefore there are no indicators to measure their effectiveness.

Considering the different UNDP supports in the economic area, it is clear that a limited portion reached poor and vulnerable populations in a tangible form. As with governance, UNDP has worked primarily with and through the executive branch, and in the economic area, with SMEs as the main target group. This is a legitimate strategic choice so long as there is clarity on where and when UNDP support will reach the main target population specified in the second cycle (lower-income populations). UNDP support had an effect on knowledge creation and policy frameworks conducive to poverty reduction. It reinforced the Government’s efforts to structure and improve the capacity to execute policies, particularly in the last two years. Although the implementation of policies suffered from institutional

weaknesses, policy and institutional foundations have been laid, and are being laid, so as to create a greater capacity for public execution.

Finally, the area of **risk management** in Paraguay covers a wide range of risks, whether natural or social, actual or potential. The advice provided by UNDP has been of great value in transmitting changes in international knowledge concerning this subject, and in helping to manage the issue. A humanitarian operation in response to the 2008 drought in Chaco, involving six organizations including UNDP, coordinated by SEN and funded by the European Commission, allowed for specific work to be carried out with departmental and municipal authorities. Although it was concentrated in the water and sanitation sector, it allowed for the structuring of a response to specific recurrent disasters such as droughts and floods, including national and local organizations and communities themselves. Through it, a sectoral round table on water issues was created. It proved to be a valuable experience of public-private partnership, with lessons that serve to build capacity for prevention and rapid response.

One UNDP publication, *‘Hacia una Nueva Cultura de Prevención en el Paraguay’* (‘Towards a New Culture of Prevention in Paraguay’) (2009), summarizes the progress and commitments made in the round table. The new vision recognizes comprehensive risk management from a prevention perspective, applicable across the board to all development processes, instead of arriving at a purely reactive response to emergencies or disasters. The latter approach often requires immediate responses and mobilizes support, while the application of a comprehensive vision is demanding and involves many institutions. Guidance to support the SEN along the way in reforming its by-laws, which date from 2005, and its future direction, embodied in a project in progress, can contribute substantially to a more efficient process in this regard. The objective to be achieved in this field is formulated in the framework of a project.

4.1.3 RELEVANCE AND EFFECTIVENESS IN THE ENVIRONMENT

Relevance

In the past decade, environmental issues did not have a high profile in Paraguayan national government strategies or state actions compared to socio-economic challenges. In general, the country needed technical assistance to meet its commitments on the environment. The inclusion of the subject in the viewpoints of decision makers and the structure of the Government relied heavily on contributions from international agencies. UNDP, which has contributed to the environmental area even before the existence of SEAM, has been and is considered a leader in this area. Its presence through the execution of its projects – mainly Wild Paraguay, with funding from the GEF – has strengthened SEAM in terms of technical capacity logistics and financing. For some non-governmental organizations, UNDP has been and continues to be a great ally in the development of their projects, to which they credit a clearer and prioritized agenda with regard to support for environmental issues, unlike other international cooperation agencies.

UNDP has administered 12 projects during the period analysed, eight of which were in the first cycle. Of these, two accounted for more than 90 percent of the portfolio budget (Natural Resources and Wild Paraguay). In the second cycle, 10 projects were under way, of which four started in the second cycle and the remainder were continued over from the first. Wild Paraguay remained the largest budget item, consuming 69 percent of the total budget for this portfolio. Throughout the period under review, funding for the environment came primarily from government sources (62.6 percent), with the rest coming from the GEF, the AECID and others. UNDP itself contributed 0.8 percent.

The institutional weakness of SEAM and the difficulties in generating lines of action between it and other actors in the environmental sector have been largely alleviated by the presence, interventions and the convening power of UNDP. Faced with the growing need to include environmental sustainability in socio-economic development strategies, UNDP intervention in this area has been very relevant.

Efficiency

SEAM received substantial technical and financial contributions, mainly through the Wild Paraguay project, conceived before the creation of the secretariat. The goal of this programme is the establishment of four well-defined protected areas, of which two (Paso Bravo and Médanos del Chaco) completed the legal process, while the others failed to do so (Black River and San Rafael⁸³). According to the mid-term evaluation of this project, conducted in 2005,⁸⁴ significant progress has been made towards achieving the intended results of the project (establishment of management committees for the protected areas, design of management and conservation plans, training for central and local officials on issues related to the protected areas, etc.) despite the delays in execution that it experienced. In the second cycle, UNDP supported SEAM in its self-assessment of available national technical capacities, versus those required in the various institutional areas in order to meet the objectives and goals of the conventions signed by Paraguay (on biological diversity, combating desertification and climate change).

Within the framework of the Convention on Biological Diversity, ratified by Paraguay in 1993, the National Strategy and Action Plan for the Conservation of Biodiversity was prepared (ENPAB 2004-2009) with funding from the GEF. This document formulates the strategy and

83 The evaluation mission visited the San Rafael area, where it learned about the complexities that local authorities faced in managing the area due to the presence of about 50 landowners and indigenous communities. Wild Paraguay managed to get local stakeholders (landowners, communities, municipalities, NGOs) to appropriate the environmental issue.

84 Talvela, K. and Torres, H., 'Informe de Evaluación de Medio Término del Proyecto Paraguay Silvestre', 2005.

activities to be followed in order to protect and sustainably utilize Paraguay's biological diversity. Its first portion also incorporates an assessment of the issue of biodiversity in the country. Assessment documents and national reports on the state of biodiversity conservation (second report, 2006) and indigenous communities were also prepared.⁸⁵

Under the framework of the National Climate Change Programme, created in 2001, the study phase of the First National Communication on Climate Change (2002) was launched. This also led to the preparation of the National Action Plan on Climate Change (2003) and the Communication on Climate Change Project II, which aims to develop key programmes that identify measures to adopt to combat this phenomenon and push for the mitigation of greenhouse gases in the selected departments, as well as to strengthen legal and institutional instruments so that they include climate change in national and local development plans. In 2005, the Government succeeded in passing the Paraguayan National Environmental Policy (PAN) through SEAM Resolution 04/05.

UNDP interventions have been national and local in scope. For example, the National System of Protected Areas (SINASIP) is national, but management plans and use of protected areas are guided on a more local level, with the participation of local actors. The establishment of SINASIP and the management of knowledge for learning and replication have been included as targets in the Wild Paraguay project during the second cycle. Currently, SINASIP has a proposed 2010-2015 strategic plan. In general, projects take minorities into consideration; specifically, indigenous people have been taken into account in the design of the Wild Paraguay project, and projects have been developed seeking to strengthen and coordinate with institutions related to the Indians.

Non-governmental organizations also had a significant presence in the field of environmental conservation, mainly at the decentralized level. And although SEAM is the natural counterpart in this area, the joint work of NGOs and UNDP has allowed local government institutional strengthening projects to be launched. Thus, a project was carried out in Bahia Negra, which resulted in a sustainable development plan for the municipality and developed productive activities whose main beneficiaries are women and indigenous communities.

UNDP has provided strong support for legislative progress in environmental management and institution building, but the responsiveness of the environmental agency has been restricted by its small budget and limited human resources. UNDP has played a role in facilitating processes, it has served as a go-between among environmental actors and it has offered support through technical assistance. The nearly US\$9 million contributed to the Wild Paraguay project was perceived, at one point, as a distorting factor of the roles that each party should play in the project, and permanent changes in authorities have led to delays in project implementation, mainly with Wild Paraguay.

4.1.4 RELEVANCE AND EFFECTIVENESS ON THE ISSUE OF INDIGENOUS PEOPLES

The issue of indigenous peoples was virtually absent from public discourse before 2008. The increasing use of natural resources for productive purposes collided with the worldviews of indigenous peoples and, increasingly, with their living spaces as well. In December 2007, the United Nations General Assembly approved a Declaration on the Rights of Indigenous Peoples.⁸⁶ In Paraguay, the institution responsible for safeguarding the interests of these communities is the Paraguayan Indigenous Institute (INDI).

85 SEAM-PNUD, 'Conservación de la Diversidad Biológica en el Paraguay: Una Propuesta de la Secretaría del Ambiente para la Guía de Acciones. Vol. 2', 2006.

86 Accessible in the publications section of www.pnud.org.py.

Before 2008, UNDP supported this sector through initiatives related to the security of their territories and natural resources. Indigenous organizations such as the Coalition for the Self-Determination of Indigenous Peoples (CAPI) and the Association of Indigenous Communities of Itapúa (ACIDI) established linkages with UNDP in 2006.⁸⁷ UNDP has been the hub between indigenous and non-indigenous organizations and the Government within the framework of indigenous peoples' complex search for territorial claims, and later on, their inclusion in the design of public policies. Thus, with the creation of the Inter-Institutional Round Table, sponsored by UNDP, which brings together government agencies and non-governmental indigenous and non-indigenous organizations, concrete actions were articulated with the goals of attending to and ensuring the welfare of indigenous peoples, specifically ones that are members of the OPIT Organization (Payipie Ichadie Totobiegosode). Today, there is still a debt due to their insufficient inclusion in society as rights-holding subjects, mainly due to the Government's limited capacity to incorporate them into public policies, starting with the INDI.

UNDP pursues three lines of action in this field⁸⁸:

- development of advocacy activities by strengthening spaces for dialogue where public policy regarding indigenous peoples can be built;
- provision of technical assistance for the generation of key information on indigenous peoples;
- articulation of cooperation agencies and donors in carrying out activities aimed at strengthening public policies on indigenous peoples.

UNDP is still in a process of learning and institutional opening towards indigenous peoples. However, today it plays a coordinating role between the various indigenous and non-indigenous actors, seeking to channel and obtain solutions to their claims. Specifically, it has managed institutional strengthening projects⁸⁹ addressed to the public sector through training, workshops, support for the development and planning of goals and strategies, steps to create an indigenous support centre, the development of a future report on indigenous rights, the preparation of a guide for designing public policies for indigenous peoples, participation in international fora (organized by the civil service, INDI) and the design of joint projects with other United Nations agencies (UNICEF, ILO, UNIFEM, etc.) at the local level, with regional support (the ILO headquarters in Santiago, Chile, the Colombia virtual school), among other activities.

Among UNDP activities relating to indigenous peoples, we would stress support for CAPI in preparing a proposal for public policies on indigenous peoples (2009) and submitting it to the Government.

4.1.5 EFFICIENCY IN PROGRAMMATIC AND OPERATIONAL CONTRIBUTIONS

Programmatic efficiency – the results produced by UNDP human and financial resources and activities – was mixed during the assessment period. Several UNDP internal and external decisions and developments mentioned in Chapter 3 influenced this efficiency, including:

- efforts in 2001-2002 and in 2005-2006 to better oversee the use of resources, resulting in a series of measures to better manage contracts and procedures;

87 Given the complexity of the demands of the Totobiegosode, the umbrella organization that includes them requested support from UNDP.

88 UNDP-Paraguay, 'Intervenciones del PNUD en la Construcción de Políticas Públicas sobre los Pueblos Indígenas', Internal Document, undated.

89 Capacity Building for the Formulation of Public Policy and Indigenous Territoriality and Governance projects.

- the introduction of the Atlas system;
- the decision to reduce emphasis on project management services in favour of technical assistance services;
- the 2008-2009 financial crisis of UNDP-Paraguay, which resulted in the proposal to restructure the programme.

In general, partners have substantiated UNDP's efficient, transparent and clean management of programmes and projects. However, even under these conditions, execution rates were relatively low, especially in the first cycle, although this resulted from aspects that the organization had little or no control over.

The second cycle witnessed a reduction in resource management services involving loans from multilateral banks to the Government, particularly in the area of modernization of the State. The consequence has been a decrease in the volume of UNDP programmes and revenue, requiring the procurement of funds from other sources, including UNDP corporate funds. This placed an additional burden on administrative and programme staff.

As a result of the above, the composition of the programme changed. A section for 'management services' was established, and more projects with smaller budgets that required technical assistance and monitoring were created, including programme staff. In the second cycle the same number of projects was approved as in the first, but during this second period the portfolio of smaller-sized substantive projects in the three main thematic areas grew, yet with no increase in staffing levels. In 2009, due to financial constraints, staff numbers were reduced, which has led to an excess workload on programme staff. This is compounded by the fact that UNDP-Paraguay has undergone a series of internal operational and programme evaluations in the past two years.

An imbalance between available resources and programmatic ambitions can affect the programmatic efficiency of the office.⁹⁰

Changes to the programme have not reduced its complexity. Many projects are created in response to government demands and opportunities that arise, including on the part of potential donors. The trend towards the dispersal of activities, all under the broad umbrella of the CPD, is present, with implications for the efficient use of UNDP resources.

In the operational area, the introduction of the complex Atlas system resulted in parallel management of projects on the older system with the new one in 2004-2005. Support from corporate UNDP was requested to carry out the process of reconciling and transferring the 2004 portfolio to Atlas, an additional effort that managed to be completed in an adequate manner. Since Atlas is a multifunctional system with modules for project monitoring, it can be used for additional functions, although it takes extra effort from programmatic staff when it comes time to structure projects. In general, the systemic changes of the past two cycles promulgated by corporate headquarters have consumed substantial UNDP resources. The introduction of clear strategic lines and procedures (e.g., project structuring and monitoring) that are in effect for an extended period would increase their efficiency in the programmatic area.

Given the complexity of processes and portfolios for the two planning cycles, and changes between them, it is difficult to arrive at a score for efficiency in the use of the office's resources. The annual performance indicators in the corporate instrument used by UNDP⁹¹ reflect this situation, indicating large discrepancies from one year to another that are not easy to make sense of (e.g., regarding effectiveness and programmatic focus, efficiency of management, etc.).

90 The employee job satisfaction indicator has fallen in 2009.

91 *Balanced Score Card*

4.1.6 SUSTAINABILITY OF THE EFFECTS OF UNDP CONTRIBUTIONS

Many UNDP interventions make contributions to ongoing processes and capacities that are under construction. The sustainability of the outcomes of UNDP support refers to the probability that the results and benefits achieved in the medium term will continue once the organization withdraws its support.

During the evaluation period, government administrations began to develop and establish policies to improve human development in the country, with strong support from UNDP. Since 2004, there have been policies that frame state actions, and the various plans that have been prepared cover similar issues. However, their implementation has suffered, and continues to suffer from serious obstacles, ranging from low institutional stability to a lack of resources. As explained in Chapter 2 (section 2.2), the powers and functions of government agencies such as the Technical Secretariat of Planning or the Social Cabinet, supported by UNDP, changed in the transition between different government administrations, and even within the same administration. Institutions with clear profiles – such as the STP – lost that profile as a result of new configurations within the executive branch.

At a design level, social policies conceived in the evaluated period have been developed in a participatory manner, with the help of civil society actors and others. This has broadened perspectives on appropriation of the plan content. However, looking at the presentation of the 2010-2020 Paraguay Plan for All as an example, there is still a lack of buy-in by the private sector, and the reluctance of political opponents and the private sector to support the proposals of the executive branch continues to be a problem. UNDP's response in this regard is to continue providing opportunities for dialogue in order to make it possible to arrive at a common vision in the country that backs up mutually agreeable proposals.

In terms of building capacities for implementation, the prospects for sustainability are mixed.

Progress in the political process in the last 20 years has not yet produced a pattern of forces that would allow thorough reform of the State into a more transparent, efficient and modern organization. The capacity to execute executive- and judicial-branch policies remains low, and efforts to reform the executive branch are only in the initial stages. Therefore, state reform remains essential if we wish to improve the prospects for sustainability of support for the implementation of public policies. UNDP supports government initiatives in this regard. This should include technical assistance for the establishment and strengthening of the role of monitoring and evaluating public policy implementation in various government agencies.

In terms of public finances, despite the increased allocation of the government budget towards economic and social policy implementation, resources are still very limited compared to needs. This applies to the social area and even more so to the environmental area. This makes it even more necessary that national plans be compatible with civil society and the private sector, and that both take ownership of these plans. To ensure the future sustainability of the impact of external support, such as that from UNDP, it is crucial that private implementation capabilities be mobilized. Positive examples in this regard are observed in the field of risk management, environment, indigenous peoples and, in part, in the social and economic areas. Such alliances, such as the Paraguay for All Plan, will be essential to the furthering of their agenda.

Recently, UNDP has supported pilot activities within the framework of the Bridges to Inclusive Development Project, which encourages agricultural production (maize, mainly) by rural groups (cooperatives, youth groups, groups of settlers) who participated in the Tekoporá Programme. These are short-term (one year) projects that provide instruction in the basic tools for measuring and managing productive projects; they are offered by MAG extension workers. From the point of view of sustainability, the risk of failure is high if support is not ongoing. The evaluation mission, in its field visits, noted that in one of the

regions served, the MAG Rural Paraguay Project (PPR) (with funding from IFAD) seems willing to include these initiatives in their area of focus in the coming years, and will thus provide a perspective on project success. (Current work plans have been harmonized between these partners).

In general, the evaluation has found that there is little guidance on exit strategies formulated in UNDP project documents or in the course of project implementation. In several projects managed by this organization, once external support (IDB financing, UNDP management) withdrew its trained staff, programme efficiency dropped and infrastructure deteriorated (such as computer equipment, vehicles, etc.).

The mission witnessed a high degree of overlap between UNDP's mandate (to promote sustainable human development), expressed in its planning documents, and the desire of the Government and civil society to achieve more equitable and sustainable human development. The role of UNDP was instrumental in facilitating the transition between governments and in preparing and disseminating information needed to develop social policies, as well as in formulating policy, monitoring resources for implementation, and establishing and executing the respective programmes.

4.2 STRATEGIC POSITIONING

Under the framework of the Technical Assistance Agreement of the Republic of Paraguay and UNDP signed in October 1977, which became law in June 1978, UNDP provides assistance “in response to requests from the Government approved by UNDP”. This relationship between the executive branch and UNDP defines the starting point for the organization of the country's cooperation programme.

4.2.1 RELEVANCE AND RESPONSIVE CAPACITY

In the period under review, UNDP has been an important partner for the Government of Paraguay and for multilateral cooperation agencies, especially the IDB. UNDP has implemented dozens of government programmes under the rubric of its own rules. Government institutions contracting UNDP services – ministries, secretariats, etc. – believe that UNDP administration ensured smooth and corruption-free implementation of programmes, facilitating the fulfilment of the tasks inherent to these duties as defined by the respective government agencies. UNDP intervention, therefore, obeyed the priorities of governments and their agencies,

Box 2. Summary of Key Findings in Chapter 4.1

Relevance. UNDP interventions have reflected the country's major needs and government priorities. However, UNDP-Paraguay's three thematic areas (governance, poverty, environment) are so broad, that within them we must define criteria and strategies that allow for better focusing of efforts.

Effectiveness. The relative concentration of support for entities within the executive branch, characterized by institutional weakness and limited policy stability (except in macroeconomics), has resulted in modest effectiveness of UNDP support in the achievement of development goals.

Efficiency. Given the limitations of its governmental counterparts, the country's limited institutional alternatives (civil society, private sector, academia) and a complicated context for politics and decision making, UNDP operational and programmatic services have been relatively efficient in terms of resource management, completion times and programmatic responses. Financial constraints within the country office and the demands of corporate systems that have been implemented have affected its efficiency.

Sustainability. In the period under review, policies for greater human development have been established, but this has taken place in an environment characterized by instability and limited measurement results, and contributions towards capacity development processes tend to erode. A broader institutional anchor for UNDP interventions, negotiated with the Government – including outside the public sphere – as well as better monitoring and evaluation systems, can contribute to increased sustainability of its effects.

although this type of service also entails risks such as replacing national capacities rather than building them, or of being perceived as being an actor linked to particular interests.

From the beginning of the period evaluated, UNDP took decisions and initiatives that increased the relevance of its involvement over the course of the past decade. This started at the beginning of the period, with actions such as the second National Human Development Report on the situation of the country,⁹² support for an assessment and a proposal for reform of Paraguay's institutions (the white paper), cooperation with the team for the transition to the new government, the initiative of the United Nations agencies (UNDP, UNICEF, and later on UNFPA) to analyse and monitor government social expenditures and support for capacity-building in environmental management, among others. After that, its support in the first cycle continued to deepen, e.g., with the establishment of the Office of Human Development within UNDP, which has performed widely appreciated work in providing analysis, information and proposals on Paraguay's current situation.⁹³ This has contributed substantially to shaping the image of UNDP in the country as a reliable source of information, given Paraguay's remarkable lack of research capacity.

Throughout the period evaluated, UNDP has supported the development of social policies

for three government administrations through the identification and recruitment of national and international consultants, as well as through analytical contributions and the facilitation of workshops,⁹⁴ etc. Therefore, UNDP strategically positioned its cooperation in the administrations' efforts to analyse the current circumstances from the perspective of human development policies and strategies, and to set up capacity in this area.⁹⁵ UNDP response capacity with respect to the foregoing has been high. In the second cycle, efforts to facilitate innovative projects and pilot activities increased, seeking to direct actions at a decentralized level through a substantial increase in smaller UNDP direct-implementation/execution (DIM/DEX) projects. Adjusting the programme in this manner has improved the strategic relevance of UNDP-Paraguay.

4.2.2 USE OF NETWORKS AND COMPARATIVE STRENGTHS

If the relative strength at the beginning of the period under review has been UNDP's ability to offer management services for development projects to the Government – a field that remains available for cases where UNDP's contribution increases the Government's ability to provide public services on a continuing basis – the international organization has placed stronger emphasis on its capacity to transmit knowledge internationally, using its network to mobilize high-level expertise from other countries and its convening

92 In 1995, a first report on gender issues (www.undp.org.py/odh/fotos/publicaciones5/id4_pub1.pdf) had been published.

93 See the list of publications at www.undp.org.py

94 One recent example is the joint sponsorship of a seminar with the Ibero-American Secretary General. This seminar analysed the impacts of the global crisis on social programmes in Latin American countries and featured international exhibitors, including the UNDP Regional Director for Latin America and the Caribbean, Rebeca Grynspan, the Executive Secretary of the Economic Commission for Latin America and the Caribbean (ECLAC), Alicia Bárcena, with extensive participation from people from the political, business and civil society realms, and the presence of the President himself. UNDP prepared and published a document (UNDP-Paraguay, Ibero-American Secretary General, AECID, 'Políticas Sociales en Tiempos de Crisis', 2009). Support for the Consolidation of the Government Programme Project, Government of Paraguay, AECID, UNDP.

95 For example, several government institutions, with support from the UNDP regional project Strengthening Management Capacities for Governance, implemented specific modules from the System of Government (SIGOB), a UNDP regional initiative. The Social Cabinet (Office of the Presidency of the Republic) is using SIGOB as a management centre in order to set targets in each area and offer appropriate follow-up. The Office of the Vice President of the Republic, the Chamber of Deputies and the Supreme Court have also received advice from the team, implementing various modules offered (see www.sigob.org).

power and flexibility to define new initiatives and make them feasible to implement within the framework of government policies and reforms.

UNDP-Paraguay has used the capacity of the UN System representatives to identify and mobilize the capacities of international experts (South-South cooperation), particularly within the Hispanic world (Spain, Uruguay, Argentina, Chile, Peru, etc.). This has been put to the service of high-level tasks such as analysis and reform of political institutions (Spain), the design of social policies (ILO Chile, 2001-2002), support for the preparation of an industrial policy (Uruguay), etc. It is also spreading important knowledge from regional and European sources, through its 'Sharing Knowledge' series. Paraguay benefits disproportionately in comparison to other Latin American countries within South-South and triangular cooperation in South America (see section 2.3). This is the case even with MERCOSUR's Structural Convergence Fund, which prioritizes support for less-developed members, such as Paraguay, and has an annual budget of approximately US\$100 million.

UNDP has also enriched public understanding of the country's situation by processing data and using it to shed light on issues of regional importance, such as migration or the environment⁹⁶. However, subregional factors – MERCOSUR, above all – that influence the prospects for economic development and environmental development, described in recent publications (e.g., the Regional Human Development Report), are still underrepresented when it comes time to formulate strategies, and projects and programmes supported by UNDP-Paraguay.

The publication of National Human Development Reports in parallel with the World Human

Development Reports, covering the same subject, has been an original complement to the possibility of linking the country's situation to relevant world issues. This wealth of research, analysis and proposals has been made available to all through public presentations and online. However, a programme of active dissemination has not been designed: for example, through physical distribution centres and promotion within the country (such as in schools).

The UN System has also sought to establish joint projects, and has been successful with this in the areas of social spending (Investing in People), youth, employment and migration, and in governance specifically in the water sector, albeit with difficulty; there is also good interagency cooperation in the field of HIV-AIDS.

The above-mentioned reorientation of the programme – away from an emphasis on management functions and in the direction of consultancy, information-provision and technical assistance ('substantive') roles – has implications for UNDP's offerings and presence in the country. When the present UNDP management and programme have been secured, it will require an effort to define a more elaborate strategy based on the current comparative strengths of UNDP (what are its main strengths? how will they be used? for what?), taking into account resources available, limitations of the office and the programme, and opportunities.⁹⁷ It must also avoid spreading itself too thin once again without sufficient focus on a cluster of small projects that UNDP does not have enough staff to arrange and oversee. There is a wealth of inputs from UNDP – in terms of its professionals and documents and proposals, whether published or internal, from the last three years – whose implications for the organization's work in Paraguay should remain the subject of reflection at a strategic level.⁹⁸ This is even more important,

96 See <www.undp.org/py/v3/publicaciones2.aspx?ini=35&fin=42>

97 Reflection needs to centre on the dilemma between the type of services that UNDP wishes to offer and their financing, and the search and proposal of new methods to solve this dilemma.

98 As in the case of water, e.g., where a 2006 report led to the formulation of an important programme. However, the internal research centre – the OHD, which can and should serve as strategic support agency – is being reduced rather than integrated into the structure of UNDP.

given that the country's political system is poorly linked to a broader debate on how to achieve greater human development using the resources the country has at its disposal.

Finally, UNDP's convening power – as an actor known for its neutrality and high quality – has resulted in partnerships with civil society through certain projects, mainly in the areas of poverty and the environment. However, precisely because of the slow development of civil society organizations in Paraguay, more possibilities for support should be utilized – for example, networks of civil society organizations – in order to encourage more active participation in local governance on matters such as government provision of social services. One example is UNDP support for a highly disorganized sector: the management of water and sewers in the country. From a strategic standpoint, it is suggested that these avenues of support be evaluated not only in response to demand (from governments or NGOs) but as a result of a common industry strategy managed at a broad level (central government, subnational governments, NGOs, international cooperation agencies, etc.).

The same consideration applies to other non-governmental sectors, as well as to the private sector and academia. In both cases, UNDP should develop a strategy to guide its support decisions, so that they are not merely reactive, but also proactive, in the framework of its own strategy, which puts its mandate to promote human development into operation over a broad foundation.

4.2.3 PROMOTION OF UNITED NATIONS VALUES

MDG monitoring

One of the main tasks of UNDP continues to be the promotion of the MDGs in Paraguay, whose

Declaration the country signed onto in 2000. The MDGs comprise a subset or a specification of the objectives that UNDP pursues within its mandate to promote human development. Most of its projects are addressed to areas of intervention that have direct relevance to achieving certain MDGs, even if they are cannot be directly assigned to one of them. UNDP has not performed the exercise of differentiating which MDG it wishes to focus its support on. Out of the current portfolio, the largest number of projects classifiable according to the MDGs pertain to MDG 1 (poverty) and 7 (the environment).⁹⁹

UNDP has played an important role not only in providing the foundation for the Government and other sectors to spread the MDGs, but also for measuring the degree of fulfilment of these objectives. In projects dedicated to this area, UNDP has developed two progress reports on achieving the MDGs in Paraguay: in 2003 (as a baseline, with data referring to 2001) and 2005 (with data referring to 2003). The CCA for 2005, which preceded the 2006-2010 UN System and UNDP planning cycle, was arranged in large part according to the MDGs. Currently, UNDP has promoted and supported the development of a new report on the subject, which will be published for the first time by the Government and not by UNDP. In addition, the organization also supported a study on financing requirements to achieve the MDGs, and at its initiative, will be incorporating an analysis of the MDGs into the 2010-2020 Paraguay Plan for All.

Gender and youth

Marking the Beijing Declaration and Platform for Action of 1995, UNDP-Paraguay published a first National Human Development Report on gender issues. Subsequently, a tripartite commission was established among UNDP, the Ministry

99 The UNDP-Paraguay website specifies 14 projects under MDG 1 (poverty), nine under MDG 7 (the environment), five under MDG 8 (global partnering for development), four each for MDGs 3, 4 and 5 (gender, child mortality and health), and one for MDG 2 (education) and MDG 6 (HIV/AIDS). Some projects are repeated, that is, they are related to several MDGs. Other projects out of the 98 that UNDP has in progress (of which 41 are considered 'substantive') are not classifiable under the MDGs (mainly those in the area of governance).

of Women and an NGO, to which UNFPA and UNICEF were added. However, this commission was disbanded in 2003. In the first planning cycle under review here, the issue of gender had a low profile. Internally, some training workshops were held, and the Interagency Gender Working Group was created within the UNS, a body that continues in operation. In the first cycle, there were no gender-specific projects, but contributions were made to various activities related to the area, either by supporting the Secretariat of Women or other government agencies, or by developing a gender component within projects of other portfolios. The latter is what happens with Wild Paraguay, one of the few projects that could cover the gender issue by assigning a specific fund for this.

In 2006, the gender area was created within UNDP, and it was put in charge of implementing a Strategic Plan for Gender (PEG), including the allocation of a specific officer. It also implemented tools and mechanisms to bring attention to the issue in a cross-sectional manner, through staff evaluation indicators regarding the contribution of officers to gender issues by means of their portfolios, or by the **gender marker** – indicators of the project's contribution to gender equality – through the support and technical assistance for the incorporation of the issue into project design (e.g., Bridge Project, with specific studies on women) and government agencies (e.g., Victimization Survey conducted together with the Ministry of the Interior). Some portfolios have made more progress in this area than others.

Externally, UNDP has supported, among other activities, those related to combating domestic violence, strengthening the Gender Unit within the Directorate of Human Rights of the Supreme Court, through a local NGO, and the Secretariat of Gender of the Supreme Court. Currently, UNDP's gender officer administers three major projects that were not under way in the first cycle: Youth, Employment and Migration (see below), Gender and National Defence (which has seen little success due to the low receptivity of beneficiaries) and Political Participation with Gender

Equity. The latter is aimed at promoting effective political participation of women and strengthening the policy of gender equality by increasing the capacities of the institutional, political and social actors involved. Some of the direct beneficiaries are the Superior Court of Electoral Justice, the Ministry of Justice and Labour, and the Vice Ministry of Youth. Its main partner is Secretariat for Women, an entity with a limited budget that is very receptive to projects that to fulfil its objectives.

In the area of youth, UNDP has worked primarily with the Vice Ministry of Youth. Some projects, such as Opportunities for Inclusive Growth, are aimed primarily, but not exclusively, at groups of young people. The project with the largest budget in the area of gender and youth (80 percent) is Youth, Employment and Migration, an interagency project among the ILO, UNDP, UNICEF, UNIFEM and UNFPA, working with a set of partners (STP, MJT SMPR, SAS, MAG, MIC, MEC, the Domestic Workers' Union, the Association of Incubators, unions, business associations and enterprises or cooperatives in the private sector). This project also includes subregional branches. Its goal is to expand the capabilities and opportunities for youth who find themselves in situations of poverty and vulnerability, especially for paid domestic workers. It seeks to do so through entrepreneurship, technical and vocational training, the use of remittances and greater respect for their rights from a perspective of gender equality. This is an innovative project aimed at vulnerable groups at subnational levels, including indigenous youths, a group generally excluded from public policy. It also has a strong emphasis on gender considerations and is focused on the promotion of income-generating capabilities, youth employment, the productive use of remittances, access to information and so on.

Therefore, turning gender into a cross-sectional issue and deepening the issue of gender within projects has progressed slowly in the second cycle in response to the 2007-2011 CPD objective to include this perspective. Both areas – gender and youth – deserve to be reinforced, especially at the decentralized level, given the shape of Paraguay's

population pyramid and the pressing need to open up employment opportunities for youth of both sexes.

Targeting the poor and marginalized sectors, including indigenous peoples

In terms of target populations, UNDP per se has worked mainly with central government agencies, although some projects in the area of poverty and the environment have been mostly addressed to rural and lower income populations. The shift towards more substantive projects has strengthened the possibility of working indirectly with vulnerable and marginalized target groups through public policies with their programmes or within the framework of thematic projects, such as in the case of collaboration with indigenous peoples on environmental projects. It has also created opportunities to do so in a more direct way. Pilot projects have been launched to promote the productive development of rural groups in the framework of poverty reduction, thus strengthening cooperation with poor populations. For example, a microfinance project was launched in 2004, and projects have been implemented by the MAG. In keeping with the process of building policies that promote human development in the country, UNDP-supported initiatives that target vulnerable populations primarily took an indirect form during the period under review. Now, with the existence of national development policies and plans, one priority will be to develop action plans and arrangements for efficient and comprehensive implementation of the policies that are designed.

Support for strengthening decentralized levels opens up prospects to reach specified target groups more directly. This mission believes that the strategic thinking and measurements of UNDP impacts must reflect questions concerning the effectiveness of leveraging its support for policies

and its other activities on behalf of improving capacities and living conditions of the targeted poor and marginalized sectors. Adequate monitoring and evaluation systems are needed in the institutions involved in order to make progress in this regard.

4.2.4 COORDINATION OF INTERNATIONAL COOPERATION

International cooperation for the development of Paraguay is limited. Already in the first planning cycle, UNDP assumed the role of executive secretary of the donor round table. It also supported the Ministry of Finance (MH, for its initials in Spanish) to invite bilateral and multilateral agencies to coordination meetings, including the Economy and Finance Round Table, held every two months. And it organized sector-specific round tables that mainly served as fora for the exchange of information. In 2005-2006, the STP, with UNDP support, established a map of cooperating institutions and their projects, without making the results accessible and without updating it afterwards.

During the transition to the current national administration, UNDP convened the donor round table, which did not move beyond the informational level. Currently, the Technical Unit of the Social Cabinet is the official counterpart for non-reimbursable international cooperation (refundable aid is controlled by the MH). It is surveying the array of projects and contributions (since 2009). There was some effort made to maintain multiple sector-specific round tables (health, for example, or human rights), but the scope of international cooperation remains scattered. Cooperative agencies want UNDP to assume a more proactive and effective coordination among external support agencies.

Box 3. Summary of Key Findings in Chapter 4.2

Positioning. UNDP-Paraguay has been repositioned in the last decade as a recognized intermediary due to its neutrality and capacity, and has intensified its advisory services, technical assistance, facilitation of dialogue and provision of information in response to demands from both government agencies and institutions, as well as needs for human development in the country.

Response capacity. Its capacity to respond to requests from the executive branch has been high; the consistency of responses – reflected in the composition of the portfolio of projects and activities – was affected by changes in the legislative and executive branches, while the broad manner in which strategic planning was proposed did little to focus efforts.

Alliances. Cooperation with non-governmental sectors (civil society, academia, the private sector) has been modest, reflecting its weakness.

MDG. UNDP has supported the Government in promoting the MDGs and in monitoring progress towards achieving them, coordinating the inter-institutional round table on these matters.

Cross-sectional issues. The subject of gender, which has been present in a cross-sectional manner for 15 years, has gained momentum since 2007 through the institution of a working group. The topic of youth is also addressed through specific projects.

Focusing. Focusing on the poor and marginalized sectors has been largely indirect, although it is on the rise with the strategic shift towards substantive direct-execution projects and the strengthening of decentralized actions.

Coordination. International cooperation agencies are faced with a complex government panorama, and UNDP played a role in coordination among donors. However, efforts are still dispersed.

CONCLUSIONS AND RECOMMENDATIONS

5.1 CONCLUSIONS

Conclusion 1. In view of the profound changes taking place in the political history of Paraguay, in the past decade UNDP has participated in areas that are crucial to establishing the basis for further human development. Its portfolio of activities is less spread out, but more explicit strategic policy instruments are needed to ensure adequate thematic focus.

Paraguay grew economically in the last decade, and the country recorded a certain degree of progress in its human development index. With UNDP support, government administrations adopted policies to improve governance and reduce poverty, but the country has not yet achieved this goal. UNDP has helped to strengthen various trends in the country amenable to action seeking to improve the living conditions of wide swathes of the population. By reducing and becoming more selective in its offering of project management services on behalf of the Government, and at the same time strengthening its advisory services and technical assistance, UNDP has increased the relevance of its contributions. However, the portfolio of nearly 100 current projects, under a broad thematic framework, entails a challenge in defining a clear profile for UNDP's strategic direction and for the subject areas covered.

Conclusion 2. With the reduction of project management services and strengthening of consulting projects and so-called 'substantive' technical assistance, the financing of its structure and new projects has become an additional challenge, with implications for the definition of its strategy.

The intervention model that prevailed at the beginning of the period under review – that of

providing management services for projects funded by the Government, often through multi-lateral loans – facilitated the financing of UNDP's structure. The strategic shift towards so-called substantive projects involves finding sources of funding for new projects and generating fewer resources to finance the cost of UNDP's operational structure. This change necessitates greater efforts to secure funding for UNDP's programme activities and its capacity to meet them. One source of funding – bilateral cooperation agencies – has limited presence in Paraguay. Therefore, a process of reflection is needed in order to define what is distinctive about the services offered by UNDP, on the one hand, and a longer-term strategy for financing UNDP's programmatic and strategic activities, in agreement with the Government in the CPAP.

Conclusion 3. The presence of a forum for analysis and proposals, known for its capacity and impartiality, has enriched thought and debate in the country during a critical time of change. This has been a hallmark of UNDP during the period under review. Given the weakness of socio-political research in the country, an ongoing presence with the capacity to observe and generate discussion is a real contribution to broader human development.

Since 2003 and particularly since 2006, UNDP publications have been highly prized for their quality and impartiality, and they have partially addressed the lack of interpretation of data compiled by the Government. The State did not provide sufficient support to its own institutions so that they could adequately fulfil this function. For the management and expansion of public social programmes – and adaptation of relevant social policies – it is essential to have an information system that operates continuously and provides updated data.

Conclusion 4. In the period under review, UNDP has mainly supported the executive branch. Participation in planning for other key players, public or otherwise, has been limited.

UNDP has made contributions that have allowed a number of government agencies to be able to transparently execute policies and programmes under their purview. However, the ability to implement policies and programmes has been low, which is also reflected in UNDP project execution rates and effectiveness. Intervening on a broader basis, through effective institutional channels, is an alternative to achieving greater human development. UNDP, through its power to convene, could work more with civil society organizations, the private sector, academia, and subnational governments. Also, there is a need to reinforce support for mechanisms and actions that will tangibly deliver the benefits of public policies aimed at the disadvantaged.

Conclusion 5. The majority of UNDP projects do not have indicators to measure their impact or the sustainability of their results, nor do they have exit strategies.

During the period when management projects predominated, projects were prepared using formats from co-financing agencies such as the IDB. When UNDP switched to an emphasis on short-term, direct-execution projects, it had to rely on its own corporate format to structure projects, which has been done in a rather unsystematic fashion. The country office must undertake this task in connection with the Atlas system, based on corporate-level formats. There are other formats for UNDP monitoring (e.g., in Peru) that can be tailored to the requirements of Paraguay. Regarding governmental entities, it is essential to support the development of monitoring and evaluation systems that can guide and improve the implementation of public policies in order to promote effective measures that seek to improve key aspects of human development.

5.2 RECOMMENDATIONS

Recommendation 1. UNDP's global strategy is formulated in the Global Strategic Plan, with the UNDAF, CPD and CPAP operating at a national level. It is recommended that the directors of UNDP-Paraguay translate these documents into strategic guidelines that concisely determine:

- The basic direction that will ensure the greatest leverage of scarce UNDP resources in terms of human development outcomes. Today, two guidelines take precedence: supporting public policies and support for spaces for dialogue. There is no talk of establishing specific plans nor policy implementation capacities, both of which are needed to achieve real improvement in the provision of public services to the disadvantaged segments of the country's population.
- The different lines that UNDP carries out (topical and cross-sectional areas, research and dissemination of knowledge, project management, activities not related to projects) and implemented by mandate from headquarters (e.g., administration for other agencies) with cost implications.
- The allocation of resources in rough terms (staff, time, funds) between the defined lines, each with its own funding plan, updated periodically.

Recommendation 2. In the three main areas of intervention, it is similarly suggested that internal briefing documents be drawn up that define the strategy by topical area, with sufficient specificity to facilitate the selection of activities to support. In terms of overall strategy or topical strategies, it is recommended that UNDP specify which MDGs it intends to focus its support on.

Recommendation 3. For the next planning phase, it is advisable to provide greater precision in defining the focus of activities in progress that target priority groups for UNDP and indicate how those activities intend to reach them (for example, support for public policies and programmes).

Recommendation 4. The strategic shift towards more ‘substantive’ activities presents UNDP with the challenge of developing a working format that allows it to carry out a longer-term programme, thinking of new forms of shared implementation (with the private sector, UNDP, the public sector and actors from neighbouring countries). UNDP is encouraged to explore formats, including the joint design of projects and activities with national stakeholders and other United Nations agencies. For such projects, longer-term financing should be sought via different channels.

Recommendation 5. UNDP has had an impact on the debate about the country’s circumstances and its needs for more equitable human development, serving as a source of proposals and activities for UNDP itself. It is recommended that UNDP actively seek funding to maintain the space created and further extend the debate on poverty, inequality and human rights, including dissemination of analysis and proposals on these matters within the country.

Recommendation 6. Improving the effectiveness of government social programmes requires processes of strengthening initiatives in more than just the public sector. It is suggested that UNDP use its defined thematic strategies to explore possibilities for establishing further alliances with networks that include NGOs, businesses and other stakeholders. The goal is to strengthen capacity in the non-profit sector, particularly in

projects targeted at disadvantaged groups and young people, with due regard to gender equity.

Recommendation 7. Paraguay is exposed to the opportunities and economic and ecological threats that confront its neighbouring countries – Brazil and Argentina – and that affect its development prospects. It is recommended that the UNDP regional network in the Southern Cone (Brazil, Argentina, Uruguay, Bolivia, Chile, Paraguay), and other actors from neighbouring countries engage in a process of reflection in order to identify joint projects with direct relevance for the improvement of key aspects of human development in Paraguay.

Recommendation 8. UNDP should mobilize external support or corporate networks to specify tools for the continuous monitoring of finances, administration and substantive activities, linked to results-oriented planning. The goal is for structured monitoring and evaluation to become a tool for the management of projects. It is recommended that more attention be paid to the issue of monitoring and evaluation in order to support proper tools for more efficient public management.

Recommendation 9. The country office ought to intensify use of corporate monitoring tools in the context of results-oriented management. Similarly, technical advice offered in terms of monitoring and evaluation will always add value to project management.

TERMS OF REFERENCE

1. INTRODUCTION

The Evaluation Office (EO) of the United Nations Development Programme (UNDP) is conducting a series of evaluations known as Assessments of Development Results (ADRs) with the goal of obtaining and demonstrating evidence of UNDP's contribution to the development results at the country level. The ADRs are carried out within the framework of the general provisions contained in the UNDP Evaluation Policy.¹⁰⁰ The overall objectives of an ADR are to:

- Provide significant support to the Administrator's role of accountability in its report to the Executive Board.
- Support greater UNDP accountability to national stakeholders and partners in the country where the programme is implemented.
- Serve as an instrument to ensure the quality of UNDP interventions at the country level.
- Contribute to learning at the corporate, regional and national levels.

The EO plans to conduct an ADR in Paraguay in 2010. This evaluation will contribute to the formulation of a new country programme, which will be prepared by the country office in question, together with national stakeholders.

2. NATIONAL CONTEXT AND UNDP PROGRAMME

Paraguay is home to 6.2 million inhabitants. With an income level of US\$2100 per capita (2008), the country is classified as lower-middle income. It is also a country with a medium level of human development, according to the UNDP Human

Development Index (0.761 in 2007), ranking 101 out of a list of 182 countries. In Paraguay, the prevalence of poverty increased from 33.7 percent in 1999 to 41.4 percent in 2003 (the extreme poverty rate in that period rose from 15.5 percent to 20.1 percent), and then dropped in 2007 to 35.6 percent (with a modest reduction of extreme poverty to 19.4 percent). The high level of inequality in income distribution is reflected in its high Gini index: 53.2.

The period covered by this evaluation (2003-2010) witnessed two presidential administrations: that of Nicanor Duarte (2003-2008) and that of Fernando Lugo (2008 to present), whose election broke the domination that the Colorado Party had enjoyed since 1947.

In the same period, UNDP adopted two strategic documents: the Country Cooperation Framework (CCF) for the 2002-2004 period, which was extended until 2006, and the Country Programme Document (CPD), covering the 2007-2011 period.

The 2002-2004 CCF identified five priority areas for UNDP: a) human development and poverty reduction; b) democratic governance and state modernization; c) environmental management; d) international competitiveness, economic integration and development of the productive system; and e) information technology and communication for development.

The CPD for 2007-2011 mentions certain lessons learned from the previous programming. In particular, it highlights the need for greater programmatic focus and further development of national capacities. It also notes reduced demand from the

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national government for resource management through UNDP (a trend that continues to the present). In order to keep the programme more focused, UNDP chose only three programmatic areas: a) poverty reduction and sustainable human development; b) governance and modernization of the State; and c) environmental management.

It should be noted that the United Nations System in Paraguay approved two Development Assistance Frameworks (UNDAF) for cooperation with the country during the 2002-2006 and 2007-2011 periods, respectively, with a recent emphasis on the importance of reducing duplication and enhancing synergies by working on joint projects.

3. OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of the Paraguay ADR are to:

- Provide an independent assessment of progress towards achieving the expected results as outlined in UNDP programming documents. The ADR will also highlight unexpected results (positive or negative) and missed opportunities, as appropriate.
- Provide an analysis of how UNDP has positioned itself to add value in its response to national needs and changes in the national development context.
- Present key findings, draw out key lessons learned and provide a set of recommendations so that the administration can make adjustments to the current strategy and in the next country programme.

The ADR will review the UNDP experience in Paraguay and its contribution to solving political, economic and social challenges. The evaluation will cover the current and previous country programme (2002-2004 and 2007-2011). Although it is likely to put greater emphasis on more recent interventions (due to increased data availability, etc.), efforts should be made to examine the development and implementation

of UNDP programmes since the beginning of the period. Existing evidence for evaluation and potential limitations will be identified during the preparatory mission (see section 5 for more details of the process).

The methodology as a whole must be consistent with the ADR Guidelines and the new methodological ADR Methods Handbook. The evaluation will undertake a comprehensive review of UNDP programmatic activities and portfolio during the period under review, specifically examining UNDP's contribution to national development results across the country. It will evaluate key outcomes, specifically the effects – whether planned or unforeseen, positive or negative, deliberate or involuntary – and will cover UNDP assistance financed both with its own resources and with supplemental resources.

The evaluation will have two main components: analysis of results by thematic area and the strategy of UNDP in the country.

ANALYSIS OF RESULTS BY THEMATIC AREA

Evaluating the effects of development will include a thorough review of the UNDP programme portfolio for the current and previous cycle. This includes an evaluation of development results and UNDP's contribution in terms of key interventions; progress toward the achievement of outcomes through the current country programme; factors influencing results (UNDP positioning and capacities, alliances and support for policy formulation); and UNDP's achievements, progress and contribution to thematic areas (both in policy and advocacy); analysing cross-sectional ties and their relationship to the Millennium Development Goals (MDGs) and the UNDAF. The analysis of development results will identify challenges and strategies for future interventions.

In addition to using available information, the evaluation will document and analyse achievements against expected results, and ties between activities, outputs and outcomes. The evaluation

will establish UNDP's contribution to outcomes with a reasonable degree of probability.

The following are core criteria related to the design, management and implementation of interventions in the country:

Relevance at a thematic level: How relevant is the formulation of interventions in the different areas with respect to national strategies, development challenges and UNDP's mandate? Are approaches and resources for projects rooted in national and international 'good practices'? Are resources provided to achieve the desired objectives?

- *Effectiveness:* Has the UNDP programme met the objectives that were sought and outcomes that were planned? What are the strengths and weaknesses of the programme? Have there been any unexpected results? Should it continue in the same direction or should its fundamental principles be revised for the new cycle?
- *Efficiency:* Has UNDP used its resources (human and financial) well in making its contribution? What could be done to ensure more efficient use of resources in the specific national or subregional context?
- *Sustainability:* How sustainable is UNDP's contribution? Are development results achieved through UNDP's contribution sustainable? Are the benefits of UNDP interventions sustainable? Have stakeholders appropriated those benefits once UNDP's involvement comes to an end? Has any exit strategy been developed?

It should be stressed that special efforts will be made to examine UNDP's contribution to capacity development, knowledge management and gender equality.

Some specific foci to touch on in the case of Paraguay are:

- Use of national and regional 'good practices' in the formulation of UNDP interventions, given that there are similar experiences and lessons to be learned in other countries in the region;

- The role of 'resource management' in the UNDP programme: institutional effects, achievements, weaknesses and risks, and a perspective of disengagement over the medium and long term;
- Thematic concentration of the UNDP portfolio; clarity of focus in each subject area;
- UNDP contributions on key and urgent issues, such as employment, extreme poverty and the environment;
- UNDP capacity to translate analytical studies (Human Development Report and other outputs from the Office of Human Development, Investing in People project) in programmes focused on key issues.

ANALYSIS AT THE STRATEGIC LEVEL

The evaluation will assess the strategic positioning of UNDP, both from the perspective of the organization as well as from the country's development priorities. This will include: a) a systematic analysis of UNDP's place and niche within the field of development and policy formulation in Paraguay; b) the strategies used by UNDP-Paraguay to strengthen its position in the field of development and to position the organization within the core thematic areas; and c) an assessment of support for policy formulation and advocacy efforts of the UNDP programme in relation to other stakeholders, from the perspective of development results for the country. Also, it will analyse a set of key criteria relating to the strategic positioning of UNDP:

- *Strategic relevance and responsiveness:* Role of UNDP in leveraging national strategies and policies, balance between macro-level interventions (central government, national policies) and micro-level interventions (communities, local institutions). UNDP capacity to respond to a changing national context, to emergencies and to urgent demands from its partners. Likewise, its ability to maintain its focus on substantive issues without losing its strategic direction.

- *Using networks and capitalizing on experiences:* To what extent did UNDP make use of its global network and their specific experiences and knowledge to provide solutions to problems and conceptual approaches? To what extent did UNDP draw on the experiences of its current and potential partners (resources, technical capacities)? To what extent did UNDP assist the Government in taking advantage of opportunities for South-South cooperation?
- *Promotion of United Nations values from the perspective of human development:* The role of UNDP as a substantive partner to national authorities in the dialogue on policies and on politically sensitive issues. UNDP's contribution to gender equity. UNDP's capacity to address equity issues in general, including its ability to focus on the poor and marginalized groups and sectors.
- Links between 'macro' interventions at the level of strategies and central state institutions, and subnational and community-level interventions;
- Balance and links between cooperation with the State and with civil society. This issue will pay particular attention to national policy interventions from the perspective of indigenous Guaraní.

The evaluation will also consider the influence of administrative constraints on the programme and, more specifically, on the contribution of UNDP (including issues related to the relevance and effectiveness of monitoring and evaluation). If these constraints are considered important during the initial analysis, they should be included in the scope of the evaluation.

In the case of the UNDP Office in Paraguay, issues regarding financial resources, organization of the programme area and internal monitoring and evaluation systems could be elements that are relevant to understanding results at a programmatic and strategic level.

Within the context of partnerships with the United Nations System and, in general, coordination of the United Nations, the evaluation will highlight the specific issue of developing joint programmes.

In the Paraguayan context, the following are of particular note: a) progress in terms of reducing programmatic duplication and improving synergies in the United Nations System; b) progress in terms of common use of financial and human resources in a context of limited resources belonging to each organization within the system; c) UNDP leadership in the new issue of coordinating international cooperation (not only within the scope of the United Nations).

Some specific questions to be addressed in the case of Paraguay:

- UNDP's capacity to adapt to a change of government without losing its long-term strategic foci;
- UNDP cooperation with the three branches of government (executive, legislative and judicial) in order to support consistency in the adoption of public policies and programmes;
- UNDP contributions to the development of capacities and instruments used by the organization: What tools does UNDP use? (Resource management, support for policy development, support for the creation of new units in the public administration, support for infrastructure and information technology, training, educational missions).¹⁰¹

101 The evaluation will benefit from the inputs provided by a case study in Paraguay, carried out in parallel by the UNDP Evaluation Office in the context of a thematic evaluation of UNDP's contribution to the development of national capacities.

4. METHODS AND FOCI OF THE EVALUATION

DATA COLLECTION

The evaluation will use a multi-methodological approach to data collection that may include document review, workshops, individual and group interviews (both at headquarters and in the UNDP country office), project visits and field visits and surveys. The set of appropriate methods may vary depending on the country's context; its precise nature can be defined during the exploratory mission and detailed in the inception report.¹⁰² It will be very important to ensure that information is organized and processed according to principles of qualitative data analysis.

VALIDATION

The evaluation team will use a variety of methods, including triangulation, to ensure that data are valid. The specific validation methods will be detailed in the inception report.

INVOLVEMENT OF STAKEHOLDERS

The evaluation will identify key stakeholders, including representatives of government ministries and agencies, civil society organizations, representatives of the private sector, UN agencies, multilateral organizations, bilateral donors and beneficiaries. To facilitate this approach, all ADRs will include a stakeholder mapping process, which should include both UNDP direct partners and others that do not work directly with this organization.

5. EVALUATION PROCESS

This evaluation will follow the Guidelines for the ADR, according to which the process can be divided into three phases, each with several stages. The process will be carried out independently, as

required in the UNDP Evaluation Policy. The Evaluation Office will make every effort to engage the local UNDP office and national government authorities actively in the evaluation process.

PHASE 1: PREPARATION

Document review. Initially conducted by the EO (identification, collection and mapping of documents and other relevant data) and continued by the evaluation team. The review will include general documentation on development regarding the specific country, along with a complete picture of the UNDP programme during the reporting period.

Mapping of stakeholders. A basic mapping of stakeholders with relevance for the evaluation in the country. The list will include government and civil society stakeholders and should go beyond traditional UNDP partners. The exercise will also indicate the relationship between different groups of stakeholders.

Initial meetings. Interviews and discussions at UNDP headquarters with the EO (process and methodology) and the Regional Bureau for Latin America and the Caribbean (country context and programme), as well as other important offices, including the Bureau for Development Policy, the Bureau for Crisis Prevention and Recovery, and any others deemed appropriate, including UN missions.

The assessment will require three missions:

- 1. Initial mission. Mission to Paraguay (five days) to:**
 - Discuss the evaluation objectives and process with UNDP country office and national authorities.
 - Identify options to involve national authorities more actively, respecting the principles of independence.
 - Interview and select local consultants.

¹⁰² The preparatory mission and inception report are described in section 5 on the evaluation process.

2. Preparatory mission. Mission to Paraguay (one week) to:

- Identify and gather additional information.
- Validate the mapping of the programmes implemented in the country.
- Select a sample of UNDP development projects and activities.
- Identify key partners and informants and prepare an interview programme for the main mission.
- Get the viewpoints of stakeholders on key issues to be considered.
- Deal with logistical issues related to the main mission, including scheduling.
- Identify the appropriate set of methods for collecting and analysing data.
- Address management issues related to the rest of the evaluation process, including the division of labour among team members.
- Ensure that the country office and key stakeholders understand the objectives, methodology and process for the ADR.
- *Inception report.* This phase will involve the development of a short inception report that includes the design and the final plan for the evaluation, background for the evaluation, key issues to be evaluated, a detailed methodology, information sources, data collection tools and plan, design and analysis of data and report format.

3. Main ADR mission. The independent evaluation team will conduct a mission of approximately 25 days, centred on data collection and validation. An important part of this process will be an introductory workshop which will explain the ADR objectives, methods, and process to stakeholders. The team will visit places where significant projects selected in the preparatory mission are implemented on the ground.

Upon completion of the main mission, a *workshop with key partners* will be organized in order to present the

initial findings of the mission and receive comments to be taken into account in drafting the report.

PHASE 2: DEVELOPMENT AND PREPARATION OF THE DRAFT ADR REPORT

Analysis and report. The information gathered will be analysed in a draft ADR report to be completed within one month following the departure of the evaluation team from the country.

Review. The draft report will be subject to: a) a technical review by the EO and external peer review; b) factual corrections and opinions regarding interpretation from key clients (including the UNDP country office, the regional office, and the national government). The EO will prepare an audit trail to show how they have considered these comments. The team leader, in close collaboration with the EO task manager, will finalize the ADR report based on inputs received.

PHASE 3: FOLLOW-UP

Management responses. The UNDP Assistant Administrator shall request the appropriate units (usually the country office and the regional bureau in question) to prepare a management response to the ADR. As the unit exercising supervision, the regional bureau will be responsible for monitoring and supervising the implementation of follow-up actions in the Evaluation Resource Centre.

Dissemination. The ADR report and summary will be distributed both in electronic and printed form. The evaluation report will be available to the Executive Board when it comes time to approve a new Country Programme Document. It will also be widely distributed in Paraguay and at UNDP headquarters and copies will be sent to evaluation offices of other international organizations, as well as evaluation associations and research institutes in the region. In addition, the evaluation report and management response will be posted on the UNDP website¹⁰³ and available to the public. Its

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availability will be announced by UNDP and through external networks.

NATIONAL PARTNER

Although the evaluation is performed as an independent exercise under the UNDP Evaluation Policy, it must be ensured that the national partner is informed of it, and has the opportunity to state to the Evaluation Office what they are interested in learning from the evaluation and indicate issues keys that should be taken into account in it. It is also important that the national partner be able to comment on the intermediate outputs and the draft evaluation report.

With respect to the traditional ADR process, certain additional items are recommended:

- 1) UNDP's formal counterpart, the Chief of the Civil Cabinet and Coordinator of the Social Cabinet of the Office of the Presidency, will be asked to form a National Reference Group for the ADR that includes the main government institutions involved in the UNDP programme.¹⁰⁴
- 2) The terms of reference for the evaluation will be forwarded to the National Reference Group for comment.
- 3) During the preparatory mission, a consultation meeting with the National Reference Group will be organized. This meeting will be used to obtain additional input on key issues that should be reflected in the evaluation.
- 4) The National Reference Group will be invited to propose a candidate for the role of ADR external independent adviser. The adviser will not be a member of the evaluation team. This person's role is to provide independent comment on the quality of the evaluation report and its relevance to national development issues relevant to UNDP.
- 5) At the conclusion of the main mission, a workshop to discuss the initial results will be organized. The ADR National Reference Group will chair the workshop and discuss the initial results.
- 6) The National Reference Group will provide written comments on the draft evaluation report.

6. ADMINISTRATIVE ARRANGEMENTS

UNDP EO

The UNDP EO task manager will administer the evaluation and ensure coordination and liaison with the Regional Bureau for Latin America and the Caribbean, other headquarters units affected, and the administration of the UNDP Office in Paraguay. The EO will hire a research assistant to facilitate the initial review of documents and a programme assistant to support logistical and administrative matters. The EO will cover all costs related to the conducting of the ADR. This will include costs related to participation of the team leader, international and national consultants, as well as the preliminary investigation and the publication of the final ADR report. The EO will also cover the costs of any stakeholder workshop to be held as part of the evaluation.

THE EVALUATION TEAM

The team will consist of three (or four) independent consultants:

- The team leader (international), whose overall responsibility is to provide direction and leadership, and to coordinate the draft and final reports.
- Two (or three) national consultants, who will contribute their expertise on the central themes of the evaluation and will be responsible for

¹⁰⁴ According to an initial discussion, in addition to the Coordinator of the Social Cabinet, the National Reference Group should include the following institutions: 1) Ministry of Finance; 2) Technical Secretariat of Planning; 3) Secretariat of the Civil Service; and 4) the Technical Unit for Modernization of the Public Administration.

drafting some key parts of the report. Each national consultant will be responsible for a thematic area of the programme.

The team leader must have proven ability in strategic thinking and consulting on policy formulation and in the evaluation of complex programmes in the field. All team members should have a thorough knowledge of development issues, and the national consultants should be aware of the development challenges in Paraguay. These roles also require expertise in the subject of evaluation, preferably in qualitative analysis techniques.

The evaluation team will be supported by a research assistant based in the New York Evaluation Office. The EO task manager will support the team in the design of the evaluation mission, will participate in the initial mission and in the final phase of the main mission and will provide continuous feedback to ensure quality during the preparation of the initial and final reports. Depending on need, the task manager may also participate in the main mission.

The evaluation team will orient its work according to the Evaluation Norms and Standards of the United Nations Evaluation Group and will adhere to its Code of Ethical Conduct.¹⁰⁵

COUNTRY OFFICE

The country office will support the evaluation team in maintaining contact with key partners and will provide the team with all necessary information regarding UNDP's activities in the country as well as help organize meetings with stakeholders at the end of the evaluation process. The office will also be asked to provide logistical support to the evaluation team, as requested. The country office will provide support in kind (e.g., office space for the evaluation team, Internet connectivity), but the EO will cover local transportation costs and other costs related to the evaluation mission.

7. EXPECTED OUTPUTS

The expected outputs are:

- An inception report (maximum 15 pages: design, methodology, evaluation process).
- A main analytical report (evaluation findings, conclusions and recommendations) for the ADR (maximum 50 pages of text, plus annexes).
- A two-page evaluation summary.
- The draft and final report of the ADR will be provided in Spanish. The published document will be also translated into English.

¹⁰⁵ The guidelines of the United Nations Evaluation Group 'Norms for Evaluation in the UN System' and 'Standards for Evaluation in the UN System', April 2005.

Table A1. Provisional timetable	
Activities	Tentative date
Terms of Reference to the UNDP country office, RBLAC and the National Reference Group	Mid-May 2010
Comments	29 May
Preparatory study	May 2010
Preparatory mission*	7-11 June
Draft inception report to EO	19 June
Inception report sent to the UNDP country office, RBLAC and the National Reference Group	26 June
Main mission in Paraguay	12 July-4 August
Thematic technical reports sent to the Head of Mission and EO	18 August
First draft sent to EO	31 August
Draft sent to reviewers	15 September
Comments from reviewers	23 September
Draft sent to the country office and RBLAC	30 September
Written comments from country office and RBLAC	19 October
Teleconference with EO, CO, RBLAC (if necessary)	25 October
Revised report sent to the Government through the country office	3 November
Written comments from the Government	24 November
Report completion	7 December

* Includes a meeting with the National Reference Group

Annex 2

DOCUMENTS CONSULTED

- Arene, Alberto and Robert, Peters, 'Resumen de la Evaluación Externa del SIGOB', 2007.
- Banco Central del Paraguay, 'Coyuntura macroeconómica regional, Tercer trimestre 2009', Gerencia de Estudios Económicos, Departamento de Economía Internacional, 2009.
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Annex 3

PEOPLE CONSULTED

GOVERNMENT

MINISTRY OF EDUCATION AND CULTURE

Karina Rodríguez, Vice Minister of Youth

Diana Serafini, Vice Minister of
Education and Culture

MINISTRY OF FINANCE

José Luis Benza, General Coordinator,
Land Registry Project (PROCAR)

Bartolomé Sánchez, Social Economy Unit Adviser

Verónica Serafini, Director of Social
Economy, Social Economics Unit

María Victoria Pavón de Soto, Vice Director
and Coordinator, PROCAR

Jorge Zárate, National Director, National
Directorate of Public Procurement

MINISTRY OF INDUSTRY AND TRADE

Cristina Sánchez Gauto, Director-
General of the Technical Cabinet

Fernando Masi, Senior Adviser

María Raquel Ramírez, Executive Secretary,
National Council of Maquila

Carlos Rivarola, General Coordinator,
Business Incubation Programme

MINISTRY OF THE INTERIOR

Nilda Cuevas, Director of Planning

MINISTRY OF PUBLIC HEALTH

Mara Acosta, Director, National Food and
Nutrition Assistance Programme (PROAN)

Carmen Gómez, Technician

Sonia Gotting, Director, National
Institute of Health

Cristina Guillén, Technician

Esperanza Martínez, Minister

Oscar Martínez, Former Minister

Ilse Peralta, Director of Social Affairs and
Community Organizations, National
Environmental Clean-up Service

Olimpio Rojas, Director, National
Job Training System

Marta Sanabria, Nutritionist, PROAN

OFFICE OF THE PRESIDENCY

Héctor Cárdenas, Technician, Social Cabinet

María Esther Jiménez, Technician,
Social Cabinet

Miguel Ángel López, Secretary-
General, Civil Cabinet

Esther Prieto, Coordinator, National
Indigenous Institute

Jorge Querey, Chief of Staff, General Secretary

SECRETARIAT FOR SOCIAL ACTION

Modesta Arévalo, former Coordinator,
Directorate General of Social Protection
and Human Development

Pablino Cáceres, Minister

SECRETARIAT OF THE ENVIRONMENT

Raúl Alonso, Director, Protected Areas
of the San Rafael Park Reserve

Isabel Basualdo, Director, Wild Paraguay Project
Oscar Ferreiro, former Coordinator,
Wild Paraguay Project
Alfredo Molinas, former Minister
Lilian Portillo, former Director of Planning and
Secretary, National Environmental Council
Oscar Rivas, Minister

NATIONAL EMERGENCY SECRETARIAT

Gladys Cardozo, Minister
Carlos Marcelo Moncuello, Cabinet Chief

SECRETARIAT OF THE CIVIL SERVICE

Ana María Ferreira, Director, Equality Unit
Giovanna Guggiari, Director of
Change Management
Lilian Soto, Minister

SECRETARIAT FOR WOMEN

Carlos Carmona, Adviser
Gloria Rubín, Minister
Teresa Silvero, Cabinet Secretary

TECHNICAL SECRETARIAT OF PLANNING

Oscar Barrios, Director, Research and
Extension, Department of Statistics,
Surveys and Censuses (DGEEC)
Bernardo Esquivel, Minister
Zulma Sosa, Director, DGEEC

SUPERIOR COURT OF ELECTORAL JUSTICE

Fabiola Royg, Director, Office of Gender

INTERNATIONAL COOPERATION AGENCIES

AGENCIA ESPAÑOLA DE COOPERACIÓN INTERNACIONAL PARA EL DESARROLLO [SPANISH AGENCY FOR INTERNATIONAL COOPERATION FOR DEVELOPMENT] (AECID)

Carlos Cavanillas, General Coordinator
Micaela Parras, Social Technician
Alberto Quintana, Programme Officer

KOREAN INTERNATIONAL COOPERATION AGENCY (KOICA)

Sohee Cho, Officer

GERMAN AGENCY FOR TECHNICAL COOP- ERATION (GTZ)

Doris Becker, Director

JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)

Makoto Kitanaka, Resident Representative

EUROPEAN UNION

Vera Valente, Cooperation Adviser

INTERNATIONAL ORGANIZATIONS

INTER-AMERICAN DEVELOPMENT BANK (IDB)

Masami Yamamuri, Officer

INTERNATIONAL MONETARY FUND (IMF)

Tobias Roy, Representative

UNITED NATIONS CHILDREN'S FUND (UNICEF)

Elsie Butterworth, Official

UNITED NATIONS WOMEN'S FUND (UNIFEM)

Carmen Echauri, Official

UNITED NATIONS POPULATION FUND (UNFPA)

Aldo Natalizia, Official

INTERNATIONAL LABOUR ORGANIZATION (ILO)

Bernardo Puentes, Official, ILO-Paraguay

PAN AMERICAN HEALTH ORGANIZATION/ WORLD HEALTH ORGANIZATION (PAHO/ WHO)

Rubén Figueroa, Coordinator

GLOBAL COMPACT

Sol Caballero Bosch, President,
Board of Directors

CIVIL SOCIETY ORGANIZATIONS

ALTERVIDA

Víctor Benítez, Director

CENTRO DE DOCUMENTACIÓN Y ESTUDIOS

Clyde Soto, Member

CENTRO DE EDUCACIÓN, CAPACITACIÓN Y TECNOLOGÍA CAMPESINA (CECTEC), EFICACIA PROJECT (1ST PHASE)

Ada Rosa Martínez, Coordinator

COORDINADORA PARA LA AUTODETER- MINACIÓN DE LOS PUEBLOS INDÍGENAS

Hipólito Acevei, President

GUYRA PARAGUAY

Alberto Yanosky, Director

PLAN INTERNACIONAL

Ofelia Valdez, Director

PLAN PARAGUAY

Néstor Vera, Technician

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LAW OFFICES OF MORENO RUFFINELLI Y ASOCIADOS

José Antonio Moreno Ruffinelli,
Attorney, former Chancellor, former
Ambassador, former Senator

VISION BANCO

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Microfinance Network President

Beltrán Macchi Salin, CEO, member of
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Sandra Vasquez, Market Analyst

OTHERS

PARAGUAY LEGISLATURE

Hugo Estigarribia, Senator

DESARROLLO EN DEMOCRACIA (DENDE)

Alfredo Boccia, Political Analyst, Board Member

CONFERENCIA EPISCOPAL PARAGUAYA

Melanio Medina, Member, Standing Episcopal
Board of the Episcopal Conference

PARAGUAYAN RED CROSS

Rebecca Gamarra, Head of Risk Management

Teresa Gamarra, Programme Coordinator

PASTORAL INDÍGENA (INDIGENOUS PASTORAL)

Raquel Peralta, National Coordinator

Alexander Vial, Journalist and Consultant

Annex 4

SELECTION PROCESS AND SAMPLE OF PROJECTS ANALYSED

The assessment had access to a list of 145 UNDP projects put together by the Regional Audit Centre for Latin America and the Caribbean in early 2010, using the new categorization (including the category of ‘project management’). The list was based on data from the Atlas system, in use since 2004. A total of 26 projects, mostly in governance, were produced before 2004, and of these, nine are still in progress. A second available list included 98 current projects at the time the evaluation (2010), of which UNDP characterized 41 as ‘substantive’. UNDP-Paraguay’s website presents a selection of 59 projects.

In the preparatory mission, the evaluation team held conversations with programme officers to learn what they considered to be the projects with the greatest importance (in terms of strategic significance, implementation time, financial volume) throughout the period under review. As most of these officers were part of the UNDP programme team in Paraguay since the first cycle evaluated, they could also provide information on the project portfolio carried out in that period. The mission also was interested in learning about the series of projects classified as separate projects or consecutive, in order to select those that are still ongoing and that received previous support from UNDP and to identify people involved in them for interviews.

The sampling of projects was carried out by combining the following criteria:

- a) representativeness for the expected outcomes and the relevant corporate areas served by UNDP-Paraguay, as well as sub-thematic areas in its programme, such as: risk

management, the Office of Human Development, projects with the private sector, the theme of indigenous peoples, and the themes of gender and youth. These sub-themes have been handled in the form of individual or limited numbers of projects and subsumed, for convenience, into one of the three main areas: projects in the ‘management’ category –financially extensive – UNDP services have been of an administrative nature, and so the evaluation was limited to reviewing three long-term projects or ones of particular strategic significance,

- b) consideration of the two programming cycles: current projects were emphasized, but with a preference for those with predecessor projects;
- c) assessment of the strategic priority of projects and programmes for both cycles, according to the country office, prioritizing projects deemed strategic and searching for related activities of lesser size or importance (such as events, trainings, etc.).
- d) the existence of project/programme evaluations (there were few);
- e) the possibility of viewing activities through field visits; UNDP-Paraguay itself has executed few projects (DEX) in the field (six currently), almost all recent.

The sample selected in the scoping mission and finalized at the beginning of the main mission includes 30 projects (see accompanying table), or approximately 20 percent of all projects. For half of these, predecessor projects were included in the analysis.

Table A2					
Thematic area	Project	Cycle	Format	Funding source	Amount US\$
Governance	Democratic Governance Monitoring and Evaluation System (SIGOB)	I	NIM	UNDP	100,000
	Support for Defining Policies and Strategies	II*	NEX	UNDP	1,077,917
	Strengthening Capacities for Formulating and Implementing Water and Sanitation Policies	II	DIM	MDG Fund Spain	531,621
	Political Analysis and Prospective Scenarios for Supporting the Transfer of Government Duties	II	DIM	UNDP	121,403
	Institutional Strengthening of the Bi-national Hydroelectric Committee Entities (CEBH)	II	DEX	UNDP/Govt.	770,000
	Strengthening Institutional capacity in human resource management	II	DIM	UNDP	226,000
	Specialized Attention to Victims of Domestic and Gender Violence	II*	DIM	UNDP	261,160
	Strengthening of Political Leadership	II	NGO	UNDP	225,518
	Structural Innovation in the Executive Branch	II	DIM	UNDP	Undergoing approval
Fight against poverty	Programme to Support the Focused Fight Against Poverty	II*	DIM	UNDP/EC	283,391
	Investing in People	I, II	DIM	UNDP	200,000
	Measuring Social Investment	II*	DIM	UNDP	178,064
	Bridges to Inclusive Development	II*	DIM	UNDP	341,106
	Public Administration for the Consolidation of Social Policy	II*	DIM	UNDP	500,000
	Expansion of SIGPA/Single Register of Beneficiaries	II*	DIM	UNDP	154,457
	Support for Health Programmes	II*	DIM	UNDP	40,000
	Support for Ministry of Education Programmes	II*	DIM	UNDP	29,000
	Technical Consultancy to the Social Cabinet	II*	DIM	UNDP	95,000
	Inclusive Microfinance	II*	DIM	UNDP	58,258
	Global Compact	II*	DEX	UNDP	42,670
Risk management	Strengthening the National Emergency Secretariat	II*	DIM	UNDP	497,290
OHD	Human Development Programme	II*	DIM	UNDP, other	120,314
Environment	Wild Paraguay	I, II	NEX/DEX	GEF	8,896,400
	Strengthening Capacities for the Formulation of Government Policies (INDI, CAPI, Indigenous NGOs)	II	DIM	Donors	209,280
	Support for the National Environmental Policy	II*	DIM	UNDP	71,700
Gender and youth	Youth, Employment and Migration Joint Programme	II	DIM	UNDP	1,217,458
	Political Participation with Gender Equity	II	DIM	UNDP	273,310
Project management	Maquila Programme Consolidation	I, II	NEX	MIC	1,823,100
	Public Procurement System	I, II	NEX	IDB/Govt.	4,100,000
		I, II	NIM	IDB/Govt.	3,718,000

* Previous projects included in the analysis.



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