



**Executive Board of the  
United Nations Development  
Programme and of the  
United Nations Population Fund**

Distr.: General  
9 January 2002  
English  
Original: Spanish

**First regular session of 2002**  
28 January-8 February 2002  
Item 3 of the provisional agenda  
**Country cooperation frameworks and  
related matters**  
UNDP

**Second country cooperation framework for Paraguay  
(2002-2004)**

**Contents**

	<i>Paragraphs</i>	<i>Page</i>
I. Introduction .....	1-3	2
II. Development situation from a sustainable human development perspective.....	4-24	2
III. Results of past cooperation and lessons learned .....	25-34	5
IV. Proposed strategy and thematic areas.....	35-53	7
A. Human development and poverty eradication .....	36-41	8
B. Democratic governance and State modernization .....	42-45	9
C. Environmental management .....	46-48	10
D. Competitiveness and international economic integration and productive development.....	49-50	10
E. Information and communications technology for development.....	51-53	11
V. Management arrangements .....	54-60	11
Annex		
Resource mobilization targets for Paraguay (2002-2004).....		13



## I. Introduction

1. This cooperation framework sets forth the content, focus, scope and nature of technical and financial cooperation by UNDP with the Government of Paraguay. In this framework, the Government of Paraguay recognizes the shared interests and goals of UNDP cooperation for 2002-2004 in the thematic areas on which cooperation is to be based: (a) human development and poverty reduction; (b) democratic governance and State modernization; (c) environmental management; (d) competitiveness and international economic integration and productive development; and (e) information and communications technology for development.

2. The proposed thematic areas have been chosen on the basis of lessons learned in the first cooperation framework (1998-2001), the Government's priorities as set out in the governing plan for 1999-2003, and the strategic economic and social plan developed by the Government in 2001. This instrument is also in keeping with the general thrust of the Administrator's plan of action and the guidelines set out in the strategy of the Regional Bureau for Latin America and the Caribbean.

3. Cooperation will last three years (2002-2004) and will be harmonized with the programmes of other United Nations system agencies through the United Nations Development Assistance Framework (UNDAF). To that end, the Government will adopt appropriate coordination measures with a view to optimizing the management levels required for the effective and efficient use of cooperation assistance.

## II. Development situation from a sustainable human development perspective

4. During the past 12 years of transition, the country has undertaken major qualitative efforts to achieve the institutional development required for the full implementation of a democratic law-governed State. Some of those efforts have resulted in historic achievements, such as the adoption of the new Constitution, the re-establishment of freedom of opinion and expression and transparency in the electoral process, among others. The most significant achievement is without doubt the defence and maintenance of democracy, for which the people of Paraguay and the political parties have mobilized and fought on several occasions when it was threatened by armed opposition.

5. While positive results were achieved in the area of human development in the first half of the past decade (between 1990 and 1995 the Human Development Index (HDI) increased from 0.716 to 0.733 and the poverty rate fell from 38 per cent in 1992 to 30 per cent in 1995), there has since been a clear deterioration (the Human Development Index was stagnated at 0.738 in 1999 and the poverty rate rose again to 34 per cent). As a result, it should be recognized that the country must be prepared to continue to deal with unavoidable and increasingly urgent challenges. Issues such as the increase in poverty as a result of the deterioration in the economic situation and the recession, growing public discontent with corruption, the misuse of public funds, impunity and strongman politics (*caudillismo*) are contributing to an increasingly conflictual and unsustainable situation.

6. Of all the issues on the national agenda which require rapid change, the United Nations agencies in Paraguay have highlighted the following in their Common Country Assessment (CCA):

7. *Need to strengthen the rule of law.* Important progress has been made in Paraguay towards fashioning a law-governed State, but that progress has been limited to the official and juridical spheres. Although the Constitution recognizes the basic elements of a law-governed State (supremacy of the law, universal suffrage and separation of powers), the context in which these standards are evolving is marked by inadequate institutional development and numerous structural constraints which widen the gap between legal norms and the actual situation.

8. Those constraints limit the scope of the State's social and economic role and translate into a limited ability to manage the implementation of public policies, along with the persistence of negative elements from the past in the form of corrupt practices involving recurrent, if not systematic, human rights violations as a result of omissions or lack of protection by the State. Weak monitoring by a still fragile and disunited civil society, and the inability of the political sector to translate social demands into concrete results, have contributed to these problems. The situation is particularly relevant in that it creates obstacles to democratic governance.

9. In addition to modernizing the State's policy framework, institutional changes must be made to harmonize the structure and functioning of the State with the process of transforming the economic and production model.

10. *Support for transformation of the economic and production model.* Paraguay's economic production model is outdated and requires urgent reform. Exports of raw materials and agricultural products and re-export trade have suffered because of price fluctuations and trade liberalization in neighbouring countries, which had negative consequences for the country's economy, particularly in rural areas. The outdated production model is linked to the outdated model of the entrepreneurial and employer State around which production relations were largely organized. The recent increase in the fiscal deficit is symptomatic of that outdated model. The immediate causes of the deficit are inefficient public spending (an unstructured system of public services, a lack of follow-up of ministerial strategic goals) and low tax revenue (owing to an insolvent tax system and low collection capacity).

11. The current model hinders adequate access to factor markets (labour, capital and land) and basic services (particularly health care and education) for large segments of the population, particularly in rural areas. The process of marginalization caused by this phenomenon can be seen in a deterioration in poverty indexes and the failure to meet basic needs. The qualitative and quantitative inadequacy of production factors (high population growth, a poorly skilled labour force, limited infrastructure) and of the national environment (weak institutions, dominance of the informal sector) have a limiting effect on the possibility for the economy to become integrated into the regional and global context in a more balanced manner than is currently the case.

12. The macroeconomic reforms introduced by the State in the 1990s (tariff reductions, measures to promote foreign direct investment, price stability and financial liberalization) were not accompanied by the development of institutions and structural measures to improve competitiveness. That, along with the collapse of trade, had pernicious consequences, such as the shutdown of numerous banks and

financial institutions and national industries which were unable to compete with imported or contraband goods. Since this is a structural crisis, wholesale reforms must be introduced in both the public and the productive sectors in order to overcome it.

13. *Sustainable public policies.* There has been a significant failure to formulate sustainable public policies on the environment, energy, tourism and so on. This poses a major challenge, especially in the weakest development areas, such as human and environmental development. In the environment sector, the obsolescence of the economic production model which predominated in Paraguay during the 1980s and which was further strengthened during the 1990s is causally linked to the destruction of catchment areas, uncontrolled urban growth, industrial pollution, deforestation, inadequate farming methods, deficient management of hazardous substances, air pollution in the capital city, and other factors, all of which has had an adverse impact on natural resources and human health that must be addressed by the Government and by international technical cooperation agencies.

14. The deterioration of natural resources cannot be attributed to the absence of any specific laws, but rather to the weak monitoring of their implementation and the lack of public awareness, a situation which is expected to improve somewhat owing to the recent creation of the Secretariat on the Environment.

15. In addition, the low priority accorded by the Government to budgetary allocations for sanitation and the environment, and the fact that community organizations have had little to say about public policy in the areas of hygiene, health promotion, and the prevention and control of environmental risk factors affecting health and development, have resulted in a low national response capacity and inadequate environmental management capacity.

16. *Inequity and social disintegration.* The characteristics of Paraguay's social and cultural development are closely linked to the nature of the economic development model historically implemented in the country and, in particular, to the crisis and obsolescence of that model that have become evident in recent years. The impact of that model can be seen primarily in the rising poverty rates, inequity and social exclusion which affect mainly rural populations, indigenous people and children.

17. Alongside these economic and demographic transformations of recent decades, Paraguayan society has experienced a number of structural and cultural changes. The traditional rural society, in which the principal social classes were made up of peasants and landowners, is rapidly being supplanted by an urban society with a confused, fragile identity, based on a service economy in which employment in the parallel or unstructured (informal) sector prevails and high levels of inequity and social exclusion are seen.

18. Poverty is more widespread and severe in rural areas and in the northern region. Out of a population of 5,496,450 inhabitants, 33.7 per cent live below the poverty line, and extreme poverty affects 15.5 per cent of the total population of the country. This means that a total of 874,000 people have no access to a basic food basket. Children are also profoundly affected: 937,000 children, or 42 per cent of the population aged 0 to 14, are forced by poverty to enter the job market at an early age (from 5 to 7). In 1995, 38 per cent of economically active boys and girls aged 7 to 17 did not attend school; this represents a serious infringement of one of the most basic human rights, access to education.

19. Poverty in Paraguay, particularly in rural areas, arises from inadequate procedures for providing access to land, low school enrolment rates, high fertility rates and insufficient access to productive resources and market factors.

20. Although university enrolment rates are the same for men and women, access to positions of power is limited, as reflected in the fact that 8 per cent of elective posts are held by women. Efforts must also be made to eradicate physical violence against women and to promote a culture of harmonious family life that favours human development.

21. Unemployment is high and in 1998 affected 14 per cent of the economically active population; the demand for jobs was correspondingly high. During the current economic recession, the level of unemployment and underemployment has reached 19 per cent.

22. Access to basic social services, such as education, health care and drinking water supply, is lower among the poorer populations, where inequity and social exclusion are most severe. Some 30 per cent of the population has no access to public health services; 60 per cent of the country's health costs are borne by individuals. Only 0.4 per cent of GDP is allocated to basic health services. In rural areas, only 15 per cent of households have access to drinking water, and less than 4 per cent of persons who enter secondary school graduate. Barely 9 per cent of the economically active population in Paraguay benefits from higher education, which constitutes a significant disadvantage vis-à-vis the Southern Common Market (MERCOSUR).

23. The process of social fragmentation has highlighted the considerable vulnerability of some sectors, such as indigenous people. Although few in number, they represent a historically important segment of the Paraguayan population and their identity and cultural and material heritage deserve recognition.

24. Similarly, the increase in violence and public insecurity (abetted by the limited reach of the rule of law), is worsened by the process of social disintegration which is fracturing what little cohesion remains in Paraguayan society. Although no surveys of crime victims have recently been conducted, police and judicial statistics and public perceptions clearly attest to a disturbing increase in violence and insecurity.

### **III. Results of past cooperation and lessons learned**

25. The first country cooperation framework (1999-2001) established three strategic areas of cooperation: (a) human development for poverty eradication; (b) support for the consolidation of democracy, democratic governance and State reform; and (c) cross-sectoral environmental management. As to the relevance of those thematic areas, the 2000 mid-term review confirmed the priority of the themes proposed.

26. In the area of human development for poverty eradication, there were major achievements in the provision of assistance to vulnerable rural sectors. Cooperation was carried out with the Government over three consecutive years (1999-2001) in the provision of key inputs for agricultural production, including cotton production, which has great social significance because it is linked to smallholding sectors. Also very important was the furnishing of modalities of assistance to rural sectors in critical situations through the creation of microprojects in communities below the

poverty level, from which more than 145,000 rural families benefited. Assistance was also provided to 32 agricultural cooperatives through administrative and financial capacity-building, the development of technical programmes and the identification of clients. In the labour area, UNDP, with support from the Inter-American Development Bank (IDB), carried out a high-impact national project to provide vocational training to especially vulnerable groups (the unemployed, youth, micro-entrepreneurs, farm workers, and so on).

27. In the area of governance, the institution of the judiciary has been strengthened with support from IDB, and tools have been provided to support the jurisdictional and administrative functions of judges in all of the nation's judicial divisions. The development of information systems, the training of magistrates and greater transparency in the conduct of trials have been central elements of the support from UNDP. Meanwhile, contributions have been made to improving the infrastructure in this sector with the building of two courthouses and the establishment of two courts of first instance and two peace courts in remote parts of the country. In addition, the Supreme Court has been assisted in developing instruments and approaches designed to improve the governance of the judiciary itself and its relationship to other branches of government, in cooperation with regional project RLA/00/001.

28. In the area of democratic governance, initiatives have also been undertaken to strengthen political parties by training their leaders. Support has also been provided for laying the groundwork for a Paraguayan foreign policy, which is currently the subject of consultations with various economic and political sectors. An important element in this regard is the improvement of public order and security with a view to the full implementation of the rule of law and human rights. In this context, UNDP is supporting the process of modernization of the National Police, and a diagnostic phase was completed with strong participation by police officers. The construction of "Civic Scenarios" with the participation of leaders of the various social, political, economic and cultural sectors has made a contribution to the process of dialogue and encounters among national leaders.

29. One of the most important contributions of UNDP has been the joint formulation, with the Technical Secretariat of Planning, of the current strategic economic and social plan. For the first time, a technical cooperation project is being converted into a governing plan approved by order of the executive branch, and its implementation as such has been initiated. The implementation of this plan by the public sector is compulsory, and it constitutes the framework for international cooperation. Against the backdrop of this initiative, UNDP supports the Government in the formulation of a poverty reduction strategy through a participatory process. Other important areas assisted by UNDP are: support for the implementation of trade policies; strengthening of the Ministry of Industry and Commerce; export promotion; and the strengthening of operations within the Ministry of the Treasury. In the regulatory area, technical assistance has been provided to the Government in the development of a bill to reform the executive branch ministries in order to achieve a more streamlined and efficient system in keeping with the guiding principles of State reform.

30. One of the central elements of promoting sustainable human development at the country level has been the initiative taken by the UNDP Office to continue to prepare and disseminate national human development reports. The last national report was published in 1995 and the process was subsequently discontinued. Under

the previous cooperation framework, a technical team was selected, began operating, and should produce its first results in 2002.

31. In the environmental area, the principal results achieved are the start-up of the protected wildlands programme with financing from the Global Environment Facility (GEF) and the institutional strengthening of the Secretariat on the Environment, established in 2000. Other achievements are the recovery of 20 microwatersheds in the eastern region of the country and the training of local governments in environmental management.

32. The chief strong points of the first cooperation framework include the flexibility and versatility of UNDP in adapting to the various and nearly incessant political changes. Between 1998 and 2000 there were three different government administrations to which assistance was provided within the framework of the three programme areas mentioned above. Such versatility has enabled the programme to grow by over one third, from approximately \$16 million in 1998 to approximately \$27 million in 2000. This growth has occurred against the backdrop of several changes which above all required substantial management capacity and support for various projects, nearly all of which are executed by the Government. In addition, the fact that programme funds are provided largely through the modality of government cost-sharing reflects the degree of confidence which UNDP vests in the Government, the international financial institutions and civil society organizations.

33. While the successive changes of administrations and cabinets did not hamper programme growth, they limited the achievement of some important goals, as some projects were cancelled, mainly in the human development field, where assistance to a large segment of the rural population had been envisaged. The shortcomings of the programme include the lack of a gender focus and initiatives in that area, and the need to target actions oriented not only to growth, but above all to programme quality and relevance.

34. Lastly, the experience gained during the first cooperation framework has demonstrated the critical importance of the participation of civil society and the private sectors as sources of legitimacy, consensus and synergy with the actions undertaken by the Government. In addition, an important area that remains to be developed is information and communications technology as the principal tool for promoting sustainable human development, especially given the meagre level of technological development in the country and the lack of goals for integration into the globalized world economy on the basis of the information society.

#### **IV. Proposed strategy and thematic areas**

35. One of the elements that received the most attention during the mid-term review was the validity and relevance of the thematic areas of the first cooperation framework. Accordingly, the following will be maintained: human development and poverty reduction; democratic governance and State modernization; and environmental management. In addition to these three areas, two other, very important ones will be competitiveness and international economic integration and productive development, and information and communications technology for development.

## **A. Human development and poverty reduction**

36. Within this theme, UNDP activities will be focused on: (i) formulating, debating and implementing the national poverty reduction strategy; (ii) promoting an environment conducive to improving access by the poor to services, productive resources and goods; (iii) promoting sustainable human development through the preparation and dissemination of the national human development report.

37. With regard to the formulation and implementation of the poverty reduction strategy, the Government has begun formulating that strategy with support from UNDP in order to comply with the agreements reached at the United Nations Millennium Summit. The strategy will be incorporated into the economic and social strategic plan. The active participation of non-governmental actors (political parties, civil society, local governments, informal institutions, and so on) is one of the main aspects of the formulation process. It is expected that a strategy document for reducing poverty by 50 per cent by 2015, worked out in consensus with civil society, and a set of short-term macroeconomic measures will be in place by 2002, together with a portfolio of short- and medium-term projects. The strategy will include a clear gender focus and specific projects which contribute to integrating gender equity policies, complying with international commitments, building institutional capacity and developing gender indicators. Capacity will also be created within the Government, and instruments will be developed in the area of information, management and decision-making which will make it possible to alleviate poverty.

38. With regard to the creation of an environment conducive to improving access by the poor to productive resources and goods, UNDP will continue to support the Government in implementing a programme of productive assistance to sectors in critical poverty situations. The execution modality will be based essentially on strategic partnerships among small-scale producers and on generating local capacity. This emergency measure is one of the Government's most important responses to the demands of rural organizations in critical poverty situations. Moreover, in 2002 UNDP will evaluate the support which it has provided to the Government in supplying inputs for the cotton production campaigns in 1999-2001, with a view to encouraging productive retrofitting of the sector in line with the goals outlined in the economic and social strategic plan and the poverty reduction strategy.

39. As a complement to the national poverty reduction strategy, UNDP will support the central Government and local governments in establishing sustainable urban settlements, mainly in the Asunción metropolitan region.

40. A central aspect of promoting human development and reducing poverty is the preparation and dissemination of the national human development report. UNDP contributed to the preparation and publication of the first national report in 1995, but its publication has been suspended since then. The annual preparation and publication of the national report will resume in 2002; to that end, a technical team has been established, and national capacity will be strengthened.

41. Pursuant to its institutional mandate, UNDP must reinforce its role as spokesperson and coordinator of the fight against poverty. In this connection, UNDP will foster the establishment of coordination mechanisms for cooperation with the United Nations system, and promote the creation of tools to provide information, monitoring and support for public management as part of poverty reduction.



## **B. Democratic governance and State modernization**

42. In the area of democratic governance and State modernization, UNDP activities will focus on: (i) institutional development for democratic governance and implementation of a vision of the country's future; (ii) strengthening the management capacity of key government sectors; and (iii) public security and human rights.

43. In partnership with the Instituto Internacional de Gobernabilidad de Cataluña, UNDP will support an institutional development process based on promoting dialogue and consultation among the leaders of various sectors concerning critical issues that should be considered in connection with constitutional and legal reforms. The implementation of this initiative will be strictly monitored, using progress indicators which reliably measure the outputs and results of the institutional development process. These reforms will, in principle, be linked to: (a) reform of the political system of presidential succession laid down in the Constitution; (b) reform of the electoral process; (c) establishment of a balance of powers; and (d) reform of the political party system. In 2002 UNDP will also support the implementation of a vision of the country's future generated by the leaders of all sectors through a participatory process of constructing "Civic Scenarios" carried out in 2001. Such implementation will consist of the various sectors identifying specific actions and gradually putting them into practice with a view to the formulation of State policies. In particular, support will be provided for the process of defining a fiscal agreement among the Government, the private sector and social institutions.

44. Using an approach already applied during the first cooperation framework, UNDP will continue to strengthen and upgrade the management capacity of key government institutions. In this connection, it will continue to support the modernization of the judiciary through the comprehensive implementation of an integrated information management system for judicial and administrative proceedings, while also improving the physical facilities in the country's nine judicial divisions. Within the executive branch, support will be provided for: (a) the design and implementation of a programme for managing the Office of the Civil Cabinet of the Presidency; (b) the strengthening of government capacity to formulate, negotiate, monitor and execute projects funded by international financial institutions; (c) the implementation of the economic and social strategic plan and its coordination with the integrated financial management system, and the development of a planning system in coordination with other cooperation agencies, such as the German Agency for Technical Cooperation (GTZ); (d) the process of reform of the public banking system, which will begin in 2002, in addition to the modernization of the retirement and pension system through support in both the studies and analysis phase and the execution phase; (e) in order to promote a more transparent relationship between citizens and the State, strategic channels of communication will be created at the intragovernmental and international levels and between the public sector and civil society; (f) strengthening the fiscal management of the Ministry of Finance, by building management capacity within the Customs Administration, the Vice-Ministry of Financial Administration and the Vice-Ministry of Taxation through the development of systems and the computerization of those sectors; and (g) as to local governments, UNDP will support the identification, through studies, of the regulatory impediments to the genuine decentralization of competencies and resources, and the development of at least two

pilot initiatives for enhancing municipal management capacity in remote areas of the country.

45. In the area of public safety and human rights, UNDP will support: (a) the modernization of the National Police in its strategic planning phase, as well as human rights training; and (b) the generation of a basic public security proposal emanating from forums for exchanging ideas with civil society on the basis of human rights.

### **C. Environmental management**

46. In the area of environmental management, the UNDP Office will focus its efforts on strengthening institutions in the sector and will develop activities relating to such issues as biological diversity, renewable energy, international waters and desertification, and climate change.

47. With regard to the strengthening of institutions, UNDP will support capacity-building within the recently created Secretariat on the Environment by providing technical assistance, equipment and coordination with other government departments and civil society organizations.

48. UNDP will provide support for the following activities: (a) the execution of projects funded by GEF in order to cooperate with the Government in developing a biodiversity strategy and support the active inclusion of 18,380 hectares within the national system of protected wildlands through the management and oversight of four national parks; (b) the development of renewable energy initiatives that will make it possible to create a decentralized rural electrification system to improve the living standards of rural dwellers; (c) a trinational (Paraguay, Argentina and Bolivia) project aimed at mitigating the environmental impact on the Pilcomayo river basin; projects aimed at mitigating the damage caused by indiscriminate fishing will also be implemented in the Paraná and Paraguay river basins; (d) the development of a recovery plan for damaged areas with a high degree of salinization in parts of the western region or Chaco of Paraguay; and (e) the development of specific programmes relating to climate change proposals for submission to GEF.

### **D. Competitiveness and international economic integration and productive development**

49. In this area, efforts will be made to promote the competitiveness of the private sector, and activities to foster productive development will be supported.

50. In particular, initiatives will be implemented in order to: (a) set up an adequate legal, regulatory and institutional framework that encourages the competitiveness of the private sector and the generation of employment; (b) establish areas of cooperation between the public and private sectors in order to plan and implement joint actions and policies that promote competitiveness by, inter alia, developing regional production conglomerates; (c) support the Government's implementation of the strategic economic and social plan as it concerns the transformation of the production sector; (d) support the Government and the private sector in the development and implementation of actions and policies to develop small and

medium-sized enterprises and promote exports; and (d) plan and support the implementation of macroeconomic measures to promote competitiveness.

## **E. Information and communications technology for development**

51. As a cross-cutting theme, UNDP will implement actions to promote Paraguay's entry into the global information society and the use of information and communications technology (ITC) for sustainable human development. Since ITC studies and policies are at an early stage in Paraguay, UNDP will focus on:

52. Incorporating ITC into the national agenda through broadly participatory activities aimed at: (a) assessing the current ITC situation in Paraguay; and (b) considering the opportunities and challenges that arise in the national context, with particular emphasis on the UNDP areas of action. These activities should culminate in the development of a diagnosis and strategy for transforming Paraguayan society into a knowledge- and information-based society and should begin the process of promoting ITC and access to the knowledge-based society;

53. Selecting and preparing innovative new projects: (a) evaluating ongoing initiatives; (b) selecting priority projects and available funding sources; (c) developing pilot projects to promote the use of ITC, primarily by young people, through community "telecentres" incorporated into information for development centres; and (d) implementing several "electronic government" demonstration projects (including a single virtual window for exports and a virtual trade information centre), taking advantage of synergies with other current UNDP projects.

## **V. Management arrangements**

54. *Implementation:* The programme will be implemented through the use of the national execution modality. This modality has proven to be fairly well suited to the programme, as it has promoted its sustained growth. The national execution modality was not fully employed during the first country cooperation framework because the responsibility for a number of administrative support actions still resided with the UNDP offices, and the consolidation and strengthening of projects through their direct administrative management was not achieved. This situation requires action in two areas. First, project management capacity must be strengthened through the training of implementing unit staffs; second, procedures must be simplified and management support and information technology must be used intensively. Action in these two areas, which is currently in an early phase of implementation, will make it possible to achieve higher levels of monitoring, follow-up, communication and quality in management procedures by transferring actions stemming from administrative procedures to the projects and promoting in a transparent, safe, efficient and systematic way, the gradual implementation of full national execution. Another important element is the versatility of the computerized management system which facilitates procedures and the provision of information to international financial institutions, primarily IDB and the World Bank.

55. Other important measures concern the temporary nature of national execution and, above all, the need to develop exit strategies for UNDP-supported projects at

the time when project documents are drawn up. These measures should be strengthened, thereby facilitating the transfer of existing technological instruments in order to ensure continued national ownership of the results achieved.

56. Owing to the variety of support options that the United Nations system can provide, it is important for the areas of cooperation among the various system agencies to be presented in a uniform, orderly and efficient manner. In that regard, the 2001 move to a United Nations House shared with most of the United Nations agencies present in the country has constituted great progress. The common country assessment, finalized in 2001, and the soon-to-be-finalized UNDAF will serve the same purposes.

57. *Monitoring and evaluation:* The second country cooperation framework for Paraguay will be subject to a mid-term review. The methodology to be used for monitoring and follow-up will be the results-based management system (RBMS). The present framework is based on the strategic results framework, which will allow for continual follow-up and annual reporting on the principal results achieved through the results-oriented annual report (ROAR).

58. Project accounts are verified annually to ensure that corrective measures are applied in a timely manner. Systems will also be developed to ensure more efficient follow-up of auditors' recommendations.

59. This cooperation framework reflects the vision and foresight of the Government and UNDP as to the implementation of joint activities during the next three years; without prejudice to the foregoing, it may be amended or revised by mutual agreement of the parties.

60. *Resource mobilization:* UNDP has set a goal of mobilizing \$120 million over a three-year period. These funds include \$304,000 in UNDP resources; the rest will come from other sources, including GEF, multilateral sources such as the World Bank, IDB and the Andean Development Corporation, and government resources. It is important to note that the Paraguayan Government's contribution, based on the principle of cost-sharing, reflects its commitment to the programme and ensures that the objectives to be met and the results anticipated are compatible with national goals.

## Annex

### Resource mobilization target table for Paraguay (2002-2004)

<i>Source</i>	<i>Amount</i> <i>(In thousands of United States dollars)</i>	<i>Comments</i>
<b>UNDP core funds</b>		
Estimated carry-over into 2002	67	Includes balances drawn from TRAC 1.1.1 and 1.1.2 and from previous AOS assignments.
TRAC 1.1.1	288	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
SPPD/STS	192	
<b>Subtotal</b>	<b>547</b>	
<b>UNDP non-core funds</b>		
Government cost-sharing	105 000	Contributions to costs by Government.
Funds, trust funds and others		
GEF	15 000	
<b>Subtotal</b>	<b>120 000</b>	
<b>Grand total</b>	<b>120 547</b>	

Abbreviations: GEF = Global Environment Facility; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core.