

Office of Technical Assistance: Budget and Financial Accountability Project in Paraguay

Evaluation Report



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Table of Contents

I. EXECUTIVE SUMMARY	1
KEY FINDINGS	2
KEY RECOMMENDATIONS	7
II. EVALUATION BACKGROUND	10
OFFICE OF TECHNICAL ASSISTANCE (OTA) APPROACH	10
PARAGUAYAN FINANCIAL ENVIRONMENT	10
PROGRAM DESCRIPTION	11
III. EVALUATION METHODOLOGY	13
EVALUATION PURPOSE	13
EVALUATION QUESTIONS	13
EVALUATION METHODS.....	14
DATA COLLECTION AND ANALYSIS	15
QUALITY ASSURANCE.....	16
LIMITATIONS.....	16
IV. PROJECT FINDINGS	18
FOCUS AREA A: CORE TREASURY FUNCTIONS	21
FOCUS AREA B: BEST PRACTICE IN CASH MANAGEMENT	37
FOCUS AREA C: GOVERNANCE AND MANAGEMENT ARRANGEMENTS.....	51
V. CONCLUSIONS	57
VI. RECOMMENDATIONS	61
VII. ANNEXES	64
ANNEX A. OTA PROJECT DOCUMENT LIST	65
ANNEX B: CONTEXT DOCUMENT LIST	66
ANNEX C: EVALUATION TEAM QUALIFICATIONS	67
ANNEX D: INTERVIEW INSTRUMENTS	69
ANNEX E: OTA RESPONSE	102



Acronyms and Abbreviations

BFA	Budget and Financial Accountability
CBP	Central Bank of Paraguay
DGPT	Directorate General of the Public Treasury
DMO	Debt Management Office
EQ	Evaluation Question
FATAA	Foreign Aid Transparency and Accountability Act
FCR	Findings, Conclusions, and Recommendations
GDA	General Directorate of Accounting
GDP	Gross Domestic Product
GOP	Government of Paraguay
IDB	Inter-American Development Bank
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund
ISO	International Organization for Standardization
IT	Information Technology
KII	Key Informant Interview
KPI	Key Performance Indicator
M&E	Monitoring and Evaluation
MCC	Millennium Challenge Corporation
MITIC	Ministry of Information and Communication Technologies
MFPU	Macro-Fiscal Policy Unit
MOF	Ministry of Finance
OTA	Office of Technical Assistance
P-Card	Petty Cash Purchasing Card
PFM	Public Finance Management
QA	Quality Assurance
SET	Undersecretary of Taxation
SME	Subject Matter Expert
STR	<i>Solicitud de Transferencia de Recursos</i>
T-Bill	Treasury Bill
TSA	Treasury Single Account
U.S.	United States
USAID	United States Agency for International Development



I. EXECUTIVE SUMMARY

The United States (U.S.) Treasury’s Office of Technical Assistance (OTA) is a demand-driven organization with a mandate to work directly with counterpart governments to promote financial sector strengthening. OTA provides technical assistance in five key areas: 1) revenue policy and administration, 2) budget and financial accountability (BFA), 3) government debt and infrastructure finance, 4) banking and financial services, and 5) economic crimes.

From 2015–2021, the U.S. Treasury’s OTA engaged with the Directorate General of Public Treasury (DGPT) to improve its capacity to effectively and efficiently manage funds to ensure the Government of Paraguay (GOP) can deliver critical government services and support inclusive economic growth. The project consisted of ten components that the evaluation team organized in three key support areas: 1) Core Treasury Functions, 2) Best Practice in Cash Management, and 3) Governance and Management Arrangements. Throughout the program, OTA provided technical assistance with two resident advisors and a short-term remote expert advisor who worked closely with DGPT counterparts—the first resident advisor started operations in February 2015; he was then succeeded by a second resident advisor in August 2018 until September 2021. The project was supported by one remote intermittent advisor from May 2020 to October 2021.

In compliance with the Foreign Aid Transparency and Accountability Act (FATAA)¹ requirements, Bixal² conducted a third-party, summative program evaluation of the Paraguay OTA BFA project. The evaluation is meant to provide OTA with in-depth, third-party, retrospective insights of its activities in Paraguay and discern lessons learned for future programming. The evaluation used a mixed methods approach, including a desk review of key project documents and 19 interviews with 27 key informant interviews (KIIs) with OTA advisors, counterparts, and other stakeholders. The evaluation focused on the following evaluation questions (EQs):



EQ 1. Which of the anticipated project outcomes were achieved?



EQ 2. Which of these outcomes have been sustained up to the present?



EQ 3. For any anticipated outcomes that were not achieved, which factors hindered success?

¹ *Foreign Aid and Transparency and Accountability Act of 2016*, Public Law 114–191


















² Bixal Solutions Inc.
































Key Findings

Underlying the three focus areas of the project was OTA’s desire to improve public financial management to ensure the GOP can manage funds to deliver critical government services and support inclusive economic growth. The achievement of the project components was mixed, where one component was fully/largely achieved, four components were partially achieved, and five components were not achieved (Table 1).

Table 1: BFA Project Overview: Fully Achieved, Partially Achieved, and Not Achieved Project Components and Outcomes.

Focus Area	Project Component	Outcomes	Achieved	Sustained
Focus Area A: Core Treasury Functions	 2. Non-tax revenue collection	2.1 Ministry of Finance (MOF) works collaboratively with Ministry of Information and Communication Technologies (MITIC) to implement an e-payment system for non-tax revenue.		
		2.2 MOF staff understands their roles and responsibilities in monitoring the implementation of the non-tax revenue e-payment platform and collaborates with the MITIC to ensure the system meets the MOF’s needs.		
	 5. Purchase cards	5.1 DGPT implements a Petty cash purchasing card (P-Card) program for petty cash and travel expenses.		
		5.2 DGPT uses a monitoring process to gauge the success and uses recommendations to make ongoing adjustments.		
	 8. Electronic payment systems	8.1 DGPT implements workflow improvements and an electronic payment request and digital signature system.		
		8.2 DGPT adopts new procedures to support an electronic signature system.		
		8.3 DGPT implements an Electronic Payment Request Module to automate payment requests, eliminate paper-based systems, reduce transaction processing times, and improve control and predictability of expenditures.		



Focus Area	Project Component	Outcomes	Achieved	Sustained
	 10. Accounts payable module	10.1 DGPT implements an Accounts Payable Module in the Integrated Financial Management Information System (IFMIS).		
Focus Area B: Best Practice in Cash Management	 1. Cashflow forecasting	1.1 DGPT uses action plans to guide work to improve cashflow forecasts.		
		1.2 MOF uses improved revenue and expenditure forecasting modules to enhance accuracy of cashflow forecasting.		
	 4. Investment program	4.1 Regulatory Decree is incorporated into the 2020 National Budget Law authorizing the MOF to implement the surplus cash investment program for one year.		
		4.2 DGPT implements new policies and procedures governing the management, operations, and oversight of the surplus cash investment program in the Treasury Single Account (TSA).		
		4.3 DGPT staff effectively manage new short-term cash investment program to invest surplus cash.		
	 6. Treasury bill program	6.1 DGPT uses Findings and Recommendations Report to develop an implementation plan for the issuance of Treasury Bills (T-Bills).		
		6.2 T-Bill Decree is incorporated into the National Budget Law authorizing the MOF to issue short-term T-Bills and operate the T-Bill program for one year.		
		6.3 DGPT adopts and implements new business processes to support the issuance and administration of a T-Bill program.		
	 9. Cash management	9.1 DGPT adopts new business processes and identifies data sources required to implement Quota and Cash Plan Modules.		
		9.2 DGPT builds and implements a Quota Module and a Cash Plan Module within the IFMIS.		
		9.3 DGPT staff better manage and anticipate government cash requirements and manage cash volatility.		



Focus Area	Project Component	Outcomes	Achieved	Sustained
		9.4 DGPT establishes and effectively leads a Budget and Cash Management Committee comprised of members from Budget, Treasury, Tax, and Debt Directorates.		
Focus Area C: Governance and Management Arrangements	3. DGPT re-organization	3.1 The DGPT realigns organizational structure, defines functional positions and roles and responsibilities, and effectively staffs and trains units.		
	7. KPIs	7.1 DGPT uses a standardized set of Key Performance Indicators (KPIs).		
		7.2 DGPT implements new policies and procedures governing the management, operations, and provides oversight of the surplus cash investment program in the TSA.		
		7.3 DGPT enhances its monitoring and reporting systems to better capture and analyze KPI data.		

FOCUS AREA A: CORE TREASURY FUNCTIONS

One component was fully achieved, one component was partially achieved, and two components were not achieved. This focus area centered on improving the DGPT's ability to carry out its core treasury functions. Components included implementing an electronic non-tax revenue collection system, purchase cards for petty cash transactions, an electronic payment system, and an Accounts Payable Module.

The electronic payment system component was fully achieved and sustained. It was one of the most impactful components of the project. The DGPT and MOF considered the development and implementation of an electronic payment system a priority for the success of the project, and, prior to the inception of the OTA BFA project, they had begun work on the system. As a result, when the project was launched, much of the technological infrastructure was in place. This allowed the first OTA advisor to contribute to the development of the system in his areas of expertise, including designing workflows and developing reporting functions. The electronic payment system transformed the DGPT by substantially reducing paper-based processes and manual tasks to fully automated tasks and digital processes. Those workflow improvements led the International Organization for Standardization (ISO) to award Paraguay with ISO 9001:2008 certification in November 2016³ and again with ISO 9001:2015 certification in July 2020.⁴

³ FOTEGAL, "Newsletter No. 49: Tesoro Paraguay mantiene certificación de calidad."

⁴ Ministerio de Economía y Finanzas, "Noticias del Ministerio de Hacienda: Tesoro Público mantiene la certificación de Calidad ISO 9001:2015."



The purchase card (P-Card) component was partially achieved and sustained. With the help of both resident advisors, the DGPT implemented a P-Card for petty cash purchases that government agencies are required to use under Paraguayan law. The first advisor drafted new policies and procedures for the use of a P-Card and the second advisor got regulatory approval from the newly appointed Minister of Finance resulting in the passage of the Budget Regulatory Decree 4780/2021, which requires all ministries to use P-Cards for 50% of all petty cash purchases. However, a P-Card for travel expenses has not been implemented mainly because of legal barriers and the onset of the COVID-19 pandemic.

The accounts payable component was neither achieved nor sustained. This component meant to build upon the successful implementation of the electronic payment system. The goal was to streamline invoicing in the IFMIS by developing a pre-electronic payment request procedure. The first advisor analyzed and documented the manual payment process and made recommendations for the development of a pilot program with the MOF. Unfortunately, the pilot had limited success due to a complex sign-up process and information technology (IT) infrastructure hurdles.

The non-tax revenue collection component was partially achieved but not sustained. The first advisor started on this component in 2015, but work was postponed until 2018 by the DGPT because of severe technological and budgetary barriers. At the same time, the newly created MITIC launched a project and working group to develop an electronic payment and collection systems supported by a \$130 million loan and technical support from the Inter-American Development Bank (IDB).⁵ Despite the second advisor's effort to collaborate with MITIC, he and the DGPT were not enabled to participate in the working group. As a result, an electronic payment system for non-tax revenues was not developed.

FOCUS AREA B: BEST PRACTICE IN CASH MANAGEMENT

Three components were partially achieved, and one component was not achieved. This focus area aimed to help the DGPT improve cash management by implementing a Quota and Cash Plan module in the IFMIS, improve cashflow forecasting, and develop a T-Bills and cash surplus/excess funds investment program.

The cash management component was partially achieved and sustained. A success of the BFA project was the development and implementation of the Cash Plan and Quota Modules in the IFMIS. These modules were the next step in the elimination of paper-based processes after the successful implementation of the electronic payment system. There was demand from the highest levels of the GOP and the MOF for further automation and digitalization. The first advisor developed recommendations on automating the system, contributed to the development of standardized reports within the system, and helped develop a timeline for rollout of the new modules. The successful implementation of both modules in 2017 improved the operating efficiency of the DGPT and contributed to improved cash management and cashflow forecasting. However, because nearly 40% of GOP financial transactions happen outside of the IFMIS, serious structural barriers remain to fully accounting for the cash needs of government agencies and the timely disbursement of financial resources.

⁵ IDB. "Digital Agenda Support Program."



Improved cashflow forecasting was partially achieved and sustained. Both resident advisors and the remote intermittent advisor helped the DGPT improve its ability to model and project cash resources available in the budget year and set the annual spending ceiling for the government. However, the DGPT made no further advancements in cashflow forecasting after a basic forecasting tool was delivered by the project and the DGPT remains unable to identify periods of liquidity excesses and shortfalls in the national budget. As a result of this barrier and others described below the excess funds investment program and the T-Bills program, both of which relied on an improved cashflow forecasting, were limited.

The excess funds investment program was partially achieved but not sustained. The second resident advisor helped the DGPT get a Regulatory Decree incorporated into the 2020 National Budget Law authorizing the investment of excess funds. Regulatory successes were sustained after the second advisor left, setting the stage for the implementation of an investment program, which is a current priority for senior DGPT staff, according to interviews. Despite the momentum, the DGPT has not invested surplus cash or established a surplus cash investment program office.

The T-Bills program was not achieved nor sustained. Capacity barriers and a lack of political will within the DGPT restricted the implementation of the T-Bills program. This component was canceled by the DGPT in 2020 due to the aforementioned barriers.

FOCUS AREA C: GOVERNANCE AND MANAGEMENT ARRANGEMENTS

Neither of the two components in this focus area was achieved. The two components in this focus area were meant to improve the operational efficiency and management of the DGPT through a structural reorganization of the office and the implementation of a standard set of KPIs to measure efficiency.

OTA worked with the United States Agency for International Development (USAID) to analyze the organizational structure and staffing levels to develop recommendations on how to improve management of the DGPT. Ultimately, the reorganization of the DGPT was not successful because DGPT was unwilling to go through a reduction in workforce. Legal hurdles also slowed the progress of overhauling the office.

OTA submitted a report with a very large selection of 216 KPIs, from which the DGPT could select for monitoring productivity, efficiency, and effectiveness of their operations. However, the DGPT only implemented a select number of KPIs to monitor the efficiency of cashflow forecasting, because many of the suggested number of KPIs were not applicable to the Paraguayan context. In interviews, senior DGPT staff expressed interest in further instituting KPIs, but no further progress has been made because, according to OTA project documents the MOF considers the rigidity of the current Civil Service Law does not allow for the use of KPIs for reporting on the performance and accountability of public service staff.



Key Recommendations

PROJECT DESIGN, LEARNING, AND RISK

- 1. At the beginning of engagements, utilize a collaborative and analytical design process that includes engagement with counterparts and other relevant stakeholders such as MITIC and the IDB in a scoping mission.** This project design approach will help identify project priorities and assess the risks and costs associated with project implementation, risk mitigation measures, and other external partners involved in the country. This approach should include data on previous collaborations, timing and duration of interventions, lessons learned, and technical assistance projects in areas of relevance funded by other external partners. This design process should involve several experts working with a standardized process and tools to decide on the urgency and sequencing of project components and the profile of the future resident advisor. Once this process is complete, OTA can identify an appropriate profile for the resident advisor. OTA should use a systematic approach to identify and map potential risks at all levels, determine the risk severity, and develop mitigation measures. Planning with flexibility in mind will better support resident advisors to change course when activities or project components no longer seem viable given current economic and political conditions.
- 2. After OTA identifies key needs of the counterpart, ensure that the project components align to priorities of the counterpart government.** As was the case with the components related to automation and digitalization of DGPT processes, project components and outcomes are likely to have more success if they closely align with the priorities of the government. Reforms that require the automation of manual business processes and the development of new IT infrastructure and capacities are inevitably resource intensive and require the coordination of many agencies. Ensuring that there is adequate government support before committing the component to the workplan would help curtail the typical risks and barriers faced when working with the public sector in developing countries.
- 3. OTA should ensure the scope of work for each advisor is practical, realistically achievable, and sustainable. This can be done by incorporating regular reviews and feedback from the advisors.** OTA is a demand driven organization which is inherently prone to the risks of a hastily growing workplan when responding to counterpart demands for additional work. An overly ambitious workplan is a risk for the success of a project because counterparts can feel overburdened with the many components in addition to performing their day-to-day functions, as was the case for this project. This burden is compounded when additional components require a wide array of skills and experiences, especially if those skills are scarce in the counterpart agency.
- 4. Develop a monitoring and evaluation (M&E) plan for projects jointly with resident advisors and counterparts.** This plan should also include a results-based project accountability framework with a clear division of roles and responsibilities with key stakeholders. This should be a multilateral planning process that involves creating an M&E plan that links to the global OTA M&E plan, allowing OTA to better measure the



performance of its projects, demonstrate success, and improve outcomes. When learning is considered and planned from the beginning, OTA will be better set for success.

5. **Ensure that capacity building is a key tenant of the workplan and that counterparts are provided with the necessary operations manuals and necessary documentation to help ensure the sustainability of the reforms and methodologies introduced by OTA.** All outputs developed by the project should be implemented with capacity building in mind. Training materials should be prepared in concert with and endorsed by the technical staff of the country. In addition, it is important to facilitate training of trainers with the lead counterpart to ensure new staff can effectively utilize outputs and new methodologies developed by OTA.

THE ROLE OF THE RESIDENT ADVISOR

6. **Develop a formal engagement strategy for managers and technical staff along with the lead counterpart from other important departments and agencies.** OTA should engage mid-level management and technical staff along with leadership from relevant agencies in a formal technical working group rather than on an informal ad hoc basis. Staff understand the issues in the department and can provide keen insight of which leadership may be unaware. Developing formal avenues for communicating with the relevant staff and other key country counterparts will help to foster better collaboration and communication. Otherwise, mid-level and technical staff may see advisors as an unknown guest and relevant counterparts will not be familiar with all details of the project and its goals, as was the case with the MOF IT Department staff. In addition, advisors may not be sufficiently familiar with the problem they are trying to address and the recommendations they make may miss the mark, as was the case with the recommendation to eliminate the verification department in the DGPT.
7. **A single resident advisor stationed in country for such a large scale of technical support is not viable; consider recruiting a core team with additional short-term expert resources and local knowledge.** For large projects with a broad array of components over a long period of time, it is unlikely that a single resident advisor engaged on the project has the necessary and sufficient technical expertise to implement all of them successfully. In these cases, with disparate technical objectives, consider employing a small team in country simultaneously with the competencies necessary for each component of the project. This team should also include local knowledge and an understanding of the historical context, which are important for understanding the circumstances in which the OTA project is operating. It is extremely important that all team members understand the overall scope of the project and how their work fits into OTA's project goals.
8. **Advisors can learn from other relevant OTA projects and engage in a peer-to-peer exchange network across the region and the globe.** OTA can provide guidance to resident advisors on approaches to barriers that are outside the influence of OTA or the advisor. There were many barriers and challenges that even the most effective advisor could not address, and there will be barriers in every project. Working to create an open culture of understanding at OTA related to these barriers could help identify them faster. OTA should enable coordination between advisors by developing communities of practice that facilitate troubleshooting between advisors who are facing similar barriers. To ensure



best practices are reproduced across projects, communities of practice should compile lessons learned and develop implementation templates.



II. EVALUATION BACKGROUND

Office of Technical Assistance (OTA) Approach

OTA is a demand-driven organization with a mandate to work directly with counterpart governments to develop and implement robust public financial management practices to promote financial sector strengthening. OTA provides financial technical assistance in five key financial areas: 1) revenue policy and administration, 2) BFA, 3) government debt and infrastructure finance, 4) banking and financial services, and 5) economic crimes.

Projects typically last between three and six years and involve one to several highly experienced technical advisors in one of the five key financial areas working to accomplish a predetermined set of project objectives. Advisors work directly with counterparts in central banks, finance ministries, treasuries, tax departments, and other public sector financial institutions, delivering technical support and trainings, and mentoring counterparts. Projects will employ either resident advisors who live in the country for several years or intermittent advisors who periodically visit the counterpart country over the lifetime of the project. Intermittent advisors can deliver broad support on the project or visit just a handful of times to deliver specialized technical assistance on a single component of the project.

Paraguayan Financial Environment

Paraguay's MOF requested OTA to help strengthen DGPT's operations as part of a comprehensive reform strategy for Public Finance Management (PFM). OTA conducted an assessment mission in 2014 to determine potential areas to provide technical assistance. Paraguay has one of the fastest growing economies in South America. Its real gross domestic product (GDP) growth (3.6% annually) has been larger than the average real GDP growth in Latin America of 1.9% since 2010, according to International Monetary Fund (IMF) sources.⁶ The growth has been driven mainly by a surge in agricultural commodity prices and exports, resulting in a substantial rise in its economy. Nevertheless, Paraguay still faces challenges of poverty and inequality. Despite the recent progress, Paraguay retains the highest poverty rate in Latin America, with an associated Gini coefficient of 43 in 2021,⁷ indicating a society marked by significant inequality. Sustaining rapid economic growth while fostering a more inclusive society remains a challenge for Paraguay. To achieve this, OTA determined that Paraguay would need to implement sound macroeconomic and public financial management processes.

Although the GOP introduced the TSA before this OTA project was initiated, fundamental shortcomings remained in cash management and domestic revenue mobilization. According to assessments conducted by OTA, the GOP lacked effective tools to forecast government revenue — including non-tax sources — and systems to collect such revenue efficiently. On the expenditure side, the DGPT heavily relied on manual, paper-based, and inefficient payment and

⁶ IMF, "World Economic Outlook Database."

⁷ World Bank, "World Development Indicators Database."



disbursement systems. These old systems reduced DGPT's ability to forecast and monitor expenditures and accurately develop precise cashflow projections, which caused internal control vulnerabilities. On the revenue side, the DGPT faced challenges in managing short-term cash surpluses and funding less-than-a-year shortfalls. Additionally, DGPT lacked adequate performance tracking and reporting mechanisms to measure program outputs and accomplishments. Lastly, the government had not developed any cash forecasting and expenditure tools or modules within its IFMIS.⁸

Program Description

Based on this backdrop, OTA started its BFA project in Paraguay in 2015. The project was implemented by two consecutive resident advisors at the DGPT—one advisor from January 2015 to June 2018, followed by a second advisor from August 2018 to September 2021. Starting in May 2020, an intermittent OTA advisor provided additional virtual technical assistance on cash forecasting tasks through July 2021.

The BFA project had 10 components, which the evaluation team clustered into three key areas to help conceptualize the technical assistance OTA provided over the two years (components are numbered as they appear in the project log frame):

Core treasury functions:

2. Non-tax revenue collections
5. Purchasing cards
8. Electronic payment system
10. Accounts payable module

Best practice in cash management:

1. Cashflow forecasting
4. Investment program
6. T-Bill program
9. Cash management

Governance and management arrangements:

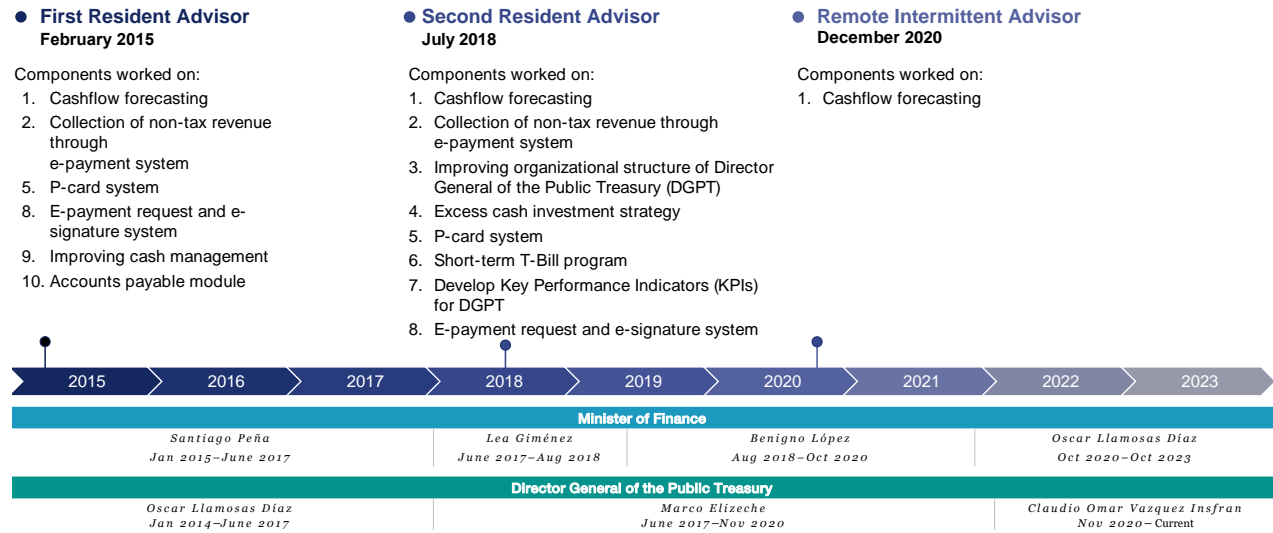
3. DGPT reorganization
7. Key performance indicators

Project components overlapped between the first and second resident advisor. Figure 1 shows the timeline of the two resident advisors, the remote intermittent advisor, the project components, and changes in leadership over the course of the project.

⁸ Note: This summary was produced from OTA's BFA evaluation cover sheet, an internal project document.



Figure 1: Paraguay OTA Program Timeline.



III. EVALUATION METHODOLOGY

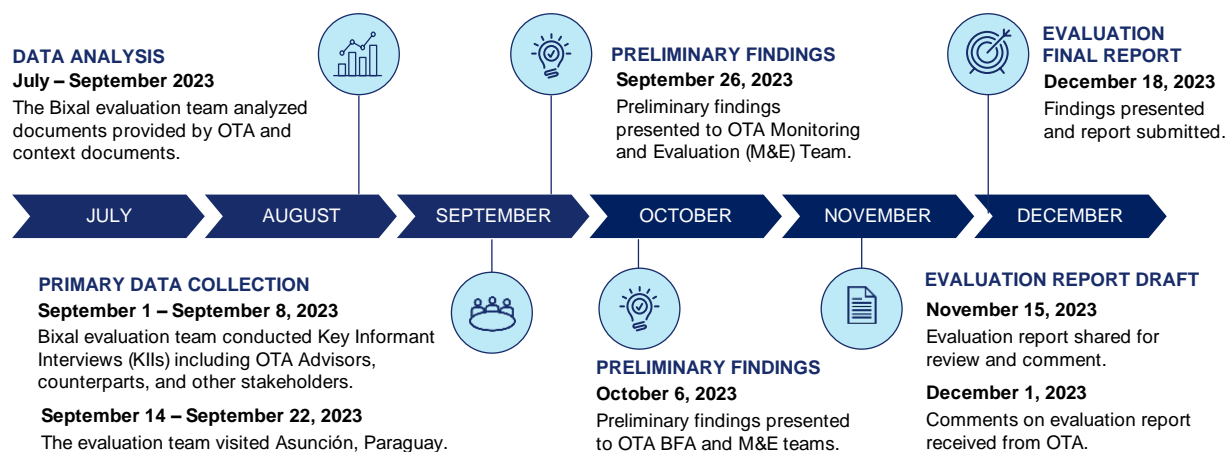
Evaluation Purpose

OTA commissioned Bixal to conduct a summative program evaluation. The evaluation activities took place during July–December 2023, and the evaluation team conducted a field visit in Asunción, Paraguay, during September 14–22, 2023 (Figure 2: Paraguay OTA Evaluation).

The evaluation of the OTA/Paraguay BFA project served two purposes:

- To ensure compliance with the FATAA of 2016, which includes requirements to evaluate the outcomes and impacts of OTA’s programs that have a dollar value that equals or exceeds the median program size.
- To provide OTA with in-depth, third-party, retrospective insights of its budget project activities in Paraguay. Some aspects of OTA’s experience in Paraguay may be extrapolated to other current or future projects in Paraguay or other countries to inform adaptation, improve projects, discover ways to reduce the time to achieve project outcomes, identify new ways to effect positive change, and document project achievements and success.

Figure 2: Paraguay OTA Evaluation Methodology and Timeline.



Evaluation Questions

Bixal’s evaluation team collaborated with OTA’s M&E team to develop a limited number of EQs to better understand OTA’s work in Paraguay. The EQs provide the foundation for the remaining design elements, including methods used and data sources. Interview guides and other evaluation instruments address the EQs and project components. The EQs are:





EQ 1. Which of the anticipated project outcomes were achieved?



EQ 2. Which of these outcomes have been sustained up to the present?



EQ 3. For any anticipated outcomes that were not achieved, which factors hindered success?

Evaluation Methods

To explore the EQs, the evaluation team used a mixed methods approach. This ensured that all written documentation of the project was integrated into the evaluation, but that further exploration of the project activities was done through key informant interviews.

DESK REVIEW OF PROJECT DOCUMENTS

The evaluation team analyzed project documents provided by OTA to gain a basic understanding of OTA's activities and interventions in the Paraguay BFA project. Additional documents were added from external sources (e.g., the World Bank, IMF) to provide more context on the Paraguayan financial environment. Documents were coded by outcome and a few key themes in ATLAS.ti, a qualitative analysis application. Once the documents were coded, the evaluation team reviewed, extracted initial key findings from the documents, and identified information gaps that required more investigation.

OTA shared the following categories of project documents with the evaluation team:

- Budget Narrative
- End of Project Report
- End of Tour Reports
- Evaluation Coversheet
- Log Frames
- Monthly Reports
- Project Deliverables
- Project Reviews
- Treasury International Affairs Technical Assistance Proposals



- Traction & Impact Reports
- Terms of Reference
- Trip Reports
- Workplans

Annex A is a list of all project documents provided by OTA through the evaluation cycle and external documents from other sources. Annex B is an inventory of all external documents reviewed, in addition to the documents provided by the OTA team.

KIIS

Working from project documents, the evaluation team extracted counterpart names and roles to assemble the interview list and further condensed the list based on the OTA's feedback. Interview guides were tailored for each category of respondent and the evaluation team conducted KIIs to document a full range of perspectives on OTA's work, uncover new findings, and validate findings from the initial document analysis. KIIs focused specifically on OTA's work with the Paraguayan government to assess the effectiveness of the project. Annex D includes all KII tools.

All evaluation team members — including the team leader, the Subject Matter Expert (SME), and a local M&E specialist — conducted interviews as assigned by the team leader. The interviews were conducted in Spanish with Paraguayan counterparts and in English with OTA staff and in person whenever possible. All interviewers closely followed prepared interview guides and instructions to ensure interviews were unbiased and focused on the EQs.

The notetaker, the Paraguayan M&E specialist, took notes using a notetaking guide and was trained on the evaluation team's standard operating procedure for notetaking to ensure high-quality data were captured. The M&E Specialist used Sonix to transcribe the recordings. Transcripts were generated in Spanish and translated to English for analysis and reporting purposes.

Data Collection and Analysis

The team reviewed and coded each of the 239 documents provided. Those documents were used throughout this evaluation to inform the interviews and as a data source for the findings detailed in this document.

The desk review was complemented by 19 KIIs with 27 respondents, 10 counterparts, 13 other stakeholders, and 4 OTA advisors. Of the 19 interviews, 13 were conducted in-person and 6 were conducted virtually. A detailed list of key respondents has been redacted in this report.

The evaluation team conducted a qualitative analysis of KII data on an ongoing basis, concurrent with interviews, to ensure quality in real time and to identify findings and trends in a timely manner. KII notes and transcriptions were coded and analyzed using ATLAS.ti, grouping similar data under different categories and themes (using the same categories and themes that were used in the desk review coding process). Thus, the evaluation team could locate, retrieve, and combine



the data that corresponded to a category of interest. These data were further triangulated and contextualized with the findings from the desk review.

When the data collection was nearly complete, the evaluation team members convened for a joint analysis. The evaluation team discussed potential findings, conclusions, and trends. Insights and ideas from this process were shared in a presentation of preliminary findings to the OTA M&E team for vetting and discussion before the final evaluation report was drafted. After the KIIs were finalized and coded, all findings were organized in a Findings, Conclusions, and Recommendations (FCR) matrix.

Quality Assurance

The evaluation team followed standard quality assurance (QA) best practices that included the following:

1. Notetakers uploaded their notes at the end of each day of data collection. Notes were reviewed to ensure completeness and comprehension and to identify emerging themes.
2. The evaluation team met at the end of each day of data collection in Asuncion, Paraguay. The team discussed what they heard and observed to ensure consistency in collecting and reporting data.
3. The ATLAS.ti application enabled the team to check for accuracy and completeness of qualitative data as they were entered and coded.
4. The joint analysis and presentation of preliminary findings provided further opportunity to cross-check and validate data and findings.
5. Bixal's internal quality assurance process involves the senior director for monitoring, evaluation, and learning and other staff periodically reviewing drafts of the evaluation report and findings presentations to ensure the validity, completeness, and accuracy of evaluation FCR.

The evaluation team took steps to ensure data security, including using secure communication platforms, storing information on secure and password-protected sites, and deleting recording and transcription files after the completion of the study.

Limitations

In general, the evaluation team faced few limitations. Most KIIs could be carried out as planned and sufficient documentation was provided for a comprehensive desk review. However, a few circumstances limited the data collection and consequently the analysis:

- For some respondents, it was difficult to remember, in detail, the activities the OTA had carried out and to which activities OTA advisors had contributed, especially those activities that were conducted early in the project (which started in 2015).



- The evaluation team was unable to meet with one key respondent from OTA who was involved in the planning and oversight of the second resident advisor’s tenure in Paraguay. This key respondent has since retired and was unwilling to be interviewed or answer written questions via email.
- The evaluation team was unable to meet with anyone from MITIC — a key counterpart for the implementation of the electronic non-tax revenue system (component #8).
- Some staff had left the DGPT and were unavailable for interviews.
- Many participants outside of the DGPT were unaware of the BFA project and its 10 components, so they could only comment on the work they were doing and not how it related to the OTA budget project.
- COVID-19 played an important role in the implementation of this program. The final year of the project coincided with the COVID-19 pandemic. Some of the project components were fully developed during the pandemic, and some were delayed with shifting priorities during the pandemic.




















IV. PROJECT FINDINGS




























This section presents the evaluation findings for the 10 project components grouped into three focus areas. The overarching goal of the OTA BFA project was to improve the capacity of the DGPT to effectively and efficiently manage funds to ensure the GOP delivers critical government services and support inclusive economic growth. To accomplish this, the project focused on three key areas: 1) Core Treasury Functions, 2) Best Practice in Cash Management, and 3) Governance and Management Arrangements. The evaluation team evaluated progress against each of the 10 outcomes in the three focus areas in the following sections.

Table 2 Table presents the components and outcomes as presented in the log frame, along with the evaluation team’s high-level assessment of achievement. Figure 3 illustrates the BFA project activity timeline.

Table 2: Summary Review of OTA’s Paraguay BFA Project. Fully Achieved, Partially Achieved, and Not Achieved Project Components, Outcomes, and Sustainability.

Focus Area	Project Component	Outcomes	Achieved	Sustained
Focus Area A: Core Treasury Functions	 2. Non-tax revenue collection	2.1 MOF works collaboratively with MITIC to implement an e-payment system for non-tax revenue.		
		2.2 MOF staff understand their roles and responsibilities in monitoring the implementation of the non-tax revenue e-payment platform and collaborate with the MITIC to ensure system meets the MOF’s needs.		
	 5. Purchase cards	5.1 DGPT implements a P-Card program for petty cash and travel expenses.		
		5.2 DGPT uses monitoring process to gauge the success and uses recommendations to make ongoing adjustments.		
	 8. Electronic payment systems	8.1 DGPT implements workflow improvements, and an electronic payment request and digital signature system.		
		8.2 DGPT adopts new procedures to support electronic signature system.		
		8.3 DGPT implements an Electronic Payment Request Module to automate payment requests, eliminate paper-based systems, reduce transaction processing times, and		

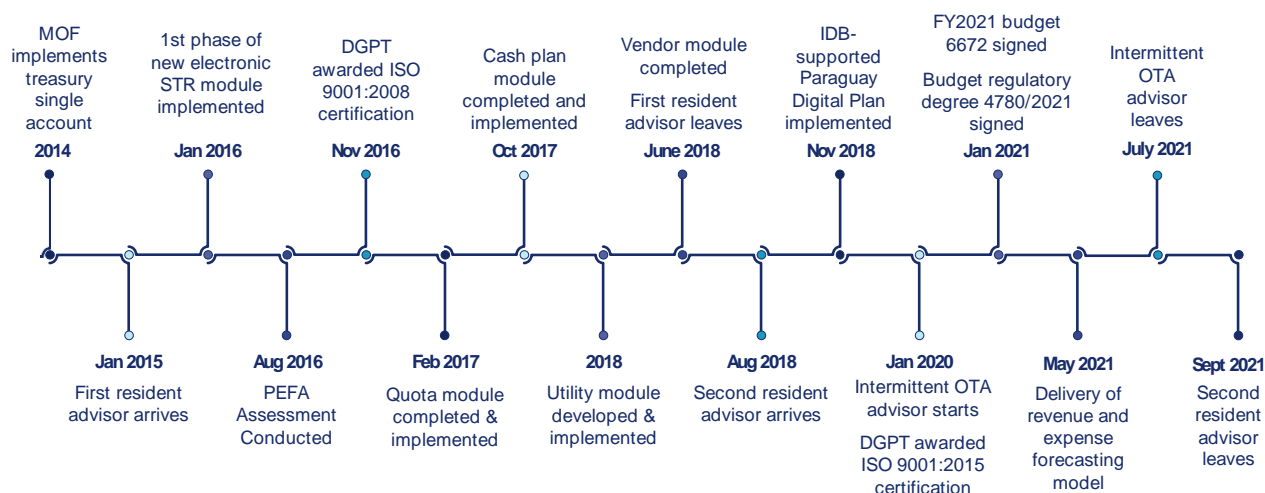


Focus Area	Project Component	Outcomes	Achieved	Sustained
		improve control and predictability of expenditures.		
	 10. Accounts payable module	10.1 DGPT implements an Accounts Payable Module in IFMIS.		
Focus Area B: Best Practice in Cash Management	 1. Cashflow forecasting	1.1 DGPT uses action plan to guide work to improve cashflow forecasts.		
		1.2 MOF uses improved revenue and expenditure forecasting modules to enhance accuracy of cashflow forecasting.		
	 4. Investment program	4.1 Regulatory Decree is incorporated into the 2020 National Budget Law authorizing the MOF to implement the surplus cash investment program for one year.		
		4.2 DGPT implements new policies and procedures governing the management, operations, and oversight of the surplus cash investment program in the TSA.		
		4.3 DGPT staff effectively manage new short-term cash investment program to invest surplus cash.		
	 6. Treasury bill program	6.1 DGPT uses Findings and Recommendations Report to develop an implementation plan for the issuance of T-Bills.		
		6.2 T-Bill Decree is incorporated into the National Budget Law authorizing the MOF to issue short-term T-Bills and operate the T-Bill program for one year.		
		6.3 DGPT adopts and implements new business processes to support the issuance and administration of a T-Bill program.		
	 9. Cash management	9.1 DGPT adopts new business processes and identifies data sources required to implement Quota and Cash Plan Modules.		
		9.2 DGPT builds and implements Quota Module and Cash Plan Module within IFMIS.		



Focus Area	Project Component	Outcomes	Achieved	Sustained
		9.3 DGPT staff better manage and anticipate government cash requirements and manage cash volatility.	○	○
		9.4 DGPT establishes and effectively leads a Budget and Cash Management Committee comprised of members from Budget, Treasury, Tax, and Debt Directorates.	○	○
Focus Area C: Governance and Management Arrangements	○ 3. DGPT re-organization	3.1 The DGPT realigns organizational structure, defines functional positions and roles and responsibilities, and effectively staffs and trains units.	◐	○
	○ 7. KPIs	7.1 DGPT uses a standardized set of KPIs.	◐	○
		7.2 DGPT implements new policies and procedures governing the management, operations, and oversight of the surplus cash investment program in the TSA.	○	○
		7.3 DGPT enhances its monitoring and reporting systems to better capture and analyze KPI data.	○	○

Figure 3: Paraguay BFA Project Activity Timeline






Focus Area A: Core Treasury Functions



COMPONENT 2: NON-TAX REVENUE COLLECTION

Component 2 focused on automating the collection of non-tax revenues to decrease transaction costs and improve data collection to inform cash forecasting. Project activities that were planned under this component include 1) analyzing the current payment system and recommending improvements, 2) developing an action plan for improving non-tax revenue collection, and 3) training MOF staff on the new non-tax revenue collection system. Table summarizes the findings for component 2, and a detailed discussion follows the summary.

Table 3: Component 2 Outcomes, Status, and Sustainability.

Project Component	Outcome	Status (EQ 1, EQ 3)	Sustainability (EQ 2)
 Component 2: Non-tax revenue collection The objective of this component is to automate the collection of non-tax revenues to decrease transaction costs and improve data collection to inform cash forecasting. Activities include 1) analyzing the current payment system and recommending improvements, 2) developing an action plan for improving non-tax revenue collection, and 3) training MOF	2.1: The MOF works collaboratively with the MITIC to implement an e-payment system to collect non-tax revenue. Electronic payment increases revenue collections and decreases transaction processing time and costs. Implementing also minimizes risks inherent in the current system by reducing the use of cash transactions.	 MOF, with support from the OTA advisor, worked intermittently with MITIC to develop an e-payment system to collect non-tax revenue. However, because OTA and the DGPT were not permitted to participate in the e-payments working group headed by MITIC it was not possible to implement a non-tax revenue system due to serious technology and budgetary constraints.	 A two-page report summarizing the steps to implementing an electronic non-tax revenue system was drafted by the second resident advisor, but not introduced to MITIC by DGPT. There was no evidence of written feedback at the time of the evaluation from the DGPT to the report produced by the second advisor.



Project Component	Outcome	Status (EQ 1, EQ 3)	Sustainability (EQ 2)
staff on the new system.	2.2: The MOF staff understand their roles and responsibilities in monitoring the implementation of the non-tax revenue electronic payment platform and effectively collaborate with the MITIC to ensure that the MOF's needs are captured in the final system.	 The evaluation team did not find that staff from DGPT, Undersecretary of Taxation (SET), MOF IT Department, and other relevant agencies were clear on their roles and responsibilities in both the development and implementation of the non-tax revenue collection system.	 The component was canceled by DGPT due to the lack of buy in from MITIC and clarity in the division of responsibilities between MOF and MITIC, as expressed by DGPT and the MOF IT Department at interviews.

Component 2: Findings



EQ 1. Which of the anticipated project outcomes were achieved?

Partially Achieved: 2.1: *The MOF works collaboratively with the MITIC to implement an e-payment system to collect non-tax revenue.*

Outcome 2.1 was partially achieved as the second advisor worked with the MOF's DGPT to analyze the payment system for non-tax revenue and develop findings and recommendations for the development of an electronic payment system to collect non-tax revenue. The second advisor recommended the DGPT work jointly with the Ministry of Information and Communication Technologies (MITIC) which was already part of ongoing government-wide effort to digitalize the collection of revenues with the help of the IDB in 2019. However, the DGPT and OTA were unable to digitalize the non-tax revenue system. Success of the component hinged on the DGPT and OTA participating in an e-payment working group headed by MITIC, but they were ultimately not permitted to participate despite the second advisor's multiple attempts. As a result, an e-payment system for non-tax revenues was not developed and the component was canceled by DGPT in 2021.

The first advisor began work on this component in 2015 and initially proposed an assessment of the existing banking arrangements and the process of collecting user fees and other non-tax revenue of Paraguayan ministries and agencies. However, the evaluation team found no evidence that any such assessment was carried out by the DGPT. Even without the analysis, the DGPT was aware of the difficulty of implementing an e-payment system, according to interviews. Instead of implementing interim measures to improve the revenue collection process, which were suggested by the first advisor, the component was deemed too difficult to implement by the DGPT due to the technological and budgetary barriers, and was postponed until 2018, according to project documents. Recommendations issued by the second advisor centered on the DGPT working with



the e-government project implementation team at the MITIC to develop an e-payment module for non-tax revenue.

Simultaneous to the work of the second advisors and the DGPT, the newly created MITIC launched a project at the end of 2018 to digitize the 100 most frequently used government services, which was supported by a \$130 million loan and technical support from the IDB.⁹ Among many other projects, the initiative created an e-payment technical committee and gave MITIC oversight of all electronic payment and collection systems. The MOF's DGPT was not part of the e-payment technical committee and did not follow up with MITIC despite recommendations made by the second advisor. The second advisor did not attempt to coordinate directly with the IDB, a potential missed opportunity. In early 2019, the second resident advisor prepared a document analyzing the existing electronic payment system and included a recommendation to form a working group within the MOF that included the SET and the DGPT's Verification and Information Department to further analyze the development on e-payment systems. The MOF formed the working group, but its effectiveness was limited by a lack of IT support and resources to implement such a complex overhaul of the non-tax revenue system. The second advisor suggested DGPT work directly with MITIC, supported by the IDB, to develop an e-payment system for non-tax revenues, which the DGPT accepted.

In early 2019, the second advisor and a senior a staff member from the DGPT met with the e-government project management team at MITIC to discuss the feasibility of developing an e-payment module to collect non-tax revenue and the possibility of the MOF's working group and the second resident advisors' inclusion in the electronic payment technical committee. Their request, however, remained pending for more than two years and was never granted. The second advisor proposed the development of a working group in the action plan. There were no specific roles and responsibilities designated for MITIC or the MOF IT Department, the two major relevant stakeholders that would be responsible for developing and implementing the necessary IT infrastructure.

In interviews, both OTA and DGPT staff mentioned that collaboration with MITIC was difficult and that without being allowed to participate in the e-payments technical committee, their ability to fully implement the component was limited. Despite the momentum built around the \$130 million loan to fund the project to digitize government services, MITIC suffered from a high rate of staff turnover, especially at the senior level, compounded by the breakout of COVID-19 and national lockdowns in Paraguay in early 2020. Without direct access to the ministry in charge of implementing e-payments, the second advisor proposed various alternative ideas for developing an e-payment system for non-tax revenue, none of which were implemented due to legal and budgetary barriers, according to project documents and interviews. As a result, the DGPT officially canceled the component in 2021, calling it "too ambitious and too complex and outside of [our] control because the e-government project is a [MITIC] project," according to project documents. As noted in the end of tour report by the second resident advisor, one of the "most critical pending items [is] the inability of the DGPT to fully automate non-tax revenue collection."

⁹ IDB. "Digital Agenda Support Program."





EQ 2. Which of these outcomes have been sustained up to the present?

Not Sustained: 2.1: *The MOF works collaboratively with the MITIC to implement an e-payment system to collect non-tax revenue.*

The action plan developed by the second resident advisor centered on the DGPT and MOF agreeing with MITIC on how to work together to utilize the resources from the IDB loan to implement the DGPT electronic payment system for non-tax revenue.

Before departing Paraguay, the second resident advisor prepared recommendations for both MOF and MITIC to follow through in the post-pandemic stage. While the DGPT has never formally responded to the recommendations, DGPT staff expressed interest on behalf of MOF for developing a pilot program to implement the recommendations issued by the second resident advisor in the Ministry of Health, according to interviews.

Not Sustained: 2.2 *MOF staff understand their roles and responsibilities in monitoring the implementation of the non-tax revenue e-payment platform and collaborate with MITIC to ensure the system meets the MOF's needs.*

The DGPT canceled Outcome 2.2. MITIC was solely responsible for developing and implementing an electronic non-tax revenue system. As of October 2023, MOF staff and MITIC have not collaborated.



EQ 3. For any anticipated outcomes that were not achieved, which factors hindered success?

Not Achieved: 2.2 *MOF staff understand their roles and responsibilities in monitoring the implementation of the non-tax revenue e-payment platform and collaborate with MITIC to ensure the system meets the MOF's needs.*

Outcome 2.2 was not achieved because the component was canceled primarily due to:

- 1) The inability of the MOF to join the \$130 million, IDB-funded, e-government project led by the MITIC, which had oversight of all e-payment and collection systems.
- 2) The high staff turnover and changes in leadership in MITIC.
- 3) The lack of readiness within the newly created MITIC to undertake this project with DGPT.
- 4) The lack of reliable information to sufficiently understand the scope of overhauling the paper-based non-tax revenue system.
- 5) Missing clarity on the roles and responsibilities of OTA, DGPT, MITIC, and the MOF IT Department, according to staff at DGPT and MOF IT Department.

The DGPT canceled this objective on February 11, 2021, stating the objective is too ambitious and too complex and outside of its immediate control. In addition, the project encountered challenges due to the appointment of a new Minister of MITIC on February 9, 2021. The change in leadership was in response to delayed IT projects and alleged procurement irregularities; however, the new Minister of MITIC served for only one month after being appointed on March 10, 2021. A new



interim Minister of MITIC was appointed on March 10, 2021, and a new Director General of DGPT was appointed on November 4, 2020.

Component 2: Conclusions




The non-tax revenue payment component was partially achieved and not sustained. The lack of preparedness by MITIC and the other ministries necessary to implement the component weakened the ability of the project to deliver tangible results. While this component was identified as a need by the DGPT based on international best practice to eliminate paper-based processes and payments and increase domestic resource mobilization, OTA and the DGPT appear to have omitted assessing the feasibility of the component in terms of the organizational capacity and the technical capabilities of both the MOF and MITIC. There was also no in-depth analysis of the costs and risks associated with the implementation of an electronic non-tax revenue system.

Finally, without the MITIC's support, one resident advisor's capacity is limited and thus required supplementary technical support from either an external SME funded to work on this component or a local IT expert designated within MOF, as was the case with the Quota and Cash Plan Modules and the Electronic Payment System (components 1 and 8). Without additional technical support from MITIC or from an external consultant, there were serious barriers to automating the non-tax payments system.

COMPONENT 5: PURCHASE CARDS



Component 5 focused on implementing a purchasing card system¹⁰ for petty cash and government-funded travel expenditures. The aim of implementing a purchasing card system was to improve the efficiency of payment systems, the control of expenditures, and the predictability of expenditures for cash management. The MOF worked with both OTA resident advisors to implement P-Cards using a phased approach with its spending ministries, to demonstrate proof of concept, and allow for an iterative implementation. Table 4 summarizes the findings for component 5, and a detailed discussion follows the summary.

Table 4: Component 5 Outcomes, Status, and Sustainability.

Project Component	Outcome	Status (EQ 1, EQ 3)	Sustainability (EQ 2)
 Component 5: Purchase cards The objective of this component is to implement a purchasing card system for petty cash and government-	5.1 DGPT uses Action Plan and policies and procedures to implement a P-Card program. DGPT staff understand the steps, processes, and tools needed for	 The advisor analyzed current practices for managing government-funded travel and developed an action plan for	 The use of P-Card for petty cash has been institutionalized in practically all ministries. P-Cards for travel have not been

¹⁰ The term referred to as “purchasing card,” “P-Card,” “store value card,” or “debit card” is a plastic card issued by a bank on behalf of a government agency to facilitate the purchase of small value goods and services in lieu of using petty cash. In the United States, this kind of card would be a Mastercard or Visa card credit card but in Paraguay, due to some legal issues with incurring debt, the MOF concluded that a stored value debit card would be more appropriate even if that type of card is not optimal for this purpose.



Project Component	Outcome	Status (EQ 1, EQ 3)	Sustainability (EQ 2)
funded travel expenditures in order to improve the efficiency of payment systems, the control of expenditures, and the predictability of expenditures for cash management. The MOF will implement P-Cards using a phased approach with its spending ministries to demonstrate proof of concept and allow for an iterative approach.	implementation. MOF leadership approves travel P-Card resolution and implements P-Card program for petty cash and travel expenses, resulting in improved financial controls, reduced cash transactions and a more efficient payment system.	travel P-Cards. Only the P-Card for petty cash was implemented.	implemented as of October 2023.
	5.2 DGPT uses monitoring process to gauge the success of the P-Card implementation and uses recommendations to make ongoing adjustments to the P-Card product and program on an ongoing basis.	 DGPT monitors the share of petty cash expenditures made by P-Cards and the savings generated by the program. However, no further progress was made on incorporating recommendations made by OTA to measure the use of P-Cards for petty cash expenses and make ongoing adjustments.	 Outcome 5.2 was partially sustained.

Component 5: Findings



EQ 1. Which of the anticipated project outcomes were achieved?

Partially Achieved: 5.1 DGPT implements a P-Card program for petty cash and travel expenses.

Outcome 5.1 was partially achieved, and while various forms of assistance were performed by the second advisor, only the P-Card program for purchases with petty cash was implemented. The travel P-Card was not implemented.

The resident advisors carried out the following activities: 1) Analyzed current practices for managing travel and petty cash expenditures and developed an action plan for government-funded travel and petty cash P-Cards; 2) Assisted MOF to develop P-Card policies and procedures; 3) Assisted MOF to select type of P-Card product, provider, and determine costs; 4) Assisted



counterparts to develop a Resolution to authorize use of P-Cards within government; 5) Trained MOF staff on the P-Card program.

The addition of this component to the workplan stemmed from the need to replace the numerous paper-based and antiquated purchasing procedures for petty cash and travel purchases with P-Cards to help ensure proper internal control on petty cash purchases and reduce surcharges and fees incurred by the GOP on airline ticket purchases. Travel expenditures account for a large portion of petty cash purchases. According to a National Department of Public Procurement (NDPP) budget report cited in project documents, \$10 million is spent annually on travel expenses, and under the old paper-based system the government paid higher charges as travel agencies had to pay for airline tickets upfront, and the government would reimburse them up to 90 days after the original purchase.¹¹ By using a travel P-Card, the government would pay travel agencies for tickets at the time of issuance and avoid extra charges. Counterparts planned to roll out the travel P-Card after implementing the P-Card for petty cash purchases, which was done in late 2018. However, the travel P-Card has still not been implemented as of October 2023.

Although P-Cards are a common banking product, Paraguayan law required that all banking be done through the National Development Bank, which had limited experience with this product. The first advisor helped DGPT staff work through the legal implications of implementing a P-Card, assisted MOF on the selection of a P-Card product and providers, and assisted counterparts to develop a resolution to authorize the use of a P-Card. The first advisor also conducted an assessment of the procedures for petty cash expenses within MOF because MOF was chosen to pilot the introduction of P-Cards.¹² The first advisor pushed the project to near completion; however, at the end of his term in 2018, the project was stalled several months due to presidential elections and a potentially new administration with unknown political priorities.

When the second advisor arrived in country at the end of 2018, he noted in a monthly report that DGPT was committed to piloting the P-Card program in the next six months. With much of the groundwork laid and regulations drafted, the second advisor ultimately got the resolution signed by a newly appointed Minister of Finance at the end of 2018.

In September 2019, a pilot for the use of P-Cards for petty cash purchases started at the MOF. The second advisor drafted internal P-Card policies and procedures and trained staff on the use of P-Cards. On January 25, 2021, President Mario Abdo Benítez signed the Budget Regulatory Decree 4780/2021, which required all ministries to use P-Cards for 50% of all petty cash purchases starting in May 2021. The passage of the decree was a major accomplishment for DGPT and its efforts to exercise control of government expenditure.

Despite the momentum behind the successful implementation of the P-Card for petty cash purchases, the MOF never implemented the travel P-Card. One month after the launch of the pilot program, the second advisor and DGPT staff met with the NDPP to discuss the development of a travel P-Card for airline tickets. Shortly after, in November 2019, the NDPP recommended the development of a travel P-Card. The program was to be piloted at the MOF along with two other

¹¹ Analysis of the existing travel procurement process prepared by the National Department of Public Procurement (NDPP) and recommending the implementation of travel cards, dated November 5, 2019.

¹² Morales, “Analysis of Ministry of Finance’s Petty Cash Expenses in 2017.”



agencies. In preparation for the pilot program, the second advisor developed policies and procedures for the proposed travel P-Card, but in January 2020, the DGPT informed the second advisor that the current regulations would not allow a travel P-Card pilot project, according to project documents. A travel P-Card working group was established to determine how to move forward. The second advisor continued to advocate for the implementation of a travel P-Card, but the onset of the COVID-19 pandemic further hindered meaningful progress. As of October 2023, the MOF had not implemented a P-Card for travel expenses.

Partially Achieved: 5.2 DGPT uses a monitoring process to gauge the success and uses recommendations to make ongoing adjustments.

Outcome 5.2 was partially achieved as the DGPT drew on the recommendations made by the first advisor and monitored the benefits and savings generated by using P-Cards for petty cash expenditures. DGPT was not able to make any further progress on monitoring the P-Card program or make adjustments to allow for the implementation of P-Cards for travel expenses.



EQ 2. Which of these outcomes have been sustained up to the present?

Partially Sustained: 5.1 DGPT implements a P-Card program for petty cash and travel expenses.

Outcome 5.1 is partially sustained as P-Cards for petty cash expenditures have been institutionalized since 2021 and are well regulated. However, P-Cards are still not configured for travel expenses. While the implementation of P-Cards for petty cash expenditures was successful, it is not considered to be the most impactful outcomes of the project in terms of Guarani amount, according to interviews with respondents across the MOF and DGPT.

Partially Sustained: 5.2 DGPT uses a monitoring process to gauge the success and uses recommendations to make ongoing adjustments.

While the DGPT monitored the use of P-Cards for petty cash expenditures, the evaluation team did not find any evidence that DGPT developed the monitoring of P-Cards, used data to make further adjustments to the program, or made progress on developing P-Cards for travel expenses.



EQ 3. For any anticipated outcomes that were not achieved, which factors hindered success?

All outcomes were partially achieved.

Component 5: Conclusions

The P-Card for petty cash expenses component was partially achieved and sustained. The first advisor played a central role in laying the foundation for using a P-Card for petty cash purchases but was unable to get the component fully implemented, in part due to an approaching change in leadership in the MOF. When the second advisor arrived, the preparatory work had been done and there was new leadership in the MOF that was open to the use of P-Cards for petty cash expenses. The second advisor was central to getting the resolution signed by a newly appointed Minister of Finance at the end of 2018.






Despite successful implementation of the P-Card project for 50% of petty cash expenditures, travel cards were never implemented. The second advisor faced regulatory and administrative hurdles that were further aggravated by the COVID-19 pandemic and the national lockdown in Paraguay. The adoption of P-Cards for purchases with petty cash is a major accomplishment as it increased the efficacy of the internal financial controls and significantly increased transparency. However, because petty cash transactions represent such a small part of the national budget, some of the senior management interviewed did not consider the implementation of a P-Card to be the most impactful outcome achieved by the project.

COMPONENT 8: ELECTRONIC PAYMENT SYSTEMS

Component 8 focused on implementing a new electronic payment request system using digital signatures. The aim was ultimately to reduce the substantial paperwork required for payment requests and decrease processing times for financial transactions while ensuring transparency and integrity of the payment process. Project activities that were planned under this component included 1) analyzing current payment business processes and developing recommendations for automating payment request processes, 2) developing procedures for the use of electronic signatures, and 3) developing an electronic payment request module. Table 5 summarizes the findings for component 8, and a detailed discussion follows the summary.

Table 5: Component 8 Outcomes, Status, and Sustainability.

Project Component	Outcome	Status (EQ 1, EQ 3)	Sustainability (EQ 2)
 Component 8: Electronic payment systems To decrease processing times for financial transactions by implementing a new electronic payment request system using digital signatures. The electronic payment system eliminates paper-based systems and improves payment efficiency, financial controls, and the predictability of expenditures, facilitating improved cash management.	8.1 DGPT implements workflow improvements and an electronic payment request and digital signature system (<i>Solicitud de Transferencia de Recursos</i> , or locally known as STR). DGPT staff understand the steps, processes, and tools needed to transition manual payment processes to an electronic system.	 Advisor assisted DGPT in analyzing current payment business processes and making recommendations for the electronic payment request module. The first advisor also assisted DGPT in developing an action plan to improve workflows, electronic payment requests, and a digital signature system. Quality of workflow improvements and e-payment operations led to the DGPT being awarded with ISO 9001:2008	 The experience drawn from the advisor and international best practice, together with the ground work done by the MOF IT Department and one local IT consultant prior to the arrival of the first advisor, allowed the first advisor to work on improving the specifications of workflows to improve the operation and maintenance of the e-payment system. Those improvements have been sustained, resulting in the DGPT being awarded with ISO 9001:2015



Project Component	Outcome	Status (EQ 1, EQ 3)	Sustainability (EQ 2)
		certification in November 2016. ¹³	certification in July 2020. ¹⁴
	8.2 DGPT adopts new procedures to support electronic signature system. Staff and stakeholders understand the activities and tasks needed to operate the e-signature system.	● The first advisor assisted DGPT to develop procedures for the use of electronic signatures.	● The use of procedures to approve a run of payments using digital signatures and other control procedures has been sustained since the systems implementation in 2016.
	8.3 DGPT implements an Electronic Payment Request Module to automate payment requests, eliminate paper-based systems, reduce transaction processing times, and improve control and predictability of expenditures.	● Assisted DGPT to design and develop electronic payment request module. Also conducted training and workshops for staff to implement the module.	● The use of the Electronic Payment Request system has been sustained. Various levels of internal controls have proven highly effective through use of technology in the e-payment process.



Component 8: Findings

EQ 1. Which of the anticipated project outcomes were achieved?

Fully Achieved: 8.1 DGPT implements workflow improvements and an electronic payment request and digital signature system (*Solicitud de Transferencia de Recursos known as STR*).

The DGPT implemented a fully automated payment request and approval process with a digital signature (known as the Electronic-STR Module) in 2016. There are two overarching reasons for

¹³ FOTEGAL, “Newsletter No. 49: Tesoro Paraguayo mantiene certificación de calidad.”

¹⁴ Ministerio de Economía y Finanzas, “Noticias del Ministerio de Hacienda: Tesoro Público mantiene la certificación de Calidad ISO 9001:2015.”



the success of this component: 1) an electronic payment system was a top priority for the MOF as part of a government-wide push to modernize government functions, and 2) DGPT worked effectively with the MOF IT Department to secure the technical expertise and infrastructure necessary throughout the process to automate the payment process and implement the electronic payment request system. The Electronic-STR Module was implemented at the beginning of 2016, resulting in the reduction of the number of steps required for expense approval by nearly 50% and dramatically streamlined the processing time for the 185,000 payment requests that DGPT receives each year. It also provides up-to-the-minute information regarding the current processing stage of each electronic payment request. This is critical data which now enables DGPT to make more informed and timely decisions on payments and cash balances, which helps the DGPT to make forward-looking projections.

While much progress had been made prior to the OTA project, the first advisor assisted by 1) analyzing the current payment processes and developing recommendations for improvement, and 2) assisting DGPT to develop and implement an action plan to improve workflows, electronic payment requests, and a digital signature system.

During the first year of the project, the resident advisor assisted with the design and implementation of the Electronic-STR Module, working with DGPT staff and the IT consultant to review and streamline the payment request approval process.¹⁵ This required assessing the current procedures and workflows in the payment system to simplify and automate the steps and processes working closely with the IT consultant, according to project documents. The first advisor joined a team that had already begun work on developing the technical aspects of the Electronic-STR Module. Respondents from both the DGPT and the MOF IT Department mentioned that the work was an in-house initiative that had already started before the arrival of the first advisor in 2015.

Although respondents mentioned the first advisor's important contributions to non-IT tasks like the designing of workflows and reporting functions, respondents from the MOF IT Department described confusion around OTA's specific role in the project that was already in progress. This confusion may have limited the first advisor's ability to further contribute to the project. For example, in project documents, the first advisor mentions instances in which ideas for designing or optimizing the module were being ignored, leading to potentially preventable issues during the early implementation stage.

Fully Achieved: *8.2 DGPT adopts new procedures to support electronic signature system.*

Outcome 8.2 was fully achieved. Prior to the automation of the payment request system, DGPT staff spent a significant amount of time verifying signatures on required forms for payment requests, according to project documents. Starting in early 2015, the first advisor worked with the MOF IT Department to help develop the electronic signature process and review workflows in the Electronic-STR Module to incorporate digital signatures. Once the module was configured to accept electronic signatures, the MOF selected an external company to provide electronic signature services, including the digital token¹⁶ used to verify the electronic signatures.

¹⁵ Morales, "Payment Workflow Analysis."

¹⁶ Individual users are issued a USB token to authenticate digital signatures.



The assistance provided to the DGPT by the first advisor to develop procedures for the use of electronic signatures led to the institutionalization of the e-signature for any payment request within government.

Fully Achieved: 8.3 DGPT implements an Electronic Payment Request Module to automate payment requests, eliminate paper-based systems, reduce transaction processing times, and improve control and predictability of expenditures.

Outcome 8.3 was fully achieved. Respondents did recognize the first advisor's work as important to the successful overhaul of the previous payment request process by eliminating nearly half the steps. The automation of accounting controls means that DGPT staff no longer must manually verify signatures or control for the types of fraud that was previously possible with paper-based payment requests. These workflow improvements led to Paraguay being awarded with ISO 9001:2008 certification in November 2016.¹⁷ The electronic payment request module improved controls over payments and reduced transaction processing times by eliminating redundant and manual processes. After the successful implementation of the Electronic-STR Module, the MOF held a joint press conference with the U.S. ambassador to highlight the achievement.¹⁸



EQ 2. Which of these outcomes have been sustained up to the present?

Fully Sustained: 8.1 DGPT implements workflow improvements and an electronic payment request and digital signature system (*Solicitud de Transferencia de Recursos*, known as STR).

Component 8.1 is fully sustained. The Electronic-STR Module continues to be used and has resulted in reduced time for processing electronic payment requests and improved automated controls to increase the security and integrity of financial data and reduce manual processes.

Fully Sustained: 8.2 DGPT adopts new procedures to support electronic signature system.

Component 8.2 is fully sustained. Some users were initially apprehensive of the transition, but respondents report full implementation of the electronic signature. Respondents described a shift in staff mentality soon after its implementation. Despite the initial apprehension, the electronic signature has been fully sustained.

¹⁷ FOTEGAL, "Newsletter No. 49: Tesoro Paraguayo mantiene certificación de calidad."

¹⁸ La Nacion. "Hacienda Avanza En Implementar La Firma Digital En Transferencias Del Tesoro."

<https://www.lanacion.com.py/2015/12/17/hacienda-avanza-en-implementar-la-firma-digital-en-transferencias-del-tesoro/>.



Fully Sustained: 8.3 DGPT implements an Electronic Payment Request Module to automate payment requests, eliminate paper-based systems, reduce transaction processing times, and improve control and predictability of expenditures.

Component 8.3 is fully sustained. The improved controls and predictability of expenditures resulting from the electronic payment system led to the DGPT being awarded with ISO 9001:2015 certification in July 2020¹⁹. Those improvements are still in place as of October 2023.



EQ 3. For any anticipated outcomes that were not achieved, which factors hindered success?

All outcomes in this project component were fully achieved.

Component 8: Conclusions

The electronic payment component was fully achieved and sustained. One of the major accomplishments of the OTA BFA project, the Electronic-STR system, has significantly reduced processing times for the 185,000 payment requests the DGPT receives each year. The political will to move away from a paper-based system and signature already existed in the country, significantly contributing to the success of the component. Work on the development of the Electronic-STR Module had begun prior to the arrival of the first advisor and was a top priority of the MOF and the DGPT. The component builds on the government-wide push to modernize government functions and the first advisor was able to work as part of an already established team to help shape the electronic payment request system.

Another important factor for the success of the component, which happened prior to the OTA BFA project, was that DGPT worked with the MOF IT Department to develop the IT infrastructure necessary to automate the payment process and implement the electronic payment request system. Due to that effective working relationship, the DGPT was able to work with the MOF IT Department to hire a consultant to build the IT infrastructure of the Electronic-STR Module.

As a result, many of the fundamental building blocks of success were in place and the advisor was able to focus on developing workflows, reporting functions, and optimizing the system to best serve the needs of the DGPT. These tasks also aligned well to the advisor's area of expertise.




COMPONENT 10: ACCOUNTS PAYABLE MODULE

Component 10 focused on implementing new paperless electronic processing for expenditure processing (accounts payable) in the MOF Administration Division. The aim was to reduce transaction processing time and costs and enhance controls, timing of payments, and the predictability of expenditures. Project activities that were planned under this component included 1) analyzing current manual processes and recommending improvements, and 2) developing an Accounts Payable module in the IFMIS. Table 6 summarizes the findings for component 10, and a detailed discussion follows the summary.

¹⁹ Ministerio de Economía y Finanzas, "Noticias del Ministerio de Hacienda: Tesoro Público mantiene la certificación de Calidad ISO 9001:2015."



Table 6: Component 10 Outcomes, Status, and Sustainability.

Project Component	Outcome	Status (EQ 1, EQ 3)	Sustainability (EQ 2)
 Component 10: Accounts Payable module The objective of this project component is to reduce transaction processing time and costs and enhance controls, timing of payments, and the predictability of expenditures by implementing new paperless electronic processing modules for expenditure processing (accounts payable) in the MOF Administration Division.	10.1 DGPT implements an Accounts Payable Module in IFMIS to automate utility, vendor, and per diem payments and to reduce the processing time and cost of transactions. The cash manager uses improved status of expenditure reports to improve cash forecasting.	 Partially analyzed the manual payment processes and made recommendations for the development of an Accounts Payable Module for utility, vendor, and per diem payments. OTA helped DGPT develop an Accounts Payable Module and the required policies and procedures, but the Accounts Payable Module remains mostly paper based.	 The policies and procedures recommended by the advisor did not get the necessary endorsement from the MOF Administration Department. The automation of the Accounts Payable Module did not draw the necessary participation and support from utilities companies.

Component 10: Findings



EQ 1. Which of the anticipated project outcomes were achieved?

Partially Achieved: 10.1 DGPT implements an Accounts Payable Module in IFMIS.

The development of a pre-electronic payment request procedure to streamline invoicing (e.g., Accounts Payable module) in the IFMIS environment was never achieved. It required political will from multiple institutions and substantial technical resources that were not available to the advisors. DGPT realized that automating the monitoring of unpaid invoices was too complex for the current IFMIS system to handle because it would require the development of other accompanying modules, such as public procurement and contractor management that did not exist at that time. As of October 2023, the development of an Accounts Payable Module is not viable within the current IFMIS.

Work started on this component in late 2017, the third year of the first advisor’s tenure, after the successful implementation of the electronic payment request system and electronic signatures. Prior to the first advisor’s arrival in country, the MOF developed an IFMIS that linked the various state agencies with budget, accounting, and payroll modules. The IFMIS did not, however, have an Accounts Payable Module. As a result, the payment request approval process continued to rely on paper-based manual processing at each individual agency.

Prior to the project adding the component to the workplan, the MOF started a pilot program for the use of electronic invoices and approvals in MOF’s Administration Division—known as the



Pre-STR Module. The modules are designed to accept and process electronic invoices for all accounts of service providers, government agencies, utilities, and others that invoice the GOP. The successful implementation of the module, combined with the use of digital invoices, would have been the final step to fully integrating and automating the approval process within the MOF. However, the automation of the Accounts Payable Module was not successful, and the system remains predominantly paper based.

In late 2017, with the assistance of the first advisor, the MOF launched the pilot program in the Administration Department, which automated payments from the water, phone, and electricity companies. The program had limited success because participation in the pilot required formal approval for the use of digital invoices from SET, which was working on implementing digital invoicing for all vendors. Once digital invoices were authorized at the end of 2017, vendors had to obtain permission from SET to submit digital invoices using a digital token for electronic signatures, which limited the success of the pilot. This continues to be a barrier for the current Accounts Payable Module.

The pilot program to automate government processes and deliver an Accounts Payable Module was a massive undertaking and required effective coordination between government agencies within the MOF and public utility providers. It required the reengineering of business processes that had to be automated for the success of the pilot. According to project documents, however, there was little political will or strong leadership inside the MOF to push the component forward because it was considered too ambitious and unrealistic for the Paraguayan context. In addition, there was insufficient participation in the process from the public utility companies and no commitment from them to effectively redesign their paper-based billing processes to accommodate the Accounts Payable Module. The Accounts Payable Module was never fully implemented despite the efforts by both resident advisors to advocate for the full implementation of the Accounts Payable Module.

Corruption compounded the barriers faced by the first advisor. The implementation of the Vendor Module, a key piece of the Accounts Payable Module, would have greatly reduced the potential for corruption by reducing paper-based invoicing, which is susceptible to manipulation and fraud. Soon after the MOF Administration Department put the component on hold, the Anti-Corruption Unit arrested a coordinator in the Administration Department responsible for processing vendor payments for accepting a bribe to expedite the payment of a fumigation contract.²⁰ Corruption occurring within the same department where the first advisor worked to implement the Vendor Module is a major barrier for the project and a concrete example of the kind of fraud inside the Administration Department that the Vendor Module would have reduced.



EQ 2. Which of these outcomes have been sustained up to the present?

Not Sustained: 10.1 DGPT implements an Accounts Payable Module in IFMIS.

There was no progress on the implementation of the Accounts Payable Module after the second advisor left the country. The current IFMIS environment is not able to accommodate an

²⁰“Pescan un funcionario hacienda que cobro una coima.” Ultima Hora. July 10, 2018.
<https://www.ultimahora.com/pescan-funcionario-hacienda-que-cobro-una-coima-n1304632>



Accounts Payable Module because the necessary accompanying modules have not been developed.



EQ 3. For any anticipated outcomes that were not achieved, which factors hindered success?

The anticipated outcome was partially achieved and factors limiting full achievement are noted under EQ 1.

Component 10: Conclusions

The accounts payable component was neither achieved nor sustained. Though some state utility companies are using the limited electronic access to billing and payments, it is unclear the extent to which every state utility has enabled this access due to the convoluted approval process. The implementation of an Accounts Payable Module required political will from multiple institutions and substantial technical resources that were not available to the advisors. As a result, the current IFMIS system lacks other accompanying modules, like public procurement and contractor management that still do not exist today. As of October 2023, the development of an Accounts Payable Module is not viable within the current IFMIS. The IDB is currently supporting the MOF to continue developing digital invoicing, but the Accounts Payable Module continues to be paper based for the most part.

The evaluation team noted the absence of a pre-implementation risk analysis, which could have helped the project better understand the scale and magnitude of transforming invoicing of the three state utilities companies from paper-based to digital. This study could have resulted in an action plan with specific roles and tasks for each party involved and it could have assessed the cost in manpower and technological resources required for the successful implementation of the component. One major barrier is that one single resident advisor was charged with engaging several heavily siloed government agencies and utilities without an adequate lead counterpart and dedicated staff within those agencies.

The lack of coordination or involvement from the General Directorate of Accounting (GDA) — the public sector accounting entity — is worth noting. The GDA could have potentially helped facilitate a joint or collaborative effort with the MOF Administration Department and other relevant external partners.

There were many barriers the first advisor faced that were outside of his control, including fraud in the same department in which he was working. OTA left the MOF with a blueprint for a viable electronic tool that could help counter corruption. As of this evaluation, it is still up to MOF leadership to fully commit to the job of designing and implementing an Accounts Payable Module within an IFMIS with all the necessary modules.








Focus Area B: Best Practice in Cash Management

COMPONENT 1: CASHFLOW FORECASTING

Component 1 focused on improving revenue forecasting. The aim was to develop more precise forecasts of cash shortfalls and surpluses and minimize the amount of short-term debt issuance necessary to cover cash requirements for budget execution. Project activities that were planned under this component included 1) assessing the strengths and weaknesses of current cashflow forecasting models, 2) assisting DGPT to develop an improved revenue forecasting model, and 3) providing training on the forecasting model.

Table 7 summarizes the findings for Component 1, and a detailed discussion follows the summary.

Table 7: Component 1 Outcomes, Status, and Sustainability.

Project Component	Outcome	Status (EQ 1, EQ 3)	Sustainability (EQ 2)
 Component 1: Cashflow forecasting Improve revenue forecasting by developing more precise forecasts of cash shortfalls and surpluses and minimize the amount of short-term debt issuance necessary to cover cash requirements for budget execution.	1.1 DGPT uses action plan to guide work to improve cashflow forecasts. DGPT staff know the steps, processes, and tools needed to improve the accuracy of forecasts.	 There is no evidence of an action plan for DGPT to improve cashflow forecasts by either the advisor or the short-term expert. Although a small number of staff were trained on forecasting tools and processes, OTA advisors and DGPT staff did not develop an operations manual with the steps for using the revenue forecasting model.	 DGPT did not draft an action plan with other peer departments.
	1.2 MOF uses improved revenue and expenditure forecasting modules to enhance accuracy of cashflow forecasting to better predict incoming revenue and expense flows to develop more precise cashflows. GOP prepares	 A cashflow forecasting model was developed under the lead of the second resident advisor to estimate the amount of revenue resources available for the next budget year.	 MOF continues to operate under the basic revenue and expenditure forecasting model. While this helps to project the annual revenues available and the cash quota plans for next year, the second advisor or the remote intermittent advisor did not develop an action plan for improving cashflow forecasting



Project Component	Outcome	Status (EQ 1, EQ 3)	Sustainability (EQ 2)
	more accurate revenue estimates for the budget and is forewarned of potential financial imbalances.		modeling that could have facilitated the implementation of other project components. After the project finished, there was no further work within DGPT to improve the model's precision.

Component 1: Findings



EQ 1. Which of the anticipated project outcomes were achieved?

Fully Achieved: 1.2 MOF uses improved revenue and expenditure forecasting modules to enhance accuracy of cashflow forecasting.

Before the OTA project, the DGPT's cashflow model was a very simple Excel spreadsheet that required multiple steps to obtain critical financial data. Counterparts were cognizant of the shortcomings of the model and were eager to work with the first resident advisor to develop a daily cash position spreadsheet capable of pulling data from standard financial reports. This preliminary model was utilized and updated by DGPT staff to summarize the daily cash position, according to project documents. There was little additional work on cashflow forecasting until the arrival of the second resident advisor in 2018. The first advisor noted in his end of tour report that there was very little training on cash forecasting and cash management methods because DGPT staff did not have time due to manual processing and approving paper-based requests.

The second advisor began meeting with the Directorate of Macro-Fiscal Policy, Customs, and other institutions to discuss their revenue forecasting process and analyze the DGPT's current cashflow and forecasting methods to develop suggestions for improving the process.²¹

The DGPT requested OTA provide a dedicated advisor to help them develop an improved revenue forecasting model in 2020, according to project documents. A remote intermittent advisor was identified and worked directly with a small group of DGPT staff from June 2020 until October 2021 to help develop a basic, Excel-based forecasting model. The remote intermittent advisor also provided training to a small group of DGPT staff on revenue forecasting and modeling techniques. The final model developed jointly between the remote intermittent advisor and the DGPT addressed the basic cash planning needs, projected cash resources available in the budget year, and set the annual spending ceiling for the government. DGPT staff noted in interviews that having a dedicated intermittent advisor to focus on just the cashflow forecasting work was particularly useful because it ensured the advisor had the necessary skill and expertise and were also able to devote the necessary time and resources to a narrow, technical component of the project.

²¹ Ordaz, "Revisión de los procesos de proyección de ingresos y programación financiera, cuenta única del tesoro y prácticas de gestión de efectivo."



The revenue and expense forecasting models were delivered in 2021, including KPIs that were developed by the second advisor under project component 10 to help counterparts monitor the effectiveness of the model. A report was also provided to DGPT documenting the methodology to support future basic updates to the model.²² In interviews, DGPT staff report that the model is still in use and is part of a set of tools used to forecast monthly and weekly cashflows. However, DGPT staff recognized the shortcomings of the model developed by the remote intermittent advisor and the need for a more refined model to minimize the amount of short-term debt issuance necessary to cover cash requirements for budget execution. In an interview, the remote intermittent advisor stated that she did not see a need to develop a more sophisticated model for monthly forecasting, potentially because she was tasked with working on just the cashflow forecasting component and did not have visibility into to other project components that require a more robust model.



EQ 2. Which of these outcomes have been sustained up to the present?

Partially Sustained: 1.2 MOF uses improved revenue and expenditure forecasting modules to enhance accuracy of cashflow forecasting.

Since the OTA BFA project ended in September 2021, DGPT has continued to use the weekly and monthly forecasting models to prepare the annual and monthly financial report for the Vice Minister of Financial Administration.

However, OTA and the DGPT did not develop an operations manual with the steps detailing the use of the revenue forecasting model, which is crucial to ensuring the institutionalization of new techniques and ideas. The development of an operations manual was not part of the scope of work of the remote advisor. Her role was limited to developing a basic model and training a small number of counterparts on its use, highlighting missing communication among advisors about the overall goals of the project and required outputs among the advisors to institutionalize knowledge. In interviews, senior DGPT staff acknowledged that an operations manual would have been useful for ensuring that counterparts retain knowledge and could continue training staff outside of the small group of counterparts who received the direct technical assistance.

To develop a more sophisticated model to meet the growing financial programming needs of the GOP, the DGPT would need to expand the data used in the model. However, the evaluation team found no evidence that the second advisor facilitated collaboration with key stakeholders that was necessary for more robust cashflow forecasting, like the Macro-Fiscal Policy Unit (MFPU) or the Central Bank of Paraguay (CBP). Only basic information from the MFPU was received to calculate moving averages of salary and non-salary monthly expenditure patterns. Expanded access to high-frequency data and projections of cash resources available would also facilitate the implementation of components 4 and 6, even though not part of the activities defined under this component.

²² Ordaz, “Indicadores de Desempeno de la Gestion de la Direccion General del Tesoro Publico.”



EQ 3: For any anticipated outcomes that were not achieved, which factors hindered success?



Not Achieved: 1.1 DGPT uses action plan to guide work to improve cashflow forecasts. DGPT staff know the steps, processes, and tools needed to improve the accuracy of forecasts.

There was no action plan prepared by OTA to guide the DGPT to continue to improve cashflow forecasting or steps on developing the fundamental coordination and communication with other relevant stakeholders that provide necessary inputs for the model, e.g., MFPU and CBP. There is only a PowerPoint presentation on specific aspects of the model, like the moving average method used to measure annual trends for expenditures and forecast, and extracts of basic data from the MFPU, but no action plan to guide improvements to the model.

Component 1: Conclusions

This cashflow forecasting component was partially achieved and partially sustained. OTA advisors provided valuable support in cashflow forecasting, first by implementing a simple, easy to update Excel sheet that summarized the daily cash position. At the end of the project, OTA advisors joined with the DGPT to develop a model that could handle the basic cash planning needs, project the cash resources available in the budget year, and set the annual spending ceiling for the government. DGPT respondents noted that while the monthly and weekly models are useful for preparing the annual and monthly financial report, the models are not sophisticated enough to accurately project when excess cash will be available to invest and when short-term debt issuance could effectively cover cash shortfalls, project components 4 and 6, respectively. As with other components, more collaboration with key stakeholders could have increased the chances of success. The CBP should have been involved and coordination with MFPU should have been further developed to ensure the model would have all the necessary inputs to make more accurate predictions.

Though a small number of DGPT staff were trained on how to use the model, advisors did not develop an action plan to guide the DGPT in further developing the cashflow forecasting model, nor did they take the necessary steps to develop an operations manual that would help institutionalize cashflow forecasting techniques and methods. These missing deliverables may be the result of a lack of coordination and planning among OTA staff. In an interview, the remote intermittent advisor noted it was not in her scope to help counterparts develop more sophisticated econometric models—as a result, no future recommendations for developing a more advanced model were developed. The disconnect could potentially be because the remote intermittent advisor was tasked with working only on the cashflow forecasting component and had limited visibility into the other components and objectives of the project, as noted in an interview.

COMPONENT 4: INVESTMENT PROGRAM








Component 4 focused on assisting the DGPT to implement a new program to invest short-term surplus cash within the TSA. The aim was to enable the use of revenues from the investment program to offset administrative and short-term debt costs throughout the year. Project activities that were covered under this component included 1) developing a regulatory decree



authorizing the investment program, and 2) establishing policies and procedures to support implementation and ongoing operations.

Table 8 summarizes the findings for component 4, and a detailed discussion follows the summary.

Table 8: Component 4 Outcomes, Status, and Sustainability.

Project Component	Outcome	Status (EQ 1, EQ 3)	Sustainability (EQ 2)
 <p>Component 4: Investment program Implement a new program to invest short-term surplus cash within the TSA. Revenues from the investment program will be used to offset administrative and short-term debt costs.</p>	<p>4.1 Regulatory Decree is incorporated into the 2020 National Budget Law authorizing the MOF to implement the surplus cash investment program for one year. MOF works with congress to advocate annually to keep the Regulatory Decree in the National Budget.</p>	 The regulatory decree was incorporated into the 2020 National Budget Law.	 New regulatory decrees were drafted, issued, and incorporated into the National Budget Law, the latest one being in June 2023.
	<p>4.2 DGPT implements new policies and procedures governing the management, operations, and oversight of the surplus cash investment program in the TSA.</p>	 Policies and procedures were partially developed under the advisor’s assistance, but these have not been implemented.	 Since the departure of the advisor, no action plan has been drafted and endorsed within DGPT to build the necessary operational capacities to implement the policies and procedures.
	<p>4.3 DGPT staff effectively manage new short-term cash investment program to invest surplus cash. Interest earnings are used to offset administrative and debt instrument costs. Longer-term, interest earnings serve as a new</p>	 There are no DGPT structure and resources available to manage the short-term cash investment program.	 No operational capacities have been developed within DGPT to effectively manage a prospective cash investment program.



Project Component	Outcome	Status (EQ 1, EQ 3)	Sustainability (EQ 2)
	revenue stream to support budget formulation and execution.		

Component 4: Findings



EQ 1. Which of the anticipated project outcomes were achieved?

Fully Achieved: 4.1 Regulatory Decree is incorporated into the 2020 National Budget Law authorizing the MOF to implement the surplus cash investment program for one year.

The second advisor worked closely with counterparts to advocate for the investment of excess funds in the TSA, citing international best practices and the experiences of a sample of countries that have successfully done the same. In early 2019, the second advisor delivered a report analyzing DGPT's payment processes and completed recommendations on an investment policy for surplus cash in the TSA.²³ Despite the limitations of COVID-19 and the national lockdown in Paraguay in 2020, the second advisor worked remotely to advocate for the investment program and participated in the drafting of the regulatory framework governing the implementation of a surplus cash investment program. On January 6, 2020, President Mario Abdo Benitez signed the FY2020 Budget Law incorporating the regulatory decree authorizing the MOF to invest surplus funds of the TSA for only one year. On January 7, 2021, congressional leaders signed FY2021 Budget Law 6672, which again authorized the MOF to invest surplus funds of the TSA.

Partially Achieved: 4.2 DGPT implements new policies and procedures governing the management, operations, and oversight of the surplus cash investment program in the TSA.

This outcome was partially achieved. Although the second advisor did assist DGPT to draft a proposed investment policy and presented international best practices and peer country experiences using similar investment instruments, there seemed to be little appetite from the counterparts to move the component forward. In 2021, after the second law authorizing the investment of excess funds in the TSA, the second advisor reviewed the proposed investment procedures, but these were not approved by the DGPT. The implementation of the overnight investment option remains outstanding up to now.

EQ 2. Which of these outcomes have been sustained up to the present?



Fully Sustained: 4.1 Regulatory Decree is incorporated into the 2020 National Budget Law authorizing the MOF to implement the surplus cash investment program for one year.

²³ Ordaz, "Política para la Colocación de Inversiones del Efectivo de la Caja Fiscal."



The effort to maintain the inclusion of the regulatory framework in the National Budget Law continued after the departure of the resident advisor. A new Regulatory Decree was issued in June 2023 allowing for a surplus cash investment program. Despite the regulatory success, the implementation of a surplus cash investment program has not materialized.

Not Sustained: 4.2 DGPT implements new policies and procedures governing the management, operations, and oversight of the surplus cash investment program in the TSA.

One limitation faced by the project to operationalize the surplus cash investment program was the lack of a policy and cash forecasting analytical capacity to identify idle funds throughout the cash collection business cycle that can be invested. With the current models available to the DGPT, it is difficult to determine how and when excess funds should be invested to offset the financial cost of short-term borrowing during the year, according to interviews with DGPT staff.

To fully implement an investment program, accounting policies and valuation methods of short-term investment instruments and earnings derived from those instruments must be developed in coordination with the Directorate General of Accounting. These activities were not part of the project's workplans or the log frame, illustrating a deficiency in the project design process to fully account and plan for the necessary steps for successful implementation. After the departure of the second resident advisor, DGPT did not make progress on developing these necessary policies.



EQ 3: For any anticipated outcomes that were not achieved, which factors hindered success?

Not Achieved: 4.3 DGPT staff effectively manage new short-term cash investment program to invest surplus cash.

Outcome 4.3 was not achieved. After the departure of the second advisor, there is no evidence of a dedicated effort within the DGPT to develop an analytical instrument that could help identify idle funds and measure cash surpluses available during the year.

Component 4: Conclusions








The investment program component was partially achieved and sustained. Despite the second advisor's work on the regulatory framework required for the implementation of an excess cash investment program, the next step of investing excess funds never materialized. The evaluation team identified a few factors limiting progress, including a lack of an action plan endorsed by the DGPT and no will from the counterpart to invest excess cash. In interviews, OTA did not believe the counterpart was committed to the large task of implementing the excess cash investment program, developing the necessary investment policies, and standing up and staffing a new office due to a lack of skill on staff. Progress was also impacted by COVID-19. Another major barrier to the successful implementation of the component was the lack of technical and analytical resources necessary to facilitate accurate forecasting of cashflows and the identification of the idle funds in the TSA that could be invested.



COMPONENT 6: TREASURY BILL PROGRAM

Component 6 focused on implementing a program for the issuance of short-term Treasury Bills (known as T-Bills). The objective of the component is to fund short-term cash shortfalls through the issuance of T-Bills to improve cash management and budget execution. Project activities that were covered under this component include 1) Developing a report and recommendations related to the issuance of short-term T-Bills, 2) Work with DGPT to revise the existing T-Bill decree, and 3) Work with DGPT to develop business processes for a short-term T-Bill program. Table 9 summarizes the findings for component 6, and a detailed discussion follows the summary.

Table 9: Component 6 Outcomes, Status, and Sustainability.

Project Component	Outcome	Status (EQ 1, EQ 3)	Sustainability (EQ 2)
 Component 6: Treasury Bill Program Implement a program for the issuance of short-term T-Bills (less than 365 days) to fund short-term cash shortfalls and improve cash management and budget execution.	6.1 DGPT uses Findings and Recommendations Report to develop an implementation plan for the issuance of T-Bills. DGPT understands the current barriers to implementing a short-term T-Bill program.	 The second advisor wrote findings and recommendations related to the development of a T-Bill program as part of a broad report on multiple other project components. The recommendations were incomplete and lacked concrete next steps.	 Although the DGPT recognizes the value of a T-Bill program, it has not been implemented.
	6.2 T-Bill Decree is incorporated into the National Budget Law authorizing the MOF to issue short-term T-Bills and operate T-Bill program for one year. MOF works with congress to advocate annually to keep the revised Decree in the National Budget.	 The evaluation team found no evidence that a T-Bill Decree was recommended or drafted by the second resident advisor.	 Although the DGPT recognizes the value of a T-Bill program, it has not been implemented.
	6.3 DGPT adopts and implements new business processes to support the issuance and administration of a Treasury Bill program. Staff and stakeholders understand the activities and tasks	 The evaluation team found no evidence in deliverables developed by the second advisor shared by OTA and the DGPT that an action plan with new business processes was proposed or drafted by the resident advisor, despite the	 Although the DGPT recognizes the value of a T-Bill program, it has not been implemented.



Project Component	Outcome	Status (EQ 1, EQ 3)	Sustainability (EQ 2)
	needed to issue T-Bills to fund short-term cash shortfalls.	mention of a report in project documents.	

Component 6: Findings



EQ 1. Which of the anticipated project outcomes were achieved?

None of the outcomes of this project component were achieved. According to project documents, the second advisor drafted a report on issuing T-Bills, but the evaluation team was not provided this document by OTA nor DGPT. In early 2020 the DGPT canceled the component because, in their view, issuing short-term T-Bills to cover cash shortfalls was not feasible because the DGPT receives loans from the CBP at lower rates than they could achieve through the issuance of T-Bills, according to project documents.



EQ 2. Which of these outcomes have been sustained up to the present?

None of the outcomes of this project component were achieved or sustained. Counterparts noted a renewed interest in issuing T-Bills, citing current high interest rates and recent advancements including a new 2023 law allowing for the issuance of T-Bills, however they have not been implemented at the time of the evaluation.



EQ 3: For any anticipated outcomes that were not achieved, which factors hindered success?

Not Achieved: 6.1 DGPT uses Findings and Recommendations Report to develop an implementation plan for the issuance of T-Bills.

The second advisor developed a report on findings and recommendations related to issuing T-Bills in early 2020, according to KIIs and project documents; however, the evaluation team is unable to validate the report's contents as neither OTA nor DGPT provided the evaluation team with this report. According to project documents, just three weeks after receiving the report, the component was canceled by the DGPT. The DGPT did not believe that issuing short-term T-Bills was feasible as arrears are paid with short-term loans from the Central Bank of Paraguay at a lower cost than issuing T-Bills to generate liquidity, according to project documents. Issuing short-term bonds of less than one year is not possible because the MOF prefers to finance its needs with mid-term bonds (3- to 10-year terms), which was not the preference of OTA, according to an interview with senior OTA staff. International best practice is to issue short-term bonds and not rely on longer-term outstanding debt that results in more costly borrowing.

As with component 4 on the investment program, DGPT lacked technical capacity and policy analysis to operationalize a T-Bill issuance program. Specifically, it did not have a liquidity



forecasting model that can indicate with enough precision intervals of cash shortfalls throughout the year and when those shortfalls could be funded with short-term T-Bills. The second advisor collaborated with an OTA resident advisor from a government debt and infrastructure financing project, who was working with the Debt Management Office (DMO), on the feasibility of issuing short-term T-Bills. The DMO had just developed new legislation, which permitted the issuance of T-Bills, but the evaluation team found no evidence that either advisor discussed the component with the DMO or other relevant stakeholders.

Not Achieved: 6.2 T-Bill Decree is incorporated into the National Budget Law authorizing the MOF to issue short-term T-Bills and operate T-Bill program for one year.

This component was canceled by the counterpart in January 2020. No T-Bill decree was drafted.

Not Achieved: 6.3 DGPT adopts and implements new business processes to support the issuance and administration of a Treasury Bill program.

According to the second advisor, he recommended developing a short-term debt issuance program in conjunction with the DMO. However, this component was limited due to the DGPT's preference to fund cash shortfalls with loans from the CBP and serious difficulties for DGPT in assessing the financing requirements across the governments. Several departments and agencies, like the judiciary and universities, with financial transactions amounting to 40% of the government's total budget are not operating within the national IFMIS. Lastly, DGPT has inadequate technical and analysis capacity to operationalize the issuance and administration of a T-Bills program. These three factors make it difficult to fully account for all the cash in the national budget and precisely measure shortfalls that can be funded with short-term T-Bills. The overall business process to support the issuance and administration of a T-Bill program is a major task requiring more dedicated resources than was available to the advisor, and close coordination with the DMO, CBP, and other relevant parties.

Component 6: Conclusions

The Treasury Bills program component was neither achieved nor sustained. This component was ultimately canceled by the DGPT because of three barriers: 1) the DGPT receives loans from the CBP at lower rates than they could achieve through the issuance of T-Bills to cover end of year obligations; 2) the issuance of T-Bills was impeded by insufficient cashflow forecasting capacity, which is needed to accurately identify cash shortfalls; and 3) lack of visibility into all financial resources and transactions, as 40% of the total national budget does not operate within the IFMIS. Many of these barriers were not within the control of the advisor and were compounded by a lack of coordination with relevant institutions such as the DMO and the CBP.








COMPONENT 9: CASH MANAGEMENT

Component 9 focused on the enhancement of cash management practices through the implementation of Quota and Cash Plan Modules in the IFMIS. The aim was to automate the request and approval of operating budgets for government ministries and agencies. Project activities that were covered under this component include 1) Analyzing the manual quota and cash planning processes and developing recommendations for developing modules to





automate the systems, 2) Assist DGPT to develop business processes for the implementation of the Quota and Cash Plan Modules, 3) Assist DGPT to define required data sources for the Quota and Cash Plan Modules, and 4) Assist DGPT to design and develop the Quota and Cash Plan Modules. Table 10 summarizes the findings for component 9, and a detailed discussion follows the summary.

Table 10: Component 9 Outcomes, Status, and Sustainability.

Project Component	Outcome	Status (EQ 1, EQ 3)	Sustainability (EQ 2)
<p> Component 9: Cash Management To enhance cash management practices by 1) implementing Quota and Cash Plan Modules in the IFMIS to support improved cash forecasting and expenditure planning, 2) adopting new cash forecasting and reporting methods to improve accuracy, and 3) forming a budget-cash management committee.</p>	<p>9.1 DGPT adopts new business processes and identifies data sources required to implement Quota and Cash Plan Modules. Staff and stakeholders understand the activities and tasks needed to operate new modules with IFMIS and the source of data for the modules.</p>	<p> The first advisor assisted DGPT in 1) analyzing the manual quota and cash planning processes and developing recommended options to automate systems, 2) developing and implementing business processes for Quota and Cash Plan Modules, and 3) defining and gathering the required data sources for Quota and Cash Plan Modules.</p>	<p> DGPT continues to use the business processes automated under the project.</p>
	<p>9.2 DGPT builds and implements Quota Module and Cash Plan Module within IFMIS, resulting in a fully integrated electronic cash plan approval process for issuing budget quotas for authorizing expenditures commitments. DGPT has improved access to information necessary for regularly updating the cash forecast, including the status of expenditures.</p>	<p> The first advisor assisted DGPT in 1) designing, developing and implementing Quota and Cash Plan Modules in the IFMIS, and 2) developing and following a timeline for the rollout of the new modules.</p>	<p> The Quota and Cash Plan Modules were implemented and are institutionalized in all ministries and agencies operating under IFMIS.</p>
	<p>9.3 DGPT staff better manage and anticipate government cash requirements and manage cash volatility</p>	<p> Planned trainings in cash management and cash forecasting methods and techniques did not happen.</p>	<p> No meaningful training was developed by DGPT after the second advisor's departure</p>



Project Component	Outcome	Status (EQ 1, EQ 3)	Sustainability (EQ 2)
	9.4 DGPT establishes and effectively leads a Budget and Cash Management Committee comprised of members from Budget, Treasury, Tax, and Debt Directorates. The committee members interact and cooperate formally and informally to identify and resolve issues related to cash management, budget execution, and revenue collections.	 The first advisor advocated for the establishment of a cross-functional Budget and Cash Management Committee, but this was not ultimately achieved because the MOF did not officially endorse it.	 No further information is available on further actions undertaken by DGPT.

Component 9: Findings



EQ 1. Which of the anticipated project outcomes were achieved?

Fully Achieved: 9.1 DGPT adopts new business processes and identifies data sources required to implement Quota and Cash Plan Modules.

In 2016, with the help of the first advisor, the Cash Plan and Quota Modules were designed and implemented within the IFMIS, new business processes were adopted by DGPT, and different data sources were successfully integrated into the modules. The implementation of the automated Cash Plan and Quota Modules in the IFMIS eliminated the need to manually enter Cash Plan requests from each entity every month into the system. The Cash Plan module now allows ministries and agencies to submit their requests directly into the system, which expedites the submission and review processes. The DGPT Analysis Unit has saved at least 25 hours of manual data entry each month, according to project implementation reports. More importantly, the electronic module provided both the agencies and the DGPT Analysis Unit instant updates on the number and status of each Cash Plan request.

The full automation of the DGPT payment approval process required the development and integration of the Quote and Cash Plan Modules into the IFMIS. Throughout 2016 the first advisor worked with the MOF IT Department to make additional enhancements and improvements to the Electronic-STR Module, but, according to interviews, he had little involvement in the technical design and development of the IT systems required for the modules, which was primarily done by the MOF IT Department. Progress toward the Quota and Cash Plan Modules nonetheless were delayed due to the lack of adequate IT Resources. According to project documents, ongoing technical work in the MOF IT Department did not always allow for enough IT resources to quickly develop the Quota and Cash Plan Modules. In response, MOF requested an additional IT analyst in 2016, but the additional staff was never hired due to budgetary constraints within the MOF.



Despite the setbacks, the Quota Module was completed in February 2017 and Cash Plan at the end of 2017.

According to both DGPT and external respondents, the implementation of the three modules (Electronic-STR, Cash Plan, and Quota) significantly improved the DGPT's operating efficiency and laid the groundwork for better cash management/forecasting.

Fully Achieved: 9.2 DGPT builds and implements Quota Module and Cash Plan Module within IFMIS.

Interview respondents from both the DGPT and the MOF IT Department said the first advisor played an important role in ensuring the system would meet the needs of the DGPT and the non-technical side of the designing of the user interface and reporting features of the Quota and Cash Plan Modules. They cited the first advisor's contribution to the development of standardized reports within the system tailored to the needs of the DGPT and on the development of a timeline for rollout of the new modules. In 2017, the Quota and Cash Plan Modules were completed and implemented, resulting in an integrated electronic approval process within the DGPT.

However, respondents from the MOF IT Department stated that there was confusion on the first advisor's exact role and the specific objectives of the project, which made it difficult to effectively collaborate with the OTA BFA project.



EQ 2. Which of these outcomes have been sustained up to the present?

Fully Sustained: DGPT adopts new business processes and identifies data sources required to implement Quota and Cash Plan Modules.

The Quota and Cash Plan Modules continue to be used in the IFMIS and contribute to better cash management. The project helped to implement three automated Cash Plan Reports in the IFMIS, which eliminated the use of Excel-based reports and accelerated the cash forecasting /reporting process. However, there are outstanding tasks that are not required but would help to improve the Quota and Cash Plan Modules. For example, producing percentage-based reports that would be more useful for projections and trend analysis have not been taken forward by DGPT after the advisor's departure. The reason given by DGPT was lack of staff to dedicate to addressing those gaps.

Fully Sustained: 9.2 DGPT builds and implements Quota Module and Cash Plan Module within IFMIS

Whereas the Cash Plan provides an approval of the available budget to spend, the Quota Plan is helping to manage how much funding is available in each individual account an agency has with DGPT. Both the Quota and Cash Plan Modules are still in use today, and revisions to the Quota Module have allowed the DGPT Resources Department to understand the exact available balance in each account that each agency has with the DGPT. Respondents from the DGPT and CBP noted that the Cash Plan and Quota Modules significantly improved the DGPT's operating efficiency.



EQ 3. For any anticipated outcomes that were not achieved, which factors hindered success?



Not Achieved: 9.3 DGPT staff better manage and anticipate government cash requirements and manage cash volatility.

There is no evidence the first or second advisor provided training to DGPT staff on cash management and cash forecasting methods or techniques to better manage and anticipate government cash requirements and manage cash volatility. Only the remote intermittent advisor provided training on cashflow forecasting to a small number of staff but only on the use of the forecasting model and not on managing cash requirements and volatility. Even though this component was part of the scope of the first advisor, the remote intermittent advisor, who was working with a small number of DGPT staff on cashflow forecasting, could have provided the missing training on managing cash volatility and government cash requirements to DGPT staff. In an interview with a senior CBP staff he questioned if there was much improvement in the forecasting of cash needs and allotment of cash for government ministries and agencies, despite the automation of the cash management process. This missed opportunity could have been due to limited communication between OTA staff on the overall objectives of the project.

Not Achieved: 9.4 DGPT establishes and effectively leads a Budget and Cash Management Committee comprised of members from Budget, Treasury, Tax, and Debt Directorates.

The establishment of a cross-functional Cash and Budget Committee to discuss revenue and expenditure patterns and the structural budget gap did not happen due to lack of political support in the DGPT and the MOF despite the advocacy of the first advisor. In interviews when respondents from the DGPT were asked why this did not happen, they did not provide an answer. As previously mentioned, money for government agencies and departments was at times not available when it was requested, resulting in delayed government functions and purchases that support government functions.

Component 9: Conclusions

The cash management component was partially achieved and sustained. Prior to the start of the OTA budget project, there was a lot of momentum behind the automation of government functions in Paraguay, and the OTA BFA project was able to capitalize on the momentum to contribute on the non-technical tasks of automating and digitizing the processes that required at least 25 hours of manual data entry each month. The Cash Plan and the Quota modules, along with the Electronic-STR (component number 8), significantly improved the operating efficiency of the DGPT and laid the groundwork for improving cash management and forecasting. The first advisor contributed to designing the standard reports and tailoring them to fit the DGPT's needs in the modules. However, respondents from the MOF IT Department did mention that they were unclear on the OTA BFA project objectives and the first advisor's role in developing the new modules and that the advisor lacked the technical skills to effectively contribute to the workflow mapping and technical design of the two modules. However, despite improvements there are still shortcomings in the forecasting of cash needs and allotment of cash for government ministries and agencies. Neither the resident nor the remote intermittent advisors trained staff to better manage volatility and government cash requirements. Even though this component was technically



concluded after the departure of the first advisor, this incomplete task could have been part of the scope of the remote intermittent advisor.




Focus Area C: Governance and Management Arrangements

COMPONENT 3: DGPT REORGANIZATION

Component 3 focused on improving the organizational structure and staffing of the DGPT and enhancing directorate capacity to support upcoming initiatives (i.e., implementation of a new cash investment program, improvements to the IFMIS, improvements to revenue forecasting and monitoring systems, improved debt management, and new automated payment systems). Project activities that were covered under this component include 1) analyzing the current organizational structure, 2) recommending updates to staff roles and responsibilities, 3) assessing current operational capacity, and 4) training DGPT staff on restructuring recommendations.

Table 11 summarizes the findings for component 3, and a detailed discussion follows the summary.

Table 11: Component 3 Outcomes, Status, and Sustainability.

Project Component	Outcome	Status (EQ 1, EQ 3)	Sustainability (EQ 2)
 Component 3: DGPT reorganization To improve the organizational structure and staffing of the DGPT and enhance directorate capacity to support upcoming initiatives (i.e., implementation of a new cash investment program, improvements to the IFMIS, improvements to revenue forecasting and monitoring systems, improved debt management, and new automated payment systems).	3.1: The DGPT realigns organizational structure, defines functional positions and roles and responsibilities, and effectively staffs and trains units to support the implementation of a surplus cash investment program, IFMIS system enhancements, improved debt management, and automated revenue collection and payment systems.	 The second advisor analyzed the current organizational structure and staffing levels and developed recommendations. MOF helped DGPT to identify organizational roles and responsibilities for implementing and managing new programs and systems. USAID assessed the operational capacity of the DGPT as currently staffed. The second advisor trained staff on recommendations for restructuring DGPT units and refining workloads.	 Feedback to recommendations on the proposed DGPT reorganization was issued by MOF authorities. No other action or initiative followed on within DGPT after the second advisor's departure.



Component 3: Findings



EQ 1. Which of the anticipated project outcomes were achieved?

Outcome 3.1 was not achieved. OTA and the DGPT both recognized the necessity of updating and modernizing DGPT's organizational structure after the successful implementation of the Electronic-STR, digital signature, and the development of the Cash and Quota Plan Modules early in the project. The second advisor analyzed the current organizational structure of the DGPT and presented recommendations for streamlining operations, but DGPT considered those recommendations unviable and not applicable to their current functions. Further work was carried out by USAID and MOF in line with this project objective but the successful reorganization of the DGPT and definition of roles and responsibilities were blocked by legal barriers. As of October 2023, there has been no restructuring of the DGPT.



EQ 2. Which of these outcomes have been sustained up to the present?

Outcome 3.1 was not sustained as it was not achieved.



EQ 3. For any anticipated outcomes that were not achieved, which factors hindered success?

Not Achieved: 3.1 The DGPT realigns organizational structure, defines functional positions and roles and responsibilities, and effectively staffs and trains units.

This outcome was not achieved. The successful implementation of project components designed to automate manual tasks and eliminate paper-based processes early in the project resulted in dramatic changes in workloads and workflows of DGPT staff. As a result, departments in the DGPT that were previously dedicated to performing those time-consuming manual and paper-based tasks were over-staffed and underutilized. In addition, the implementation of other project objectives would require new offices to oversee those functions, such as the excess funds investment program (component 4) and the T-Bill program (component 6).

Despite senior DGPT and MOF acknowledging the importance of updating the structure of the agency to align with the newly automated processes and modern business practices, both resident advisors faced strong internal resistance to the proposed reorganization as well as legal barriers. In late 2015, the DGPT started thinking about how the planned automation and digitalization of Treasury functions would affect the workflow of staff, but the first resident advisor noted that the DGPT was not open to a reduction in staff previously dedicated to manually reviewing and executing paper-based processes, according to project documents. As a result, the first advisor turned to less politically sensitive project components like the P-Card and Accounts Payable Module.

In late 2018, the second advisor took up the component but also faced strong resistance from DGPT staff to restructure the office. The advisor analyzed the organizational structure and staffing levels but was not authorized by the DGPT to interview staff to collect more information, according to interviews. The second advisor recommended eliminating the department responsible for verifying the previously paper-based STRs, noting that 99.7% of Electronic-STRs are received



without error.²⁴ Though DGPT did not respond formally to this recommendation, respondents from DGPT and OTA noted that the elimination of the verification department was not politically viable at the time.

Noting the internal hesitancy to work with OTA on this objective, the second advisor recommended DGPT work with USAID to analyze the current organizational structure and staffing levels and develop organizational structure recommendations. Simultaneous to the USAID work, the MOF implemented a pilot program to develop a professional career model within DGPT. The MOF developed an assessment to identify the job posts and grade structure as well as the business processes within the DGPT.²⁵

Despite the work of USAID and MOF to develop recommendations on the reorganization of the DGPT, this outcome was not achieved because the restructuring was subject to the congressional approval of a new Civil Service Reform Law.²⁶ According to DGPT respondents, once the civil service law is approved, these proposed new civil service rules are expected to facilitate the implementation of the proposed reorganization of the DGPT. In response to the second advisor's recommended organizational realignment, DGPT staff developed a manual of functions of the DGPT; however, the review and approval of the manual by the MOF is still pending, according to project documents.

Component 3: Conclusions

The DGPT reorganization component was neither achieved nor sustained. With the help of OTA, the DGPT realized significant time savings for its workforce previously dedicated to reviewing and executing paper-based and manual processes. Restructuring the DGPT is the next step in the process of modernizing the DGPT's treasury functions in response to technological changes. OTA and senior leadership in DGPT and MOF realized the importance of restructuring the DGPT, according to interviews, but the component was not successful because of a lack of political will to go through with a painful reduction in workforce and because of legal hurdles that significantly slowed progress towards an overhaul of the DGPT.

COMPONENT 7: KPIs

Component 7 focused on the improvement of DGPT performance reporting and accountability. The aim was to develop KPIs for each DGPT program and a system for monitoring and reporting on planned versus actual performance during the year. Project activities that were covered under this component include 1) assisting DGPT to develop program KPIs, 2) reviewing and revising regulations and procedures, and 3) enhancing monitoring and reporting systems for KPI performance reporting. Table 2 summarizes the findings for component 7, and a detailed discussion follows the summary.








²⁴ Ordaz, "Informe de Revision Organizacional Paraguayo DGTP."

²⁵ DMI/DACHC, "Informe de Resultados de la Caracterización de la Estructura y Planta de Puestos de la DGPT."

²⁶ This civil service reform law aims to modernize the Civil Service Career by mandating hiring employees through a competitive hiring processes and promotions based on meritocracy.



Table 2: Component 7 Outcomes, Status, and Sustainability.

Project Component	Outcome	Status (EQ 1, EQ 3)	Sustainability (EQ 2)
<p> Component 7: KPIs improve reporting and accountability through the development of KPIs for each DGPT program and a system for monitoring and reporting on planned versus actual performance during the year.</p>	7.1 DGPT uses a standardized set of KPIs to monitor workloads and measures the achievement of program outputs and outcomes and organizational performance in achieving strategic goals and objectives.	 The second advisor analyzed current practices for monitoring organizational performance and developed a menu of 216 potential KPIs for DGPT.	 DGPT did not issue formal feedback to the recommendations from the advisor. No further action within DGPT to develop a standardized set of KPIs was conducted after the OTA BFA project ended.
	7.2 DGPT implements updated monitoring and reporting regulations and procedures to facilitate the use of KPIs in the monitoring process.	 No existing regulations and procedures governing the use of KPIs were updated to facilitate the use of KPIs in the monitoring process.	 No further action from the DGPT after the OTA BFA project ended.
	7.3 DGPT enhances its monitoring and reporting systems to better capture and analyze KPI data. DGPT issues regular KPI performance reports. Decision makers use performance data to improve cash management, debt, and expenditure payments.	 The second advisor assisted DGPT to review existing monitoring and reporting systems and made recommendations for enhancements for KPI performance reporting. The second advisor trained staff on implementing a limited set of KPIs and on operating a new monitoring and reporting system for cashflow forecasting.	 No further action from the DGPT after the OTA BFA project ended.

Component 7: Findings



EQ 1. Which of the anticipated project outcomes were achieved?

Partially Achieved: 7.1 DGPT uses a standardized set of KPIs.

This outcome was partially achieved and partially sustained. Counterparts adopted a limited number of KPIs; for example, those KPIs underpinning the methodological aspects of the cash forecasting models. For the most part, however, DGPT respondents cited the impracticality of many of the KPIs



for the Paraguayan context, the legal barriers to the implementation of other process-related KPIs meant to measure individual performance, and the onset of the COVID-19 pandemic.

In January 2020, the second advisor submitted a report that contained a menu of 216 KPIs to the DGPT for monitoring productivity, efficiency, and effectiveness of their operations. According to interviews, the second advisor wanted to provide a large list of KPIs so the DGPT staff could choose those that were most relevant to their activities. The report received no formal feedback from DGPT, and movement on the selection of indicators stalled. A senior OTA staff member was skeptical of the logic behind providing an overwhelmingly large list to the DGPT; the staff member questioned if a more targeted list would have been more appropriate for counterparts.

Starting in July 2021, the second advisor and the remote intermittent advisor began working with the DGPT to review and ultimately select a limited number of KPIs for the cashflow forecast model. However, according to project documents, there is no external reporting of KPIs outside of the DGPT.

DGPT respondents told the evaluation team that many of the proposed KPIs did not fit their operational processes. One example cited was of a KPI that measured the efficiency of the cash planning process and by measuring the percentage of approved cash plans, but many times the DGPT is unable to approve a cash plan request from ministries, departments, and agencies because there are not enough funds to do so. One DGPT respondent noted that this did not measure efficiency, but it measured the availability of DGPT funds to approve cash plan requests.

Lastly, OTA and DGPT staff mentioned that the onset of the COVID-19 pandemic presented significant challenges to moving KPIs forward and changed the priorities of the DGPT. A national lockdown in Paraguay prevented the second advisor from meeting with counterparts in person, and working meetings were often difficult to schedule because staff had many competing priorities.



EQ 2. Which of these outcomes have been sustained up to the present?

Partially Sustained: 7.1 DGPT uses a standardized set of KPIs.

This outcome is partially sustained. DGPT continues to use KPIs to monitor cashflow forecasting, but no further progress has been made on implementing KPIs related to productivity because the current Civil Service Law does not allow for the use of KPIs for reporting on the performance of staff, according to project documents. As with the proposed reorganization of the DGPT, the General Reform of the Civil Service Law, which has yet to be approved by congress, is expected to facilitate the implementation of the process related KPIs and the reorganization of DGPT.²⁷



EQ 3: For any anticipated outcomes that were not achieved, which factors hindered success?

Not Achieved: 7.2 DGPT implements updated monitoring and reporting regulations and procedures to facilitate the use of KPIs in the monitoring process.

The second advisors did not assist DGPT to update any existing monitoring and reporting regulations and procedures governing the use of KPIs that could have helped the reporting of performance and accountability of DGPT and other MOF staff. OTA project documents noted that the inflexibility of

²⁷ This civil service reform law aims to modernize the Civil Service Career by mandating hiring of employees through a competitive hiring processes and promotions based on meritocracy.

the current Civil Service Law does not allow for the use of KPIs for reporting on the performance and accountability of public service staff. However, the evaluation team was unable to substantiate this claim with counterparts.

This work was further constrained by the onset of COVID-19. The use of indicators to measure and report on the performance and accountability of public officials may have been politically unviable at the time.

Not Achieved: 7.3 DGPT enhances its monitoring and reporting systems to better capture and analyze KPI data.

In interviews senior DGPT staff realize the importance of KPIs and using data to inform treasury operations and decisions, but many barriers remain to the successful implementation of a standard set of KPIs in the DGPT, including identifying KPIs that are applicable to the Paraguayan context and legal reforms necessary to allow the use of KPIs to measure and report on the productivity of staff.











Component 7: Conclusions

The KPI component was partially achieved and not sustained. The second advisor submitted a report to the DGPT with a very large selection of KPIs to monitoring productivity, efficiency, and effectiveness of their operations. According to senior OTA staff this approach of providing a large menu of KPIs to choose from may have not been the best approach because many KPIs were not relevant for the way the DGPT operates, according to the DGPT. It is the evaluation team's assessment that it may have been more effective to introduce a smaller number of targeted KPIs given that the DGPT had not previously used KPIs and was for the first time implementing KPIs.

KPIs to measure the productivity of staff also faced legal barriers because the current Civil Service Law does not allow for the use of KPIs for reporting on the performance of staff, according to OTA project documents. Work on this component was also severely disrupted by the onset of COVID-19. As a result, the DGPT only implemented a select number of KPIs to monitor the efficiency of cashflow forecasting. In interviews senior DGPT staff expressed interest in further instituting of KPIs, but no further progress has been made on implementing KPIs related to productivity.



V. CONCLUSIONS

Focus Area	Project Component	
Focus Area A: Core Treasury Functions		2. Non-tax revenue collection
		5. Purchase cards
		8. Electronic payment systems
		10. Accounts payable module
Focus Area B: Best Practice in Cash Management		1. Cashflow forecasting
		4. Investment program
		6. T-Bill program
		9. Cash management
Focus Area C: Governance and Management Arrangements		3. DGPT reorganization
		7. KPIs

The overarching goal of the OTA BFA project was to improve the capacity of the DGPT to effectively and efficiently manage funds to ensure the GOP deliver critical government services and support inclusive economic growth. The project focused on three key areas: 1) Core Treasury Functions, 2) Best Practice in Cash Management, and 3) Governance and Management Arrangements. The OTA project helped the DGPT to successfully implement an electronic payment system, helped the DGPT to implement Quota and Cash Plan Modules, advocated for the implementation of a P-Card for petty cash transactions, helped the DGPT to improve its cashflow forecasting, and successfully helped draft and advocated for the inclusion of a regulatory decree allowing the investment of excess funds.

However, there were multiple barriers and challenges, including the absence of a rigorous and collaborative project design process, and missed opportunities to collaborate with key stakeholders involved in the implementation of project components. Barriers were due to a lack of OTA resources and capacity to effectively implement the large number of project components. Finally, there was a lack of leadership from the MOF at various points of the project and the last year of the project was impacted by the onset of the COVID-19 pandemic. In the end, one component was fully achieved, four components were partially achieved, and five components were not achieved. From these project findings, the evaluation team reached the following cross-cutting conclusions:



TECHNICAL

1. **The OTA project helped the DGPT redefine how treasury functions were done by automating many manual tasks and significantly reducing the number of paper-based processes.** In interviews, respondents across the MOF and the CBP told the evaluation team that the implementation of electronic payment request systems — together with the electronic signature system and the Quota and Cash Plan Modules in the IFMIS, components 8 and 9 — significantly reduced the time DGPT staff spent on manual tasks and verifying paper-based processes. These changes have been successfully institutionalized and continue to this day.
2. **The OTA project helped improve control and transparency of petty cash purchases by implementing a P-Card and helped lay the legal framework for the investment of excess cash in the TSA.** The implementation of a P-Card for petty cash expenditures in the MOF and other line ministries was a major achievement for the DGPT and increased control of government expenditures. Despite no further action by the DGPT to implement the excess cash investment programs, the second advisor planted the idea of how to better utilize excess cash in the TSA. Counterparts recognize the benefits of such a program, and now that the regulatory framework is in place, they are actively working to determine when excess cash is available and identify appropriate financial instruments in which to invest that excess cash.

PROJECT DESIGN

3. **A workplan that closely aligns with counterparts' priorities facilitates buy-in and support.** Project components 8 and 9 were a high priority for the GOP. The successful implementation of both components saved DGPT staff substantial time and energy as many of the processes previously done by staff are now automated and electronic, eliminating the need to file and transfer large stacks of paper and manually verify and enter data. Since work had already started on those components and much of the IT foundation and capacity for those components was laid prior to the OTA project's inception, the first advisor was able to join the ongoing work and contribute to areas of his expertise. Those components also set the groundwork for more successful cash management and forecasting.
4. **There were barriers to project activities outside the control of the resident advisor and OTA's control, and addressing those barriers was not always possible in a timely manner.** The first advisor faced significant IT barriers that prolonged the implementation of some components. The second advisor was not authorized to interview DGPT staff to better tailor recommendations on how to reorganize the office. The second advisor recommended eliminating the verification department, which was seen as politically unviable at the time. In addition, half of the second advisor's tenure was during COVID-19, when the priorities of the country and the DGPT changed drastically to address the ongoing health and financial crises.
5. **The latter stages of the project built upon the success of the early achievements but lacked thorough assessments and a collaborative data-driven design process.** Momentum toward the end of the first resident advisor's tenure led the project to scale up



from 4 to 10 components during the second resident advisor's term (2018–2021); however, this was done without a rigorous assessment, a mid-term project review, or a revised strategy. These issues were exacerbated by high levels of turnover at senior levels within the MOF and DGPT and amid the COVID-19 pandemic. After the departure of the first advisor in 2018, OTA could have used the change in advisor as an opportunity to pause and conduct a joint needs assessment with the DGPT to better inform the second advisor's work. Doing this jointly with the DGPT would have made it easier to identify major risks and barriers to the implementation of the excess cash investment program, the T-Bills program, the reorganization of the DGPT office, and the adoption of a standard set of KPIs.

6. **Only 14 of 23 outcomes were largely achieved or partially achieved.** Respondents from the DGPT and MOF IT Department mentioned during interviews that the workplan during the second advisor's tenure was too ambitious for both the counterparts and the advisor himself to fully focus on the successful implementation of each one. The COVID-19 pandemic compounded the difficulty of implementing the challenging workplan. Respondents recommended focusing on a smaller number of feasible components. It is also the evaluation team's assessment that the project would have had more success by focusing on a smaller number of viable interventions.

COORDINATION AMONG THE ADVISORS, COUNTERPARTS, AND OTHER STAKEHOLDERS

7. **Activities that required coordination outside of the core DGPT focus were significantly more difficult than other activities.** There was close coordination between OTA and other U.S. partners like USAID and the Department of State on the unsuccessful reorganization of the DGPT. However, there was little coordination developed with other relevant OTA projects, e.g., OTA's debt project in Paraguay (2015–2018) or other relevant external partners and projects, e.g., IDB's Digital Agenda Support Program and Program to Support PFM Reform II, which worked with the MITIC. In the case of the MITIC, the second advisor did attempt to coordinate on the development of an electronic non-tax revenue system, component 2, but was unable to due to the many limitations within the MITIC. In addition, other relevant stakeholders had little involvement and understanding of the project and its objectives. For example, the MITIC, Directorate of Political Debt, and Directorate General of Accounting, both key counterparts that needed to be involved in implementing the electronic non-tax revenue collection, the T-Bills program, and the Accounts Payable Module and the surplus cash investment program, respectively. The second OTA advisor mentioned in an interview that conversations about working with external agencies were not had with his primary counterpart at the DGPT, partly because the latter part of his tenure in the country coincided with the COVID-19 pandemic. Although the advisor remained in country, work during the last year was conducted remotely from the advisor's residence in Paraguay. The requirement for remote work, coupled with attention diverted to pandemic-related health and economic issues, reduced the project's effectiveness.
8. **Missing collaboration between advisors on the project.** At the request of the DGPT, the second advisor was able to deploy a remote intermittent advisor to work with a small group



of key staff solely on improving cashflow forecasting. However, in interviews, the remote intermittent advisor told the evaluation team she was assigned to work on just the cashflow forecasting component and had limited visibility into the other nine components of the project, even though the two components on the investment of excess funds and the T-Bills program both heavily relied on an improved cashflow forecasting model with enough sophistication to be able to accurately identify and measure excess cash or shortfalls. Had there been greater collaboration between the advisors the outcomes could have been adjusted to better reflect the interconnectedness of the project components and the reality inside the DGPT and the MOF. In addition, though there was limited coordination between the second advisor and the resident advisor for the OTA debt project working with the DMO, the discussions did not go beyond the general feasibility of issuing short-term T-Bills. There was no examination of the relevance of some BFA project components with the debt project's work nor a proposal to move forward the implementation of the short-term T-Bills to fund budget shortfalls with the help of the resident debt advisor and DMO.



VI. RECOMMENDATIONS

The evaluation team makes the following key recommendations:

PROJECT DESIGN, LEARNING, AND RISK

1. **At the beginning of engagements, utilize a collaborative and analytical design process that include engagement with counterparts and other relevant stakeholders such as MITIC and the IDB in a scoping mission.** This will help identify project priorities and assess the risks and costs associated with project implementation, risk mitigation measures, and other external partners involved in the country. It is vital to ensure that future projects utilize a data-driven and analytical approach to designing the project components and activities. These include data on previous collaborations, timing and duration of interventions, lessons learned, and technical assistance projects in areas of relevance funded by other external partners. Engagement with counterparts and other stakeholders in a scoping mission could also build consensus, understanding, and support for the project before it begins. This design process should involve several experts working with a standardized process and tools over a relatively short period to decide on the urgency and sequencing of project components. Once this process is complete, an appropriate profile for the resident advisor can be identified. OTA should use a systematic approach to identify and map potential risks at all levels, determine the risk severity, and develop mitigation measures. In particular, activities that require coordination of many actors are risky, and work planning should anticipate delays and plan for strategies to mitigate them. This process should also account for changes in government over a long-term project such as this one, resulting in instability and changing priorities that inevitably shift the focus of the OTA project mid-stream. Planning with flexibility in mind will better support resident advisors to change course when activities or project components no longer seem viable given current economic and political conditions.
2. **After OTA identifies key needs of the counterpart, ensure that the project components align to priorities of the counterpart government.** As was the case with the components related to automation and digitalization of DGPT processes, project components and outcomes are likely to have more success if they closely align with the priorities of the government. Reforms that require the overhaul of old business processes and the development of new IT infrastructure and capacities are inevitably resource intensive and require the coordination of many agencies. Ensuring that there is adequate government support for the time period necessary to be successful before committing the component to the workplan would help curtail typical risks and barriers faced when working with the public sector in developing countries. For example, this project encountered challenges because of high staff turnover at the top levels of government ministries, which slowed or stopped progress on some components like the non-tax revenue payment system and the reorganization of the DGPT. If the objectives of the project better align with those of the government, the consequence of high-level officials departing could be reduced.



3. **OTA should ensure the scope of work for each advisor is practical, realistically achievable, and sustainable. This can be done by incorporating regular reviews and feedback from the advisors.** OTA is a demand driven organization which is inherently prone to the risks of a hastily growing workplan when responding to counterpart demands for additional work. An overly ambitious workplan is a risk for the success of a project because counterparts can feel overburdened with the many components in addition to performing their day-to-day functions, as was the case for this project. This burden is compounded when additional components require a wide array of skills and experiences, especially if those skills are scarce in the counterpart agency.
4. **Develop an M&E plan for projects with resident advisors jointly with counterparts. This should also include a results-based, project accountability framework with a clear division of roles and responsibilities with key stakeholders.** While this project had a log frame finalized toward the last year of the project, no formal M&E was undertaken during the project. While OTA is a demand-driven organization, the continual change to activities and components throughout the life of the project makes it difficult for advisors to systematically report on project outcomes and can lead to confusion on the part of counterparts. The monthly reports and trip reports capture day-to-day outputs of the project, but it is difficult to assess the performance of any project without an M&E plan, a clear division of responsibilities among relevant agencies, or a baseline. This should be a multilateral planning process that involves creating an M&E plan that links to the global OTA M&E plan, allowing OTA to better measure the performance of its projects, demonstrate success, and improve outcomes. This can help guide implementation and make course corrections during the project, as well as document learnings after the project is complete. When learning is considered and planned from the beginning, OTA will be better set for success.
5. **Ensure that capacity building is a key tenant of the workplan and that counterparts are provided with the necessary operations manuals and documentation to help ensure the sustainability of the reforms and methodologies introduced by OTA.** All outputs developed by the project should be implemented with capacity building in mind. Training materials should be prepared in concert with and endorsed by the technical staff of the country. In addition, it is important to facilitate training of trainers with the lead counterpart to the rest of target beneficiaries and users. OTA should identify key instructors from counterparts to ensure capacities developed within the institution remain once advisors depart the country. Finally, involve entities such as the MOF Administration Department (e.g., the Training Unit) in the operation and maintenance of training of trainers to the extent possible as the agency primarily responsible for training staff and continue to develop capacities.

THE ROLE OF THE RESIDENT ADVISOR

6. **Develop a formal engagement strategy for management and technical staff along with the lead counterpart from other important departments and agencies.** OTA should engage mid-level management and technical staff along with leadership from relevant agencies in a technical working group, rather than informally on an ad hoc basis. While it is often the focus and mandate of resident advisors to engage with leadership and serve as



their advisors, it is equally important to engage with other key relevant staff and departments. Staff understand the issues in the department and can provide keen insight of which leadership may not be unaware. It is important to engage with mid-level management and technical staff early in the project to ensure they have input and ownership on the project components and engage them throughout to understand how the issues on which the project is focused are evolving. Developing formal avenues for communicating with relevant staff and other key country counterparts will help to encourage better collaboration and communication. Otherwise, advisors could be seen as unknown guests and relevant counterparts will not be familiarized with all details of the project and its goals, which was the case with the MOF IT Department staff. In addition, advisors may not be sufficiently familiar with the problem they are trying to address and the recommendations they make may miss the mark, which was the case with the recommendation to eliminate the verification department in the DGPT.

7. **One resident advisor for such a large scale of technical support is not viable; consider recruiting a core team with additional short-term expert resources.** For projects that include a broad array of components, it is unlikely that one advisor has the necessary and sufficient technical expertise to successfully implement all components. In cases where there are disparate technical objectives, consider employing a small team with the combination of competencies necessary for each component. If that is not possible, then consider bringing in short-term experts that can provide narrow technical assistance, which occurred with the cashflow forecasting component. In these cases, it is extremely important that all team members understand the scope of the project and how their work fits into the larger picture of the OTA project.
8. **Advisors can learn from other relevant OTA projects and engage in a peer-to-peer exchange network across the region and globe. OTA should provide guidance to advisors on approaches to barriers that are outside the influence of OTA or the advisor.** There were many barriers and challenges that even the most effective advisor could not address, and there will be barriers in every project. Working to create an open culture of understanding at OTA around these barriers could help identify them faster. OTA should enable coordination between advisors by developing communities of practice that facilitate troubleshooting between advisors who are facing similar barriers. Communities of practice should ensure best practices are reproduced across projects by developing implementation templates to guide advisors, for example a template for implementing KPIs. Communities of practice should also compile a document on lessons learned based on internal project reviews and external evaluations that include high-level suggestions such as recommendations on developing a formal engagement strategy and working more effectively with mid-level managers and technical staff. Lastly, creating a structured approach within the design process and M&E plan to adapt to barriers at various intervals would help projects pivot when barriers are truly immovable.



VII. ANNEXES

Annex A: OTA Project Document List

Annex B: Context Document List

Annex C: Evaluation Team Qualifications

Annex D: Interview Instruments

Annex E: OTA Response



Annex A. OTA Project Document List

LIST OF PROJECT DOCUMENTS

OTA provided the evaluation team with a variety of documents about the BFA project in Paraguay. The following list details the project documentation received, organized by category.

Table A-1: List of Project Documents.

Type	No. of Docs.	Comments
Monthly and Trip Reports	113	Field trip reports of OTA advisors; monthly advisor reports on activities conducted; a narrative on progress, persons met, and issues discussed; other notable events
Associate Director OTA BFA team	3	
Resident Advisor	64	
Resident Advisor	43	
Remote Intermittent Advisor	3	
Other Documents	66	
Continuing Project Cover Sheet	3	Funding requests
End of Project Report	1	Summative project report
End of Tour Report	2	End of tour project report from resident advisors
Log Frame	1	Describes the logistical framework by component, expected outcomes, and activities
Project Deliverables	42	Project deliverables from resident and intermittent advisors
Treasury International Affairs Technical Assistance Proposals	5	Yearly funding requests containing more detailed descriptions of the project
Terms of Reference	1	The terms of reference signed between OTA and the MOF
Traction and Impact	6	Designed by the OTA M&E team to measure the project's traction and its impact
Workplans	5	Yearly workplans



Annex B: Context Document List

- DMI/DACHC. “Informe de Resultados de La Caracterización de La Estructura y Planta de Puestos de La DGPT,” 2019.
- FOTEGAL. “Newsletter No. 49: Tesoro Paraguayo Mantiene Certificación de Calidad,” November 11, 2016. <https://fotegal.org/newsletters/newsletter-no-49-tesoro-paraguayo-mantiene-certificacion-de-calidad-iso-90012008-11-de-noviembre-de-2016/>.
- IDB. “Digital Agenda Support Program,” November 14, 2023. <https://www.iadb.org/en/whats-our-impact/PR-L1153>
- IMF. “World Economic Outlook Database,” April 2023.
- Ministerio de Economía y Finanzas. (2020, July 29). *Noticias del Ministerio de Hacienda: Tesoro Público mantiene la certificación de Calidad ISO 9001:2015.* <https://www.mef.gov.py/web-hacienda/index.php?c=972&n=12837>
- Morales, Julio. “Analysis of Ministry of Finance’s Petty Cash Expenses in 2017,” 2018.
- Morales, Julio. “Payment Workflow Process,” November 23, 2018.
- Ordaz, Francisco. “Indicadores de Desempeño de La Gestión de La Dirección General Del Tesoro Público.” Asunción, 2020.
- Ordaz, Francisco. “Revisión de Los Procesos de Proyección de Ingresos y Programación Financiera, Cuenta Única Del Tesoro y Prácticas de Gestión de Efectivo.” Asunción, 2018.
- Ordaz, Francisco. “Revisión Organizacional de La Dirección General Del Tesoro Público Del Ministerio de Hacienda,” 2018.
- Ordaz, Francisco. “Política Para La Colocacion de Inversiones Del Efectivo de La Caja Fiscal.” Asunción, May 24, 2019.
- World Bank. “World Development Indicators Database,” 2023. <https://databank.worldbank.org/source/world-development-indicators>.



Annex C: Evaluation Team Qualifications

Michael Tatone is an M&E Director at Bixal. He has 13 years of technical experience in evaluation and research and managing evaluations and impact studies in public financial management and conflict and violence in Latin America, the United States, and Africa. Previous roles have included research manager at the University of Chicago and various project manager and researcher roles in academia and non-governmental organizations. He has a master's degree in political science from Universidad de Los Andes in Bogota, Colombia, and a bachelor's degree in political science and Spanish from the University of Wisconsin.

Jorge Shepherd is a seasoned economist and PFM consultant with over 25 years of experience in the formulation, implementation, and evaluation of PFM technical assistance programs across the globe. He has extensive experience evaluating the effectiveness, efficiency, and sustainability of donor-supported programs, most recently those supporting tax and customs administration, treasury, and public accounting by the IMF in Central America and the Dominican Republic as well as South Asia and Southern Africa regions. He has participated in 32 PFM performance reviews, IFMIS assessments, and public investment management reviews in resource-rich countries, countries with weak fiscal governance systems, and countries most at risk from climate change. As part of these independent assessments, Mr. Shepherd carried out broad consultations with key government officials, relevant development partners, external audit offices, the legislative, local government, civil society, and other non-state actors. He is a U.S. national, and he earned a bachelor's degree in accounting and a master's degree in economics, with postgraduate studies in systems engineering and IFMIS.

Guillermo García Orué is a lawyer with more than 15 years of experience in anti-money laundering and terrorist financing prevention with experience as a compliance officer for financial, stock market, electronic payment, virtual asset, and gambling entities. He was a consultant for the drafting of the National Institute for Cooperativism's Risk-Based Supervision Manual and accompanied the preparation of the technical teams of a banking union and of the insurance and electronic payment sectors for the interviews carried out during the IV Round of the Latin American Financial Action Group's Mutual Evaluations. He is a consultant to the Public Ministry of Paraguay, assisting the Specialized Unit for Economic Crimes, and is an Anti-Corruption Consultant. Since 2020, he has coordinated the PwC Academy Paraguay Diploma in anti-money laundering and terrorist financing prevention. He is frequently invited to speak at conferences on anti-money laundering/financing of terrorism prevention in Mexico, Nicaragua, Panama, the Dominican Republic, Ecuador, Peru, Bolivia, Chile, Uruguay, and Paraguay.

Genta Agaj is an M&E specialist working across several sector areas, including governance, energy, labor force, and education. Currently, she serves as a Millennium Challenge Corporation (MCC) consultant for Kosovo post-program M&E support. Her previous experience includes working as the M&E specialist in the Kosovo MCC Threshold Program and working in project development for the consultancy sector. Her expertise includes impact evaluation, M&E design and planning, quantitative and qualitative methods and analysis, survey design, advising on performance indicators, and data collection strategies. She has a bachelor's degree in economics



from the Rochester Institute of Technology and a master's degree in applied economics from the University of Maryland.



Annex D: Interview Instruments

BUDGET ADVISOR INTERVIEW INSTRUMENT

Paraguay OTA Budget Project

Qualitative Interview Guide — OTA Budget Advisor

Updated: August 25, 2023

Interview Date	
Interviewer Name	
Notetaker Name	
Unique ID	

Introduction

The evaluation of OTA/Paraguay's budget project will serve two purposes:

- To ensure OTA's compliance with the FATAA of 2016, which includes requirements to evaluate the objectives, outcomes, and impacts of OTA's projects.
- To provide OTA with in-depth, third-party, retrospective insights of its budget project activities in Paraguay. The evaluation will focus on key questions related to its contributions to financial sector strengthening through its technical assistance to the Paraguayan National Treasury.

To ensure an efficient use of your time and target the questions within a range of key evaluation elements, we have associated the components and activities of the project and organized the interviews around three key focus areas, as follows (components are numbered as they appear in the project log frame):

- A. Core treasury functions:
1. Cashflow forecasting
 2. Non-tax revenue collections
 8. Electronic payment system
 10. Accounts payable module
- B. Best practice in cash management:
4. Investment program
 5. Purchasing cards
 6. T-Bill program (canceled)
 9. Cash management



- C. Governance and management arrangements:
3. DGPT reorganization
 7. KPIs

Informed Consent

We will ask you a series of questions on the topic of OTA's work in the public financial management sector of Paraguay. Your participation in this discussion is voluntary and you are free to discontinue the discussion at any point or can ask us further details.

We expect the discussion to take 60–90 minutes.

We plan to share our findings in publications or presentations. You will not be identified by name. At the end of this interview, we will ask you if there is any information that you shared that is confidential or off the record. If you have understood these points and consent to continue the discussion, please give us a verbal agreement stating, "Yes, I consent to be interviewed."

For our own record-keeping purposes, we would also like to record. We will use the recording to create a clear transcript, and we will also take notes during the interview. This recording will be deleted after it is used, and your name will not be tied to the notes or the recording. If you agree, please give a verbal agreement, "Yes, I consent to be recorded."



Interview Questions

Project role

Thank you for your consent to be interviewed. We will start with asking you some general questions about your role on the OTA in Paraguay.

1. Could you describe your role at OTA and how long you supported the Paraguay budget project? Did you also participate in the inception of the project design?

2. Apart from the DGPT, please identify other key beneficiary departments, agencies, and relevant external partners that participated in the project.

General project questions

3. Did the DGPT designate a primary person of contact for you to work with?
 - a. What was that person's main responsibilities?
 - b. What was their contribution to the project?

4. Were the primary counterpart and other beneficiaries of the OTA project designated with specific duties and responsibilities to achieve project components and outcomes?
 - a. If so, please describe the distribution of duties and responsibilities among these parties during the OTA project.

5. Was OTA's work part of a broader PFM action plan designed and steered from within the MOF?



- 6. Did you interact with other relevant external partners?
 - a. For example, through a PFM working group or donor coordination committee?

- 7. Did the project allocate resources proportionally to the risk factors identified in the project’s log frame?
 - a. For example, technology and infrastructure limitations, commitment to legislative and organizational reform? Was capacity constraints an identified risk?
 - b. Were the OTA resources provided to the project sufficient to cover the planned technical assistance to meet the project outcomes?

EQ 1: Outcomes achieved

- 8. Based on your experience, what were the most successful components and activities within the project?
 - a. Which of the activities were the most effective in terms of achieving the associated outcomes? For example, assisting the DGPT to update revenue forecasting modules and training staff on how to use them so the MOF can more accurately forecast cashflow and predict income.

- 9. How was effectiveness measured among activities and outputs delivered each year? Was there ever a discussion with the primary counterpart at regular intervals?



10. Was there a champion with strong buy-in to the OTA assistance project at the highest political level?

EQ 2: Outcomes sustained

11. Which of the outcomes would you say have been sustained? What has contributed to this sustainability?

12. Do you know if the OTA project was helped or strengthened by other relevant interventions and external projects that may have helped impact and sustainability over the years? For example, other donor projects aimed to improve the quality of fiscal statistics and amount of information technology support?

a. Probe: What was the effect on the impact and sustainability of the OTA project?

EQ 3: Outcomes not achieved

13. Did the execution of annual activities confront any major challenges over the years?

a. Probe: For example, in relation to their sequencing, high turnover of key staff, or others?

14. If you had participated in the formulation of the project, can you please describe the design process and how contextual factors were considered? Was a risk assessment carried out?

a. Also, were risk mitigation measures weighed and reassessed with the primary counterpart during implementation?

b. Finally, were the 10 components of the project prioritized and associated activities sequenced in any way?

i. Were risk levels and existing absorptive capacities considered?



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FOCUS AREA A: Core treasury functions

Thank you for your thoughtful responses. Next, we will talk about the focus area relating to cash management and its associated component and activities below.

Component 1: Cashflow forecasting.

Outcome 1.1: DGPT uses action plan to guide work to improve cashflow forecasts. DGPT staff know the steps, processes, and tools needed to improve the accuracy of forecasts.

Outcome 1.2: MOF uses improved revenue and expenditure forecasting modules to enhance accuracy of cashflow forecasting to better predict incoming revenue and expense flows to develop more precise cash forecasts. GOP prepares more accurate cashflow estimates for the budget and is forewarned of potential financial imbalances.

15. What outcomes would you say were achieved?

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16. Which outcomes were not achieved and why?

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17. What outcomes would you say have been sustained up to today?

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18. What were some challenges you encountered during the work, and were these challenges addressed?

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Component 2: Non-Tax Revenue Collection

Outcome 2.1: The MOF works collaboratively with the Ministry of Information Technology and Communication to implement an e-payment system for non-tax revenue. Electronic payment increases revenue collections and decreases transaction processing time and costs. Implementation also minimizes risks inherent in the current system by reducing the use of cash transactions.

Outcome 2.2: The MOF staff understand their roles and responsibilities in monitoring the implementation of the non-tax revenue electronic payment platform and effectively collaborate with the Ministry of Information Technology and Communication to ensure that the MOF's needs are captured in the final system.

19. What outcomes would you say were achieved?

20. Which outcomes were not achieved and why?

21. What outcomes would you say have been sustained up to today?

22. What were some challenges you encountered during the work, and were these challenges addressed?

Component 8: Electronic Payment Processing

Outcome 8.1: DGPT implements workflow improvements and an electronic payment request and digital signature system. DGPT staff understand the steps, processes, and tools needed to transition manual payment processes to an electronic system.



Outcome 8.2: DGPT adopts new procedures to support electronic signature system. Staff and stakeholders understand the activities and tasks needed to operate signature system.

Outcome 8.3: DGPT implements an Electronic Payment Request Module to automate payment requests, eliminate paper-based systems, reduce transaction processing times, and improve control and predictability of expenditures.

23. What outcomes would you say were achieved?

24. Which outcomes were not achieved and why?

25. What outcomes would you say have been sustained up to today?

26. What were some challenges you encountered during the work, and were these challenges addressed?

Component 10: Accounts Payable Module

Outcome 10.1: DGPT implements an Accounts Payable Module in IFMIS to automate utility, vendor, and per diem payments, reducing the processing time and cost of transactions. Cash manager uses improved status of expenditures reports to improve cash forecasting.

27. What outcomes would you say were achieved?



28. Which outcomes were not achieved and why?

29. What outcomes would you say have been sustained up to today?

30. What were some challenges you encountered during the work, and were these challenges addressed?

FOCUS AREA B: Best practices in cash management

Thank you for your thoughtful responses. Next, we will talk about the focus area relating to cash management and its associated component and activities below.

Component 4: Investment Program

Outcome 4.1: Regulatory Decree is incorporated into the 2020 National Budget Law authorizing the MOF to implement the surplus cash investment program for one year. MOF works with Congress to advocate annually to keep the Regulatory Decree in the National Budget.

Outcome 4.2: DGPT implements new policies and procedures governing the management, operations, and oversight of the surplus cash investment program in the TSA.

Outcome 4.3: DGPT staff effectively manage new short-term cash investment program to invest surplus cash. Interest earnings are used to offset administrative and debt instrument costs. Longer-term, interest earnings serve as a new revenue stream to support budget formulation and execution.

31. What outcomes would you say were achieved?

32. Which outcomes were not achieved and why?



33. What outcomes would you say have been sustained up to today?

34. What were some challenges you encountered during the work, and were these challenges addressed?

Component 5: Purchasing Cards

Outcome 5.1: DGPT uses Action Plan and policies and procedures to implement a P-Card program. DGPT staff understand the steps, processes, and tools needed for implementation. MOF leadership approves P-Card resolution and implements P-Card program for petty cash and travel expenditures, resulting in improved financial controls, reduced cash transactions, and a more efficient payment system.

Outcome 5.2: MOF uses monitoring process to gauge the success of P-Card implementation and uses recommendations to adjust the P-Card product and program on an ongoing basis.

35. What outcomes would you say were achieved?

36. Which outcomes were not achieved and why?

37. What outcomes would you say have been sustained up to today?



38. What were some challenges you encountered during the work, and were these challenges addressed?

Component 6: Treasury Bill Program

Outcome 6.1: DGPT uses Findings and Recommendations Report to develop an implementation plan for the issuance of T-Bills. DGPT understands the current barriers to implementing a short-term T-Bill program.

Outcome 6.2: Revised T-Bill Decree is incorporated into the National Budget Law authorizing the MOF to issue short-term T-Bills and operate T-Bill program for one year. MOF works with Congress to advocate annually to keep the revised Decree in the National Budget.

Outcome 6.3: DGPT adopts and implements new business processes to support the issuance and administration of a T-Bill program. Staff and stakeholders understand the activities and tasks needed to issue T-Bills to fund short-term cash shortfalls.

39. What outcomes would you say were achieved?

40. Which outcomes were not achieved and why?

41. What outcomes would you say have been sustained up to today?

42. What were some challenges you encountered during the work, and were these challenges addressed?



Component 9: Cash Management

<p>Outcome 9.1: DGPT adopts new business processes and identifies data sources required to implement Quota and Cash Plan Modules. Staff and stakeholders understand the activities and tasks needed to operate new modules with IFMIS and the sources of data for the modules.</p>
<p>Outcome 9.2: DGPT builds and implements Quota Module and Cash Plan Module within IFMIS, resulting in a fully integrated electronic cash plan approval process for issuing budget quotas for authorizing expenditure commitments. DGPT has improved access to information necessary for regularly updating the cash forecast, including the status of expenditures.</p>
<p>Outcome 9.3: DGPT staff better manage and anticipate government cash requirements and manage cash volatility.</p>
<p>Outcome 9.4: DGPT establishes and effectively leads a Budget and Cash Management Committee comprised of members from Budget, Treasury, Tax, and Debt Directorates. The Committee members interact and cooperate formally and informally to identify and resolve issues related to cash management, budget execution, and revenue collections.</p>

43. What outcomes would you say were achieved?

44. Which outcomes were not achieved and why?

45. What outcomes would you say have been sustained up to today?

46. What were some challenges you encountered during the work, and were these challenges addressed?



FOCUS AREA B: Best practices in cash management

Thank you for your thoughtful responses. Next, we will talk about the focus area relating to cash management and its associated component and activities below.

Component 3: DGPT Reorganization

Outcome 3.1: The DGPT realigns organizational structure, defines functional positions and roles and responsibilities, and effectively staffs and trains units to support the implementation of a new surplus cash investment program, IFMIS system enhancements, improved debt management, and automated revenue collection and payment systems.

47. What outcomes would you say were achieved?

48. Which outcomes were not achieved and why?

49. What outcomes would you say have been sustained up to today?

50. What were some challenges you encountered during the work, and were these challenges addressed?

51. Can you talk about how the DGPT was established, and OTA's role in the staffing, structure, and management of the office?



- a. In your initial organizational capacity assessment, were you able to identify any gaps within the structure and roles within DGPT? What were some of the interventions you had recommended?
- b. Did the project play any influence for the establishment of a dedicated cash planning/financial programming unit, accounts payable function, or other relevant units or ledgers, during the implementation of the project?
- c. What kind of policies and standard procedures were established to support operations (e.g., operations manual)?

Component 7: KPIs

Outcome 7.1: DGPT uses a standardized set of KPIs to monitor workloads and measures the achievement of program outputs and outcomes and organizational performance in achieving strategic goals and objectives.

Outcome 7.2: DGPT implements new policies and procedures governing the management, operations, and oversight of the surplus cash investment program in the TSA.

Outcome 7.3: DGPT enhances its monitoring and reporting systems to better capture and analyze KPI data. DGPT issues regular KPI performance reports. Decisionmakers use performance data to improve cash management, debt, and expenditure payments.

52. What outcomes would you say were achieved?

53. Which outcomes were not achieved and why?

54. What outcomes would you say have been sustained up to today?



55. What were some challenges you encountered during the work, and were these challenges addressed?

Recommendations and Closing

Thank you for your thoughtful responses. Next, we will talk about the project more generally.

56. What recommendations or additional thoughts do you have for OTA projects in Paraguay in the future?

That is the end of my questions for you. Thank you for taking the time and providing your thoughts today.

COUNTERPART INTERVIEW INSTRUMENT (ENGLISH)

**Paraguay OTA Budget Project
Qualitative Interview Guide — Counterparts
Updated: September 8, 2023**

Interview Date	
Interviewer Name	
Notetaker Name	
Unique ID	

Introduction

The evaluation of OTA/Paraguay’s budget project will serve two purposes:

- To ensure OTA’s compliance with the FATAA of 2016, which includes requirements to evaluate the objectives, outcomes, and impacts of OTA’s projects.
- To provide OTA with in-depth, third-party, retrospective insights of its budget project activities in Paraguay. The evaluation will focus on key questions related to its contributions to financial sector strengthening through its technical assistance to the Paraguayan National Treasury.



To ensure an efficient use of your time and target the questions within a range of key evaluation elements, we have organized the interviews in three key associated focus areas, as follows (components are numbered as they appear in the project log frame):

A. Core treasury functions:

2. Non-tax revenue collections
5. Purchasing cards
8. Electronic payment system
10. Accounts payable module

B. Best practice in cash management:

1. Cashflow forecasting
4. Investment program
6. T-Bill program (canceled)
9. Cash management

C. Governance and management arrangements:

3. DGPT reorganization
7. KPIs

Informed Consent

We will ask you a series of questions on the topic of OTA's work in the financial sector in Paraguay. Your participation in this discussion is voluntary and you are free to discontinue the discussion at any point or can ask us further details.

We expect the discussion to take 60–90 minutes.

We plan to share our findings in publications or presentations. You will not be identified by name. At the end of this interview, we will ask you if there is any information that you shared that is confidential or off the record. If you have understood these points and consent to continue the discussion, please give us a verbal agreement stating, "Yes, I consent to be interviewed."

For our own record-keeping purposes, we would also like to record. We will use the recording to create a clear transcript, and we will also take notes during the interview. This recording will be deleted after it is used, and your name will not be tied to the notes or the recording. If you agree, please give a verbal agreement, "Yes, I consent to be recorded."



Interview Questions

Project role

Thank you for your consent to be interviewed. We will start with asking you some general questions about OTA in Paraguay.

1. Could you please describe your role and responsibilities in the GOP? Can you please describe your role within the OTA project?
 - a. Probes:
 - i. Which OTA advisor did you work with?
 - ii. Which of the components did you work on?

2. Were you designated with any specific duties and responsibilities to achieve the outcomes of the work of OTA? Can you describe the work you did internally and with other relevant departments and agencies?

EQ 1: Outcomes achieved

3. In your opinion, what were the most successful components and activities within the project?
 - a. Probes:
 - i. Which of the activities were the most effective in terms of achieving the associated outcomes?
 - ii. Can you please rank the outcomes of the OTA project that had the most impact?

4. Was there a champion in the GOP with strong buy-in to the OTA assistance project at the highest political level?



EQ 2: Outcomes sustained

5. Which of the outcomes would you say have been sustained? What has contributed to this sustainability?

6. Do you know if the OTA project was helped or strengthened by other relevant interventions and external projects that helped impact and sustainability over the years? For example, interventions to improve the quality of macroeconomic and fiscal statistics, provide further support to IFMIS, and digitalization of business processes.

EQ 3: Outcomes not achieved

7. In general, did the OTA project confront any major challenges over the years? For example, in relation to the changing of resident advisors, lack of resources, high turnover of key staff, or others?

a. Probe: Do you think the MOF invested sufficient resources to ensure impact and sustainability?

8. In your opinion, did the OTA project allocate sufficient time and technical resources to achieve the outcomes and outputs from the workplans?

General project questions



9. Were you part of the project design with the OTA advisor? Can you describe the process? If not, do you have any recommendations on how to improve the process?

10. In your opinion, was the OTA project and its outcomes part of broader PFM action plan designed and steered from within the MOF?

- a. Probe: Are you aware of any PFM governance framework or technical working group that served to facilitate dialogue on PFM and capacity development?

11. In your view how has internal coordination with other key beneficiaries evolved throughout the OTA project? Did the OTA advisor participate in any official capacity with your department and other departments and relevant external partners to review the progress of the project and propose and agree on any corrective actions?

FOCUS AREA A: Core treasury functions

Thank you for your thoughtful responses. Now, we will talk about the first of the three focus areas, the one relating to cash management and its associated components and activities.

Component 1: Cashflow forecasting

Outcome 1: DGPT uses action plan to guide work to improve cashflow forecasts. DGPT staff know the steps, processes, and tools needed to improve the accuracy of forecasts.

Outcome 1.2: MOF uses improved revenue and expenditure forecasting modules to enhance accuracy of cashflow forecasting to better predict incoming revenue and expense flows to develop more precise cash forecasts. GOP prepares more accurate cashflow estimates for the budget and is forewarned of potential financial imbalances.

Component 2: Non-Tax Revenue Collection

Outcome 2.1: The MOF works collaboratively with the Ministry of Information Technology and Communication to implement an e-payment system for non-tax revenue. Electronic



payment increases revenue collections and decreases transaction processing time and costs. Implementation also minimizes risks inherent in the current system by reducing the use of cash transactions.

Outcome 2.2: The MOF staff understand their roles and responsibilities in monitoring the implementation of the non-tax revenue electronic payment platform and effectively collaborate with the Ministry of Information Technology and Communication to ensure that the MOF's needs are captured in the final system.

Component 8: Electronic Payment Processing

Outcome 8.1: DGPT implements workflow improvements and an electronic payment request and digital signature system. DGPT staff understand the steps, processes, and tools needed to transition manual payment processes to an electronic system.

Outcome 8.2: DGPT adopts new procedures to support electronic signature system. Staff and stakeholders understand the activities and tasks needed to operate signature system.

Outcome 8.3: DGPT implements an Electronic Payment Request Module to automate payment requests, eliminate paper-based systems, reduce transaction processing times, and improve control and predictability of expenditures.

Component 10: Accounts Payable Module

Outcome 10.1: DGPT implements an Accounts Payable Module in IFMIS to automate utility, vendor, and per diem payments, reducing the processing time and cost of transactions. Cash manager uses improved status of expenditures reports to improve cash forecasting.

12. What outcomes would you say were achieved?

13. Which outcomes were not achieved and why?

14. What outcomes would you say have been sustained up to today?



15. What were some challenges you encountered during the work, and were these challenges addressed?

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FOCUS AREA B: Best practice in cash management

Thank you for your thoughtful responses. Next, we will talk about cash management and its associated components and activities below.

Component 4: Investment Program

Outcome 4.1: Regulatory Decree is incorporated into the 2020 National Budget Law authorizing the MOF to implement the surplus cash investment program for one year. MOF works with Congress to advocate annually to keep the Regulatory Decree in the National Budget.

Outcome 4.2: DGPT implements new policies and procedures governing the management, operations, and oversight of the surplus cash investment program in the TSA.

Outcome 4.3: DGPT staff effectively manage new short-term cash investment program to invest surplus cash. Interest earnings are used to offset administrative and debt instrument costs. Longer-term, interest earnings serve as a new revenue stream to support budget formulation and execution.

Component 5: Purchasing Cards

Outcome 5.1: DGPT uses Action Plan and policies and procedures to implement a P-Card program. DGPT staff understand the steps, processes, and tools needed for implementation. MOF leadership approves P-Card resolution and implements P-Card program for petty cash and travel expenditures, resulting in improved financial controls, reduced cash transactions, and a more efficient payment system.

Outcome 5.2: MOF uses monitoring process to gauge the success of P-Card implementation and uses recommendations to adjust the P-Card product and program on an ongoing basis.

Component 6: T-Bill Program

Outcome 6.1: DGPT uses Findings and Recommendations Report to develop an implementation plan for the issuance of T-Bills. DGPT understands the current barriers to implementing a short-term T-Bill program.

Outcome 6.2: Revised T-Bill Decree is incorporated into the National Budget Law authorizing the MOF to issue short-term T-Bills and operate T-Bill program for one year. MOF works with Congress to advocate annually to keep the revised Decree in the National Budget.



Outcome 6.3: DGPT adopts and implements new business processes to support the issuance and administration of a T-Bill program. Staff and stakeholders understand the activities and tasks needed to issue T-Bills to fund short-term cash shortfalls.

Component 9: Cash Management

Outcome 9.1: DGPT adopts new business processes and identifies data sources required to implement Quota and Cash Plan Modules. Staff and stakeholders understand the activities and tasks needed to operate new modules with IFMIS and the sources of data for the modules.

Outcome 9.2: DGPT builds and implements Quota Module and Cash Plan Module within IFMIS, resulting in a fully integrated electronic cash plan approval process for issuing budget quotas for authorizing expenditure commitments. DGPT has improved access to information necessary for regularly updating the cash forecast, including the status of expenditures.

Outcome 9.3: DGPT staff better manage and anticipate government cash requirements and manage cash volatility.

Outcome 9.4: DGPT establishes and effectively leads a Budget and Cash Management Committee comprised of members from Budget, Treasury, Tax, and Debt Directorates. The Committee members interact and cooperate formally and informally to identify and resolve issues related to cash management, budget execution, and revenue collections.

16. What outcomes would you say were achieved?

17. Which outcomes were not achieved and why?

18. What outcomes would you say have been sustained up to today?

19. What were some challenges you encountered during the work, and were these challenges addressed?



FOCUS AREA C: Governance and management arrangements

Thank you for your thoughtful responses. Next, we will talk about governance and management arrangements and their associated components and activities below.

Component 3: DGPT Reorganization

Outcome 3.1: The DGPT realigns organizational structure, defines functional positions and roles and responsibilities, and effectively staffs and trains units to support the implementation of a new surplus cash investment program, IFMIS system enhancements, improved debt management, and automated revenue collection and payment systems.

Component 7: KPIs

Outcome 7.1: DGPT uses a standardized set of KPIs to monitor workloads and measures the achievement of program outputs and outcomes and organizational performance in achieving strategic goals and objectives.

Outcome 7.2: DGPT implements new policies and procedures governing the management, operations, and oversight of the surplus cash investment program in the TSA.

Outcome 7.3: DGPT enhances its monitoring and reporting systems to better capture and analyze KPI data. DGPT issues regular KPI performance reports. Decisionmakers use performance data to improve cash management, debt, and expenditure payments.

20. What outcomes would you say were achieved?

21. Which outcomes were not achieved and why?

22. What outcomes would you say have been sustained up to today?

23. What were some challenges you encountered during the work, and were these challenges addressed?



That is the end of my questions for you. Thank you for taking the time and providing your thoughts today.

COUNTERPART INTERVIEW INSTRUMENT (SPANISH)

Proyecto de Presupuesto OTA Paraguay

Traducción de la guía de entrevista cualitativa — Contrapartes

Actualizado: 8 de septiembre de 2023

Fecha de la entrevista	
Nombre del entrevistador	
Nombre del anotador	
Identificación única	

Introducción

La evaluación del proyecto de Presupuesto de OTA/Paraguay tendrá dos propósitos:

- En primer lugar, garantizar el cumplimiento de la OTA con la Ley de Responsabilidad y Transparencia de la Ayuda Exterior (FATAA) de 2016, que incluye requisitos para evaluar los objetivos, resultados e impactos de los proyectos de la OTA.
- El segundo propósito es proporcionar a la OTA información retrospectiva y a profundidad de terceros sobre las actividades de su proyecto de Presupuesto en Paraguay. La evaluación se centrará en cuestiones clave relacionadas con sus contribuciones al fortalecimiento del sector financiero a través de su asistencia técnica al Tesoro Nacional del Paraguay.

Para garantizar un uso eficiente de su tiempo y enfocar las preguntas dentro de una variedad de elementos clave de evaluación, hemos organizado las entrevistas en tres áreas clave de enfoque asociadas, de la siguiente manera (los componentes están numerados tal como aparecen en el marco lógico del proyecto):

A. Funciones básicas de tesorería:

2. Recaudaciones de ingresos no tributarios.
5. Tarjetas de compra.
8. Sistema de pago electrónico.



10. Módulo de cuentas por pagar.
- B. Mejores prácticas de administración de caja:
1. Previsión de flujo de caja
 4. Programa de inversión.
 6. Programa de letras del tesoro.
 9. Administración de caja.
- C. Disposiciones de gobernanza y gestión :
3. Reorganización de la DGTP.
 7. Indicadores clave de desempeño.

Consentimiento informado

Le haremos una serie de preguntas sobre el trabajo de la OTA en el sector financiero en Paraguay. Su participación en esta discusión es voluntaria y usted es libre de interrumpir la discusión en cualquier momento, o puede solicitarnos más detalles.

Esperamos que la discusión dure entre 60 y 90 minutos.

Planeamos compartir nuestros hallazgos en publicaciones o presentaciones. Usted no será identificado por su nombre. Al final de esta entrevista, le preguntaremos si hay alguna información que haya compartido que sea confidencial o extraoficial. Si ha entendido estos puntos y acepta continuar la discusión, por favor proporcione un acuerdo verbal que indique: "Sí, doy mi consentimiento para ser entrevistado".

Para nuestros propios fines de mantenimiento de registros, también nos gustaría grabar la entrevista. Usaremos la grabación para crear una transcripción clara y también tomaremos notas durante la entrevista. Esta grabación se eliminará después de su uso y su nombre no quedará vinculado a las notas ni a la grabación. Si está de acuerdo, dé un acuerdo verbal: "Sí, doy mi consentimiento para que me graben".

Preguntas de entrevista

Rol del proyecto

Gracias por su consentimiento para ser entrevistado. Comenzaremos haciéndole algunas preguntas generales sobre las OTA en Paraguay.

1. ¿Podría describir su papel y responsabilidades en el Gobierno del Paraguay? ¿Podría describir su papel dentro del proyecto OTA?
 - a. Indague:
 - i. ¿Con qué asesor de OTA trabajó?
 - ii. ¿En cuál de los componentes trabajó?



2. ¿Se le asignaron deberes y responsabilidades específicas para lograr los resultados del trabajo de la OTA? ¿Puede describir el trabajo que realizó internamente y con otros departamentos y agencias relevantes?

EQ1: Resultados obtenidos

3. En su opinión, ¿cuáles fueron los componentes y actividades más exitosos dentro del proyecto?

a. Indague:

- i. ¿Cuáles de las actividades fueron las más efectivas en términos de lograr los resultados asociados?
- ii. ¿Podría clasificar los resultados del proyecto OTA que tuvo el mayor impacto?

4. ¿Hubo, dentro del Gobierno de Paraguay, algún referente importante que haya logrado la aceptación del proyecto de asistencia de la OTA al más alto nivel político?

EQ2: Resultados sostenidos

5. ¿Cuáles de los resultados diría usted que se han mantenido? ¿Qué ha contribuido a esta sostenibilidad?



6. ¿Sabe si el proyecto OTA fue ayudado o fortalecido por otras intervenciones relevantes y proyectos externos que ayudaron al impacto y la sostenibilidad a lo largo de los años? Ejemplo: intervenciones para mejorar la calidad de las estadísticas macroeconómicas y fiscales, brindar mayor apoyo a las SIAF y la digitalización de los procesos de negocios.

EQ3: Resultados no alcanzados

7. En general ¿El proyecto OTA enfrentó desafíos importantes a lo largo de los años? Por ejemplo, el cambio de asesores residentes, falta de recursos, alta rotación de personal clave u otros.
- a. Indague: ¿Cree que el Ministerio de Hacienda invirtió recursos suficientes para garantizar el impacto y la sostenibilidad?

8. En su opinión ¿El proyecto OTA asignó suficiente tiempo y recursos técnicos para lograr los resultados y productos de los planes de trabajo?

Preguntas generales del proyecto.

9. ¿Usted fue parte del diseño del proyecto con el asesor de la OTA? ¿Puede describir el proceso? Si no ¿Tiene alguna recomendación sobre cómo mejorar el proceso?



10. En su opinión ¿El proyecto OTA y sus resultados formaron parte de un plan de acción más amplio de GFP diseñado y dirigido desde el Ministerio de Hacienda?
- a. Indague: ¿Conoce algún marco de gobernanza de la GFP o algún grupo de trabajo técnico que haya servido para facilitar el diálogo sobre la GFP y el desarrollo de capacidades?

11. ¿Cómo cree que ha evolucionado la coordinación interna con otros beneficiarios clave a lo largo del proyecto OTA? ¿El asesor de la OTA participó de alguna manera oficial con su departamento (Nota del traductor: Se refiere al departamento del entrevistado) y otros departamentos y contrapartes externas relevantes para revisar el progreso del proyecto y proponer y acordar acciones correctivas?

ÁREA DE ENFOQUE A: Funciones básicas de tesorería

Gracias por sus respuestas. Ahora hablaremos de la primera de las tres Áreas de Enfoque, la relacionada con la gestión de caja y sus Componentes y actividades asociadas.

Componente 1: Previsión del flujo de caja

Resultado 1: La DGPT utiliza un plan de acción para guiar el trabajo para mejorar las previsiones de flujo de caja. El personal de la DGPT conoce los pasos, procesos y herramientas necesarios para mejorar la precisión de las previsiones.

Resultado 1.2: 1.2. El MH utiliza módulos mejorados de previsión de ingresos y gastos para mejorar la precisión de la previsión del flujo de caja y predecir mejor los flujos de ingresos y gastos entrantes para desarrollar previsiones de caja más precisas. El Gobierno del Paraguay prepara estimaciones de flujo de caja más precisas para el presupuesto y está advertido sobre posibles desequilibrios financieros.

Componente 2: Recaudación de Ingresos No Tributarios

Resultado 2.1: El Ministerio de Hacienda trabaja en colaboración con el Ministerio de Tecnología de la Información y Comunicaciones para implementar un sistema de pago electrónico para ingresos no tributarios. El pago electrónico aumenta la recaudación de ingresos y reduce el tiempo y los costos de procesamiento de transacciones. La



implementación también minimiza los riesgos inherentes al sistema actual al reducir el uso de transacciones en efectivo.

Resultado 2.2: El personal del MH comprende sus funciones y responsabilidades en el seguimiento de la implementación de la plataforma de pago electrónico de ingresos no tributarios y colabora eficazmente con el Ministerio de Tecnología de la Información y Comunicaciones para garantizar que las necesidades del MH se capturen en el sistema final.

Componente 8: Procesamiento de pagos electrónicos

Resultado 8.1: DGTP implementa mejoras en el flujo de trabajo y un sistema de solicitud de pago electrónico y firma digital. El personal de la DGTP comprende los pasos, procesos y herramientas necesarios para realizar la transición de los procesos de pago manuales a un sistema electrónico.

Resultado 8.2: DGTP adopta nuevos procedimientos para soportar el sistema de firma electrónica. El personal y las partes interesadas comprenden las actividades y tareas necesarias para operar el sistema de firma.

Resultado 8.3: La DGTP implementa un Módulo de Solicitud de Pago Electrónico para automatizar las solicitudes de pago, eliminar los sistemas en papel, reducir los tiempos de procesamiento de transacciones y mejorar el control y la previsibilidad de los gastos.

Componente 10: Módulo de Cuentas por Pagar

Resultado 10.1: DGTP implementa un Módulo de Cuentas por Pagar en SIAF para automatizar los pagos de servicios públicos, proveedores y viáticos, reduciendo el tiempo de procesamiento y el costo de las transacciones. El administrador de caja utiliza informes mejorados del estado de los gastos para mejorar la previsión de caja.

12. ¿Qué resultados diría que se lograron?

13. ¿Cuáles no se lograron y por qué?

14. ¿Qué resultados diría que se han mantenido hasta el día de hoy?



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15. ¿Cuáles fueron algunos de los desafíos que encontró durante el trabajo? ¿Se abordaron estos desafíos?

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ÁREA DE ENFOQUE B: Mejores prácticas en la administración de caja

Gracias por sus respuestas. A continuación, hablaremos sobre la administración de caja y sus componentes y actividades asociados a continuación.

Componente 4: Programa de Inversión

Resultado 4.1: Se incorpora el Decreto Reglamentario a la Ley de Presupuesto Nacional de 2020 que autoriza al MH a implementar el programa de inversión de excedente de efectivo durante un año. El MH trabaja con el Congreso para abogar anualmente por mantener el Decreto Reglamentario en el Presupuesto Nacional.

Resultado 4.2: La DGTP implementa nuevas políticas y procedimientos que rigen la gestión, operación y supervisión del programa de inversión de excedentes de efectivo en la CUT.

Resultado 4.3: El personal de la DGTP gestiona eficazmente un nuevo programa de inversión de efectivo a corto plazo para invertir el excedente de efectivo. Las ganancias por intereses se utilizan para compensar los costos administrativos y de los instrumentos de deuda. A más largo plazo, las ganancias por intereses sirven como una nueva fuente de ingresos para apoyar la formulación y ejecución del presupuesto.

Componente 5: Tarjetas de compra

Resultado 5.1: La DGTP utiliza el Plan de Acción y las políticas y procedimientos para implementar un programa P-Card. El personal de la DGTP comprende los pasos, procesos y herramientas necesarios para la implementación. Las autoridades del MH aprueban la Resolución P-Card e implementan el programa P-Card para caja chica y gastos de viaje, lo que resulta en mejores controles financieros, reducción de transacciones en efectivo y un sistema de pago más eficiente.

Resultado 5.2: El MH utiliza un proceso de seguimiento para medir el éxito de la implementación de P-Card y utiliza recomendaciones para realizar ajustes al producto y programa de P-Card de forma continua.

Componente 6: Programa de Letras del Tesoro



Resultado 6.1: La DGTP utiliza el Informe de Hallazgos y Recomendaciones para desarrollar un plan de implementación para la emisión de Letras del Tesoro. La DGTP comprende las barreras actuales para implementar un programa de Letras del Tesoro a corto plazo.

Resultado 6.2: El Decreto Revisado sobre las Letras del Tesoro se incorpora a la Ley de Presupuesto Nacional, autorizando al Ministerio de Hacienda a emitir Letras del Tesoro a corto plazo y operar el programa de Letras del Tesoro durante un año. El Ministerio de Hacienda trabaja con el Congreso para abogar anualmente por mantener el Decreto revisado en el Presupuesto Nacional.

Resultado 6.3: La DGTP adopta e implementa nuevos procesos de negocio para apoyar la emisión y administración de un programa de Letras del Tesoro. El personal y las partes interesadas comprenden las actividades y tareas necesarias para emitir letras del Tesoro para financiar déficits de caja a corto plazo.

Componente 9: Administración de caja

Resultado 9.1: La DGTP adopta nuevos procesos de negocio e identifica las fuentes de datos necesarias para implementar los módulos de Cuotas y Plan de Caja. El personal y las partes interesadas comprenden las actividades y tareas necesarias para operar nuevos módulos con SIAF y las fuentes de datos para los módulos.

Resultado 9.2: La DGTP construye e implementa el Módulo de Cuotas y el Módulo de Plan de Caja dentro del SIAF, lo que resulta en un proceso electrónico de aprobación del plan de caja completamente integrado para emitir cuotas presupuestarias para autorizar compromisos de gastos. La DGTP ha mejorado el acceso a la información necesaria para actualizar periódicamente la previsión de efectivo, incluido el estado de los gastos.

Resultado 9.3: El personal de la DGTP gestiona y anticipa mejor las necesidades de efectivo del gobierno y gestiona la volatilidad del efectivo.

Resultado 9.4: La DGTP establece y dirige efectivamente un Comité de Presupuesto y Gestión de Efectivo compuesto por miembros de las Direcciones de Presupuesto, Tesorería, Impuestos y Deuda. Los miembros del Comité interactúan y cooperan formal e informalmente para identificar y resolver problemas relacionados con la administración de caja, la ejecución presupuestaria, y recaudación de ingresos.

16. ¿Qué resultados diría que se lograron?

17. ¿Y cuáles no se lograron y por qué?



18. ¿Qué resultados diría que se han mantenido hasta el día de hoy?

19. ¿Cuáles fueron algunos de los desafíos que encontró durante el trabajo? ¿Se abordaron estos desafíos?

ÁREA DE ENFOQUE C: Disposiciones de gobernanza y gestión

Gracias por sus respuestas. A continuación, hablaremos sobre los acuerdos de gobernanza y gestión y sus componentes y actividades asociados a continuación.

Componente 3: Reorganización de la DGTP

Resultado 3.1: La DGTP realinea la estructura organizacional, define puestos funcionales, roles y responsabilidades, y dota de personal y capacita unidades de manera efectiva para apoyar la implementación de un nuevo programa de inversión excedente de efectivo, mejoras del sistema SIAF, mejor gestión de la deuda y sistemas automatizados de recaudación y pago de ingresos. . .

Componente 7: Indicadores clave de rendimiento

Resultado 7.1: La DGTP utiliza un conjunto estandarizado de KPI para monitorear las cargas de trabajo y mide el logro de los productos y resultados del programa y el desempeño organizacional en el logro de metas y objetivos estratégicos.

Resultado 7.2: La DGTP implementa nuevas políticas y procedimientos que rigen la gestión, operación y supervisión del programa de inversión de excedentes de efectivo en la CUT.

Resultado 7.3: La DGTP mejora sus sistemas de monitoreo y presentación de informes para capturar y analizar mejor los datos de KPI. La DGTP emite periódicamente informes de rendimiento de KPI. Los tomadores de decisiones utilizan datos de desempeño para mejorar la gestión del efectivo, la deuda y los pagos de gastos.

20. ¿Qué resultados diría que se lograron?



21. ¿Y cuáles no se lograron y por qué?

22. ¿Qué resultados diría que se han mantenido hasta el día de hoy?

23. ¿Cuáles fueron algunos de los desafíos que encontró durante el trabajo? ¿Se abordaron estos desafíos?

Ese es el final de mis preguntas para usted. Gracias por tomarse el tiempo de brindarnos sus opiniones.



Annex E. OTA Response

Office of Technical Assistance Response Paraguay: Budget and Financial Accountability Project June 3, 2024

The Office of Technical Assistance (OTA) welcomes the opportunity to provide comments on the Bixal Solutions (Bixal) evaluation, “Office of Technical Assistance: Budget and Financial Accountability (BFA) Project in Paraguay,” dated December 13, 2023.

The evaluation’s key findings provide important insights into OTA’s work with the Government of Paraguay (GOP) between 2015 and 2021. Two resident advisors delivered this assistance over two successive periods, the latter punctuated by the COVID pandemic that spanned the final 18 months of the program and materially affected project deliveries. As the evaluation notes, key achievements during this period included:

- The digital transformation of select treasury operations through the implementation of an electronic payment system;
- The successful development and implementation of cash plan and quota modules in the financial management information system;
- The incorporation of a regulatory decree into the national budget authorizing surplus cash investment; and
- The implementation and regulatory approval of a petty cash purchasing card that is required for use by all ministries.

The achievements helped Paraguay’s Directorate General of the Public Treasury (DGPT) strengthen its core operations, an important element of the GOP’s public financial management reform agenda. Both the Vice Minister and the Director of the DGPT indicated that OTA’s assistance was valuable in modernizing the treasury processes and were grateful for the support. The Director also conveyed that the training provided was beneficial and of excellent quality.

OTA also acknowledges the evaluation’s finding that several components of the planned project were not achieved. The evaluation highlights reasons for unmet outcomes, including an increase in project scope without adequate reassessment and planning, insufficient assessment of risks to achieve planned outcomes, and too few advisors deployed to meet the project scope, particularly in the second phase. OTA welcomes the findings and their corresponding recommendations.

Since 2018, the program has committed considerable resources to strengthen internal project development and implementation processes, not all of which were in practice during the period of the BFA project in Paraguay. Specific actions that OTA is taking regarding the recommendations can be summarized as follows:



- Recommendations 1 through 4 refer to the need for OTA to invest more upfront resources to improve project planning, design, and monitoring and evaluation. A key conclusion is that such investments would help OTA tailor its ambitions to what can realistically be achieved within project timelines. OTA notes that the DGPT Vice Minister observed that he felt OTA assistance could have been more effective if the project's scope had been concentrated into more focused, shorter-term projects. Consistent with this recommendation, OTA incorporates in its new project designs explicit considerations regarding the appropriate scale of its engagements, the degree of counterpart alignment, and the availability of resources. OTA has also instituted a range of monitoring and evaluation practices, including the use of indicators to track progress and accommodate course corrections.
- Recommendation 5 refers to the importance of capacity building in any engagement, a recommendation with which OTA strongly agrees. OTA recognizes the need for training counterparts and has always had as a feature of its activities elements of capacity building. OTA will continue to provide this support, including strengthening its “train-the-trainers” efforts and the delivery of instruction manuals for all future engagements.
- Recommendations 6 through 8 relate to the need for a more collaborative approach to planning projects and improving information exchange across advisors working in the same country or thematic areas. OTA agrees that increasing communication among advisors is important to strengthening assistance delivery and has established several communities of practice across key thematic areas. The program is also establishing working groups to consider how best to onboard and train new advisors and effectively plan new projects.

OTA appreciates the effort that Bixal devoted to the preparation of this evaluation. Its findings and key recommendations will help inform future programs and reinforced the efforts that OTA has already made to improve project design.

