

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PARAGUAY

PROGRAM TO STRENGTHEN PARAGUAY'S NATIONAL STATISTICS SYSTEM

(PR-L1176)

LOAN PROPOSAL

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CONTENTS

PROJECT SUMMARY

I.	DESCRIPTION AND RESULTS MONITORING	1
A.	Background, problem to be addressed, and rationale	1
B.	Objectives, components, and cost	9
C.	Key results indicators	11
II.	FINANCING STRUCTURE AND MAIN RISKS	12
A.	Financing instruments	12
B.	Environmental and social risks	13
C.	Fiduciary risks	13
D.	Other risks and key issues.....	13
III.	IMPLEMENTATION AND MANAGEMENT PLAN	15
A.	Summary of implementation arrangements	15
B.	Summary of arrangements for results monitoring	18

ANNEXES	
Annex I	Summary Development Effectiveness Matrix
Annex II	Results Matrix
Annex III	Fiduciary Agreements and Requirements

REQUIRED LINKS	
Required link 1	Multiyear execution plan / Annual work plan
Required link 2	Monitoring and evaluation plan
Required link 3	Procurement plan

OPTIONAL LINKS	
Optional link 1	Project economic analysis
Optional link 2	Program Operating Regulations
Optional link 3	Safeguard policy filter and safeguard screening form

ABBREVIATIONS

BCP	Central Bank of Paraguay
CNPV	National Population and Housing Census
DGEEC	Bureau of Statistics, Surveys, and Census
ICB	International competitive bidding
IMF	International Monetary Fund
INE	Instituto Nacional de Estadística [National Statistics Institute]
MSPBS	Ministry of Public Health and Social Welfare
PCU	Program coordination unit
SCSP	Public Procurement System
SDG	Sustainable Development Goals
SISEN	National Statistics System
UNFPA	United Nations Population Fund

PROJECT SUMMARY

PARAGUAY PROGRAM TO STRENGTHEN PARAGUAY'S NATIONAL STATISTICS SYSTEM (PR-L1176)

Financial Terms and Conditions				
Borrower: Republic of Paraguay			Flexible Financing Facility ^(a)	
			Amortization period:	25 years
			Disbursement period:	5 years
Executing agency: National Statistics Institute (INE)			Grace period:	5.5 years ^(b)
			Interest rate:	LIBOR-based
Source	Amount (US\$)	%	Credit fee:	^(c)
			Inspection and supervision fee:	^(c)
IDB (Ordinary Capital)	43,000,000	100	Weighted average life:	15.15 years
Total	43,000,000	100	Approval currency:	U.S. dollars
Project at a Glance				
Program objectives: The specific objective of this operation is to improve the quality of official statistics in terms of relevance, timeliness, reliability, and accessibility. Achieving this objective will contribute to the general objective of increasing the use of official statistics for public and private decision-making.				
Special contractual conditions precedent to the first disbursement of the loan: The special contractual conditions precedent to the first loan disbursement are: (i) the establishment of the program coordination unit through a resolution from the National Director of the National Statistics Institute (INE) and the contracting or appointment of its key staff based on the terms of reference previously agreed upon with the Bank; (ii) evidence that the executing agency has approved the program Operating Regulations under the terms previously agreed upon with the borrower and the Bank; and (iii) signature of a subsidiary agreement between the borrower and the executing agency on the transfer and use of the loan proceeds, under terms previously agreed upon with the Bank (paragraph 3.6).				
Exceptions to Bank policies: None				
Strategic Alignment				
Challenges: ^(d)	SI ✓	PI ✓	EI	<input type="checkbox"/>
Crosscutting themes: ^(e)	GD ✓	CC ✓	IC	✓

^(a) Under the terms of the Flexible Financing Facility (document FN-655-1), the borrower has the option of requesting changes to the amortization schedule, as well as currency and interest rate conversions. The Bank will take operational and risk management considerations into account when reviewing such requests.

^(b) Under the flexible repayment options of the Flexible Financing Facility, changes to the grace period are permitted provided that they do not entail any extension of the original weighted average life of the loan or the last payment date as documented in the loan contract.

^(c) The credit fee and the inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with applicable policies.

^(d) SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).

^(e) GD (Gender Equality and Diversity); CC (Climate Change); and IC (Institutional Capacity and Rule of Law).

I. DESCRIPTION AND RESULTS MONITORING

A. Background, problem to be addressed, and rationale

- 1.1 Paraguay's recent socioeconomic performance has been favorable, though the COVID-19 crisis will have severe consequences. Paraguay has one of the region's fastest-growing economies.¹ Between 2004 and 2018, the country's economy had annual average growth of 4.4%,² while the regional average was 2.9%.³ During that same period, per capita GDP increased 47.4%,⁴ from US\$4,487 to US\$6,613;⁵ open unemployment decreased from 7.3% to 5.7%;⁶ poverty decreased from 48.8% to 24.2%;⁷ and based on the Gini coefficient, income inequality decreased from 0.52 to 0.46.⁸ However, in 2019, the economy stagnated and did not grow,⁹ because of the negative impact of climate factors and the unfavorable situation of Paraguay's trade partners.¹⁰ Moreover, the economy is expected to contract 1.5% in 2020 as a result of the COVID-19 pandemic, undermining the progress in social indicators achieved during the past decade. A 4% rebound in growth is forecast for 2021.¹¹ The fiscal effort to mitigate the negative effects of the measures to address the pandemic will cause a deterioration of fiscal accounts, with fiscal deficit at nearly 7% of GDP in 2020 and public debt at a historical peak of 33% of GDP.
- 1.2 The capacity to continue monitoring these indicators depends on the potential for maintaining and improving the availability of quality statistical information. Using information to develop strategies to combat poverty, target investment to priority sectors and areas, and establish mechanisms to include the most vulnerable population is essential. This becomes vitally important in the context of the economic and social shock produced by the COVID-19 pandemic and the natural deterioration of the main output of the national statistics base: the population and housing census. Given that the latest census was conducted in 2012, it is essential to invest in strengthening the country's statistical base by updating and enhancing

¹ Inter-American Development Bank (March 2019): [IDB Group Country Strategy with Paraguay 2019-2023](#).

² Central Bank of Paraguay (BCP): Simple average of annual GDP growth, in constant 2014 dollars (2004-2018), calculated based on [historical series of total GDP data](#).

³ International Monetary Fund (IMF): Simple average of the series "Gross domestic product, constant prices (percent change)," for Latin American and Caribbean countries (2004-2018), [IMF, World Economic Outlook Database](#).

⁴ BCP: Per capita GDP growth, in constant 2014 dollars (2004-2018), calculated based on [Historical series of total GDP data](#).

⁵ BCP: Per capita GDP, in constant 2014 dollars. [Historical series of total GDP data](#).

⁶ Bureau of Statistics, Surveys, and Census (DGEEC): [Principales indicadores de empleo por año de la encuesta](#). Period 1997/1998–2018.

⁷ DGEEC: [Principales Resultados de Pobreza Monetaria y Distribución de Ingreso – 2019](#): (page 8). World Bank Group: [Poverty headcount ratio at national poverty lines \(% of population\)](#) Series.

⁸ World Bank Group: [GINI index](#).

⁹ BCP: [Estimación del PIB 2020 - Abril 2020 y Presentación Estimación del PIB 2020 - Abril 2020](#).

¹⁰ Economic Commission for Latin America and the Caribbean (2019): [Preliminary Overview of the Economies of Latin America and the Caribbean, 2019](#).

¹¹ IMF: [Paraguay: Staff Concluding Statement of the 2020 Article IV Mission](#).

two sources of primary data used to prepare official statistics: the National Population and Housing Census (CNPV) and administrative registers.¹²

- 1.3 Digital transformation of the government involves a significant increase in the migration of in-person, paper-based public services to a digital format. Therefore, electronic records of the interactions between individuals and companies and the government are created. These interactions get recorded and are essential to manage the government agencies that produce these records. However, they are also useful to prepare statistics that supplement, and in some future cases will replace, the information collected through censuses. There has been a gradual migration from traditional censuses to statistics based on administrative registers, which provides cost savings and makes relevant information available sooner. Nevertheless, this process involves a series of intermediate steps toward an integrated statistical system, with consistent and coherent statistical records and sample surveys.¹³ In Paraguay, the Bureau of Statistics, Surveys, and Census (DGEEC) had started a strengthening process by creating an Administrative Registers Department for statistical purposes, organizing workshops, and conducting a diagnostic assessment to measure the country's statistical capacity and prepare an improvement plan.
- 1.4 **Governance of statistics production in Paraguay.** In Paraguay, the National Statistics Institute (INE) is responsible for producing, systematizing, integrating, and sharing official statistics. In accordance with Law 6670, published in the Official Gazette of the Republic of Paraguay on 30 December 2020, the INE will receive the contracted personnel and the officials, goods, and financial resources of the DGEEC. The INE "is the apex agency for official statistics and the coordinator of the National Statistics System (SISEN)," and it has the authority to prepare its own internal regulations and operating manuals and determine its structure and operating units.¹⁴ It is also empowered "to establish the rules, models, formats, and terminology governing the production of statistics" for the country's public administration, that is, to perform the role of a regulatory and coordination entity in generating administrative registers,¹⁵ thereby facilitating the standardization of statistical production and modernization of the SISEN. The Law created the National Statistics Council as an INE advisory body to be composed of representatives of the main governmental ministries, the judiciary, the legislature, and academia. Its main function will be to advise the INE on the priorities that should be set for statistical planning in the country. According to current legislation,¹⁶ the INE is a "legally established entity with financial independence and functional autonomy," which allows it to be established as a financial management subunit and its National Director to act as a disbursing officer.
- 1.5 The wide range of potential users of census data includes public and private sector national institutions, international organizations, and the general public. This

¹² The CNPV is relevant because it provides a universal record of the size and distribution of the country's population and its main characteristics (sociodemographic and economic). Using administrative registers for statistics helps decrease data-collection costs and increase the timeliness of information.

¹³ Wallgren, A. and Wallgren, B. (2016). *Towards an Integrated Statistical System Based on Registers*.

¹⁴ Articles 12 and 20 of [Law 6670](#).

¹⁵ Article 13 of [Law 6670](#).

¹⁶ Article 12 of [Law 6670](#) and [Law 1.535/1999](#) (SUAF).

universe of potential users is comprised of 409 State entities (including subnational institutions) and 224,242 private sector companies (of which 203,936 are microenterprises and small businesses; 13,314 are medium-sized enterprises, and 6,992 are large economic units, according to the latest Economic Census).¹⁷ There are also business associations and unions; consulting firms; faculty, researchers, and students from 54 universities, higher education institutes, technical training institutes, and research centers (including nongovernmental organizations); and international organizations that cooperate financially and technically with the country. Lastly, the general public is interested in having useful information for various purposes, such as demanding accountability from the government and good use of public resources. The census is the only data-collection exercise that provides a level of disaggregation that can allow the study of specific groups, such as the indigenous population; people with disabilities; various age groups; and based on gender, place of residence, and migratory status. For the indigenous population, Paraguay has information dating back to the 1950 census. However, starting with the 2002 census, the DGEEC, which is now the INE, began collecting specific data on indigenous populations.¹⁸

- 1.6 The importance of statistical information, and particularly census data, is also reflected in Decree 9966/2012, which establishes “that to calculate the payment and distribution of resources allocated to municipios to share royalties and compensation from the Itaipú and Yacyretá binational entities, a methodology based on statistical information or official population data shall be maintained for the country’s municipios, duly reported by the DGEEC to the Office of the President of the Republic.” In this regard, Article 5 mentions that “the distribution of royalties and compensation will be conducted in accordance with population data for municipios for each year, which will be provided by the DGEEC to the Office of the President of the Republic by 31 December of each year, for its inclusion in the base for the following fiscal year.” In addition, various institutions request from the INE detailed information regarding the population and its estimates, to justify their budgetary requests to the Ministry of Finance. For example, the Ministry of Public Health and Social Welfare (MSPBS) uses the data to procure vaccines for its Expanded Immunization Program and the National Program for Tuberculosis Control (in the latter case, regarding the indigenous population and other vulnerable groups). Also, the National Disability Office obtains data about people with disabilities.
- 1.7 In the current context of the COVID-19 pandemic, census data will be essential to demonstrate the impact of economic, migratory, and social factors on the general population, and to identify those sectors with the most impact or risk. Moreover, because of this situation, the INE will have to implement methodology adaptations and biosafety measures for data collection in field operations. Mapping updates for the census are scheduled for the second half of 2021. Since this involves field work, it will be conducted using the biosafety protocols established by the MSPBS. Also, satellite images will be analyzed to complete an important portion, which does not involve field work.

¹⁷ <https://www.dgeec.gov.py/default.php?publicacion=20>.

¹⁸ DGEEC (2020). The indigenous peoples’ censuses for 2002 and 2012 included two questionnaires. One was a general population and housing questionnaire with variables based on indigenous experience, which enabled comparisons to the national census; the second sought data about community life. These elements will be replicated in the census planned for 2022.

- 1.8 **The main problem** is the relatively low use of statistical data for empirical decision-making, by the public sector for policymaking and program formulation, and by the private sector for its investment projects.
- 1.9 According to the “Sociodemographic Information Request Record System,” 6,308 requests for sociodemographic information were processed between 2014 and 2019 (see Table 1). This translates into fewer than three requests per day on average, of which fewer than one corresponds to the public sector. Therefore, considering the potential universe of users, the usage rate is extremely low. However, from another viewpoint, these requests more than doubled for the public sector and tripled for the private sector, which shows growing interest in statistical information in Paraguay.¹⁹

Table 1. Total number of inquiries/information requests for statistical data made to the DGEEC²⁰

Year	Inquiries/information requests		
	Total	Public sector	Private sector
2014	518	207	311
2015	622	237	385
2016	603	223	380
2017	1,466	417	1,049
2018	1,666	414	1,252
2019	1,433	420	1,013
Total	6,308	1,918	4,390

- 1.10 This relatively low use of official statistics is associated with the quality of information—in terms of relevance, timeliness, reliability, and accessibility—and the institutional capacity of the INE as the agency now responsible for these statistics (paragraph 1.16).
- 1.11 In a disaggregated manner, the quality of statistical information in terms of relevance can be verified when information requirements to monitor Sustainable Development Goals (SDG) indicators are met.²¹ Of 221 indicators, Paraguay collects information for 29.2% (64 indicators).²² Of the total, 35 indicators could be measured with population census data. Paraguay is currently only collecting 20.²³ The census is important for these indicators because it provides disaggregated census data, which is the only source to monitor SDGs for minority groups of the population and small geographic areas.
- 1.12 With respect to the timeliness of information, the indicator used for the CNPV is the time elapsed between the end of census-taking and the publication of final results. For the 2012 CNPV, this took 24 months; the regional average is

¹⁹ This growth is associated with increasing efforts by the DGEEC to promote population estimates and other products through its website, starting in 2016.

²⁰ DGEEC. Records from Statistics Information Center and General Bureau 2017-2019.

²¹ <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>.

²² <https://ods.dgeec.gov.py/tablero-de-control.php>, 18 June 2020.

²³ Economic Commission for Latin America and the Caribbean (2017): <https://www.cepal.org/es/publicaciones/42394-censos-la-ronda-2020-desafios-la-agenda-2030-desarrollo-sostenible-objetivos>.

approximately 10 months. The delay was caused by “the loss of control over field work due to delays in paying census workers.” This resulted in partial dropouts from field teams and a collection period that was eight months longer than planned.²⁴ Even so, since based on international standards there was still no adequate coverage, the DGEEC also had to extend the data-validation period and process, for which it requested support from a team of international experts. For the Indigenous Census, field collection in households concluded in December 2012. Collection of community questionnaire data was extended until June 2013. Final population results were published in December 2014, and the community questionnaire in April 2015.

- 1.13 **The reliability of the information** in CNPVs is directly associated with the coverage of the population for census-taking. The 2012 CNPV faced census-taking issues, which resulted in an omission rate of 25.6%.²⁵ In contrast, the average omission rate in Latin America for the 2010 census round was 4.5%,²⁶ and the average omission rate in Paraguay for the four previous census rounds (1972-2002) was 7.9%. This is a vitally important element that directly impacts resource distribution to municipios, since the population estimates generated by the INE are the basis for distribution to the entire population. By definition, these estimates lose accuracy as they become more distant from the census year and are impacted by the omission rate of the census on which they are based. For Paraguay, using the methodology from Roseth et al. (IDB, 2019),²⁷ the discrepancy between the population projections based on 2002 census data and the real population versus the projections 10 years after the census was shown to be 13%. These discrepancies were 20% for El Salvador (15 years after the 1992 census), 27% for Bolivia (11 years after the 2001 census), and 7.6% for Ecuador (9 years after the 2001 census).
- 1.14 With respect to the accessibility of information, although the DGEEC had made important progress in making the information it produced widely available, challenges remain.²⁸ According to data from the Open Data Inventory,²⁹ Paraguay is 88th of 178 countries. This limits the usage capacity and its potential impact. An approximation of the accessibility of information is whether it responds to what users seek. The “bounce rate”³⁰ of the institution’s website was used for this, in this

²⁴ Also, “the underestimation of the administrative workload and poor management of the crisis created a high risk that the census would have to be terminated.” This situation was worsened because “regulatory approval periods and resource availability were extended, impacting the payments to field staff.” Project completion report [2542/BL-PR](#).

²⁵ Despite this extremely high rate, a committee of domestic and international experts concluded that “according to a technical report, the omission did not generate any bias, for or against, for any geographic area or group. Therefore, experts concluded that data from the 2012 census was reliable and useable. However, they warned that its use had limitations and its data should be used conditioned upon geographical disaggregation.” Project completion report [2542/BL-PR](#), page 21.

²⁶ Tacla Chamy, Odette. “La omisión censal en América Latina, 1950-2000,” CELADE.

²⁷ Benjamin Roseth, Angela Reyes, and Karla Yee. [“The Value of Official Statistics: Lessons from Intergovernmental Transfers.” IDB, 2019.](#)

²⁸ DGEEC (2019): Access to information continues to be mostly through direct requests to employees from interested parties through: visits (142); phone calls (315), and emails (734).

²⁹ <https://odin.opendatawatch.com/>.

³⁰ The “bounce rate” of a website is the proportion of users who arrive there and immediately leave without navigating through it.

case 71.6%.³¹ A study with data from national statistics offices from low- and middle-income countries showed an average bounce rate of 47.7%,³² meaning that more than half of users who arrive to a website continue navigating through it. Only slightly more than a quarter of those who reach the DGEEC website remain there. This could be because of openness issues, an area where the DGEEC obtained a score of 39/100 based on the evaluation from Open Data Watch.³³

- 1.15 Moreover, administrative registers do not meet minimum requirements to be used for statistical purposes in line with the principle of “ask once, use many times.”³⁴ Therefore, it is important for the INE to coordinate and support the agencies that generate these registers, so that technical interoperability goes hand by hand with semantic interoperability. The DGEEC had conducted the first evaluation of the quality of administrative registers for statistical purposes, covering 96 registers in the government’s central administration. Among the main results, 42% of these registers “are not currently ready to be used for statistical purposes.” This is mostly due to: (i) the lack of computerization that prevents statistical processing; (ii) the lack of availability due to regulatory, technological, or other restrictions; and (iii) the inability to ensure the regularity of data delivery to generate statistics.³⁵
- 1.16 With respect to institutional capacity and in the context of the transition from the DGEEC to the INE (paragraph 1.4), the executing agency faces constraints resulting from the lack of trained human resources.³⁶ Between 2017 and 2020, less than one third of staff received some type of training;³⁷ its methodologies for producing, processing, and sharing information need to be updated; and its technology infrastructure for develop new systems is very limited. Information technology hardware has fulfilled its useful life (67% of total investments in this hardware in recent years were purchased before 2013),³⁸ and software is

³¹ Estimate based on Google Analytics data for the period between 1 June and 1 September 2020.

³² <https://opendatawatch.com/publications/measuring-data-use/>.

³³ <https://odin.opendatawatch.com/>.

³⁴ https://en.wikipedia.org/wiki/Once-only_principle.

³⁵ “As a summary, we can say that almost all administrative registers have documentation/metadata issues, and more than half have issues with respect to the tools, methods, and formats for data collection.” Report on results of the inventory of administrative registers and their statistical capacity, and proposals for their strengthening, F. Segui, December 2019.

³⁶ “Experience is concentrated among few people who participated several times in knowledge documentation and generation processes, to maintain and improve products based on census projects over time. The staff needs to strengthen their handling of tools, not only technical tools but also organizational development tools (management by process), and to professionalize their project management capacity with international practices and standards.” DGEEC/United Nations Population Fund (UNFPA). Proyecto Censal Ajustado, June 2020, page 18.

³⁷ Data from the Human Talent Department of the DGEEC. This percentage may be overestimated, because often the same employees attend different courses. Between 2017 and 2020, an average of 7 courses per year were offered, with approximately 125 participants each and a total of 405 employees.

³⁸ These investments coincided with the period for the previous census. Population censuses are an opportunity to update information technology hardware.

outdated.³⁹ As a result, Paraguay places 13th in the region according to the Statistical Performance Index of the World Bank,⁴⁰ with a score of 61/100.

- 1.17 **Rationale.** The 2030 National Development Plan considers the importance of official statistics as a tool to design, monitor, and evaluate public policies. It includes a section on “Improving the capacity of the National Statistics System.” Therefore, the government requested technical⁴¹ and financial assistance from the IDB to strengthen technology and institutional aspects at the INE; update the national statistics base by conducting the next CNPV; and increase the statistical use of administrative registers.
- 1.18 **The Bank’s experience with the country and the sector.** The Bank has provided technical and financial support for the execution of several projects focused on improving the generation of statistics in countries of the region through censuses, surveys, and administrative registers. These include: Argentina: Program to Strengthen the Statistical Capacity of Argentina’s National Statistics and Census Institute (INDEC) ([4243/OC-AR](#)); Bolivia: Program to Support the Year 2000 National Population and Housing Census ([1046/SF-BO](#)); Colombia: 2005 General Census Program ([1671/OC-CO](#)); Ecuador: Support for the Population and Housing Census and Strengthening of the National Statistics System ([1296/OC-EC](#)); Honduras: Support the 2012 Population and Housing Census and Integrated System of Household Surveys of Honduras ([2529/BL-HO](#)); and Venezuela: Strengthening of the National Institute of Statistics (INE) as the Lead Agency of the National Statistics System (SEN) ([1831/OC-VE](#)). The lessons learned from these remain relevant for the preparation of this operation and are summarized below. These experiences are associated with the Modernization of the State Strategy Document (document GN-2235-1) in supporting the “development of data collection and analysis capacity for the elaboration and evaluation of policies” and the “implementation of instruments to prioritize investments.” For both, census information is fundamental.
- 1.19 For Paraguay, the Bank financed the 2012 CNPV ([2542/BL-PR](#)), which was implemented under the DGEEC’s responsibility. This entity had the technical capacity, skilled human capital, and knowledge documentation and generation processes to maintain and even improve the products prepared under the program.⁴² In addition, the 2020/2021 Agricultural Census ([4423/OC-PR](#)), which is in the planning stage. The Bank has plans to provide additional support to help the INE strengthen its statistical capacity, including under technical cooperation funding ATN/OC-18366-PR to support mapping updates and prepare an inventory of national statistics operations.
- 1.20 **Lessons learned.**⁴³ These are some of the lessons learned from these projects, particularly the operation to finance Paraguay’s previous census ([2542/BL-PR](#)),

³⁹ According to the World Bank’s Methodology, Standards and Classifications measurement, which provides information on the technology being used by the National Statistics System, in 2018 Paraguay obtained 38/100.

⁴⁰ This refers to the [Statistical Performance Index of the World Bank](#). Measuring the Statistical Capacity of Nations. Policy Research Working Paper 8693. World Bank Group, January 2019.

⁴¹ In addition to the technical assistance provided by the program team, a technical cooperation funding requested by the Ministry of Finance is in process to support precensus activities.

⁴² Project completion report [2542/BL-PR](#), paragraph 2.76.

⁴³ The lessons mentioned in the *Lessons Review Package*, IDB 2020, were used for this paragraph.

that were incorporated into the preparation of this operation: (i) it is essential to consider innovations in methodology and the use of information technology for data collection; (ii) overlapping the country's election calendar with the census cycle, specifically census-taking, should be avoided; (iii) it is relevant for the operation to include activities to raise awareness among respondents, producers, and users as to the value of accurate statistics and the importance of using information to improve the quality of public policy and evidence-based decision making; (iv) associated with the above lesson, it is important to establish a dialogue between users and producers, so that the data generated meets the needs of policymakers and other users. This includes proactive dissemination of statistics to the population, businesses, and the public sector; (v) statistical capacity-building efforts have a higher likelihood of success when they support a specific initiative, such as preparing for a census, rather than a broad strategy;⁴⁴ (vi) the executing agency should have a technical team throughout the operation, made up mainly of in-house staff skilled in each subject and with their performance evaluated annually; (vii) all the staff involved in census-taking should have the logistical and financial conditions to fully perform their functions; (viii) efforts should be made to promote the participation of the members of the community in which the census is being conducted, particularly in the case of indigenous communities; and (ix) it is essential to prioritize institutional strengthening to ensure the continuity of census exercises and the quality and ongoing dissemination of statistics. Based on these lessons, the following was included in this operation: (a) the best technology alternatives to perform statistical tasks more efficiently, which also consider energy efficiency requirements, will be selected, and there will be pilot tests for methodological validation of the census and the instruments and technology used for data collection (paragraph 1.25); (b) all census cycle activities will be planned to avoid overlapping with the country's election calendar (paragraph 1.26); (c) activities to be financed will include dialogues (workshops) and incentives for the public sector, the private sector, and society regarding the use of statistics (paragraph 1.27); (d) census information will support the variety of statistics for various thematic areas in the country (paragraph 1.28); (e) this will be a de facto census, and therefore the information will be collected by volunteers in coordination with the Ministry of Education and Sciences, avoiding mass contracting and an extensive census-taking period (paragraph 1.29); (f) indigenous communities will participate in the collection of information (paragraph 1.23); and (g) there is a component to strengthen the institutional framework of the INE (paragraph 1.30).

- 1.21 **Coordination with other multilateral organizations.** The Bank has been working in close coordination with the United Nations Population Fund (UNFPA) in Paraguay, establishing a joint strategy to support the INE in conducting the population census. Likewise, the design of a multiyear strategy to develop the country's statistical capacity is being coordinated with the Partnership in Statistics for Development in the 21st Century (PARIS21).
- 1.22 **Strategic alignment.** The program is consistent with the Second Update to the Institutional Strategy (document AB-3190-2) and is strategically aligned with the following development challenges: (i) social inclusion and equality, by contributing to improve information for policies to combat poverty; and (ii) productivity and innovation, by supporting investments that enable innovation and the adoption of

⁴⁴ Thomas K. Morrison, ed. (2005). [*“Statistical Capacity Building: Case Studies and Lessons Learned.”*](#) IMF.

technology to capture, process, and disseminate statistics. It is also aligned with the crosscutting issues of: (i) gender equality and diversity, particularly the issue of diversity and indigenous peoples, by producing quality information for policymaking based on the CNPV and the Indigenous Census (paragraph 1.23); (ii) institutional capacity and the rule of law, by expanding the availability of official statistics to increase the public sector's capacity for policy making and execution; and (iii) climate change, by financing the reduction of greenhouse gas emissions through the procurement of energy efficient equipment to update the technology infrastructure. According to the [joint methodology of the multilateral development banks for tracking climate finance](#), it is estimated that 3.48% of the operation's resources are invested in climate change mitigation measures by procuring energy efficient equipment. These resources contribute to the IDB Group target of increasing financing for climate-related projects to at least 30% of approvals. This operation will also contribute to the Corporate Results Framework 2020-2023 (document GN-2727-12) indicator "agencies with strengthened digital technology and managerial capacity," by helping update the information technology hardware of the INE. It also aligns with the Sector Strategy: Institutions for Growth and Social Welfare (document GN-2587-2), by strengthening institutional capacity for policymaking. This operation also aligns with the IDB Group Country Strategy with Paraguay 2019-2023 (document GN-2958), in the strategic area of public management and institutions, particularly its strategic objective of strengthening public management capacities.

- 1.23 **Gender and diversity considerations.** The information generated by the population census provides a level of granularity to be able to analyze the living conditions and access to services of specific groups, such as women, indigenous communities, and people with disabilities. The availability of information and studies based on this data are fundamental to inform public policy design, by making it possible to quantify gaps, target interventions, and allocate necessary resources. As a parallel operation, this program will conduct an Indigenous Census with the participation of indigenous communities, generating input for a detailed analysis and including the largest possible geographical disaggregation on the socioeconomic situation of these groups. The Indigenous Census is important in that it will enable information on this group to be updated, closing the 10-year data gap that occurs between censuses. Moreover, based on the Bank's experience, a decision was made to work on improving administrative registers on the indigenous population to improve the availability and timeliness of data during this period. In addition to the general questionnaire from the CNPV, the Indigenous Census also has an instrument on community data. The instruments will be translated into native languages and will be accompanied by awareness campaigns among the communities. In addition, thematic studies on gender gaps and people with disabilities will be prepared with the data collected for the population census.

B. Objectives, components, and cost

- 1.24 **Objective.** The specific objective of this operation is to improve the quality of official statistics in terms of relevance, timeliness, reliability, and accessibility. Achieving this objective will contribute to the general objective of increasing the use of official statistics for public and private decision-making. The operation has three components.
- 1.25 **Component 1. Support to conduct the 2022 CNPV (US\$38,000,000).** The objective of this component is to ensure that the 2022 CNPV is aligned with digital

transformation challenges and demographic information requirements for the next 10 years.⁴⁵ Technological innovation⁴⁶ will be present in different work stages of the 2022 CNPV. During the precensus stage, this will be through data collection processes that use satellite imagery and tablets with GPS and remote transmission for georeferenced digital data capture (automation to manage census mapping). During the census stage, through development of systems to recruit operational staff, virtual training to supplement classroom-based training, use of tablets for collection in collective housing, and coverage monitoring. There are also plans to include methodological innovation by collecting national identification documents with guaranteed confidentiality (for strengthening and use of administrative registers). All the technology will include cybersecurity measures to ensure the confidentiality, integrity, and availability of the information and systems of the INE.

- 1.26 To that end the program will finance: (i) precensus activities (mapping updates, questionnaire design, pilot census, capture technology,⁴⁷ and communication and awareness campaign for the population); (ii) field operations for the CNPV (contracting of a census team⁴⁸ and their training, deployment, and organization); (iii) the Indigenous Census, the only source of information available for this population;⁴⁹ and (iv) the postcensus stage (population database, dissemination, census documentation, and evaluation of census coverage). Census-taking for the CNPV will be mostly conducted by education sector volunteers (faculty and students in the last years of high school). They will receive a stipend to cover their food and transportation on census day.
- 1.27 **Component 2. Increased use of information as a public policy input (US\$1,600,000).** The objective of this component is to achieve wide dissemination of census information through thematic studies and workshops based on census data. There are also plans to create a platform that provides users remote access to the information produced by the INE. Also, basic spatial data infrastructure will be developed, enabling increased use of census mapping and the various layers of georeferenced data in combination with census information. Both platforms are intended to facilitate and promote access to the data that the INE produces and foster its use by the public sector, the private sector, and academia.
- 1.28 Therefore, the program will finance: (i) thematic studies and workshops based on CNPV information, on subjects such as fertility, mortality, migration, education, housing characteristics, access to services, unmet basic needs, gender, ethnicity, and people with disabilities;⁵⁰ (ii) creation of an easily accessible geoportal (a dynamic website) with links to information sources from other institutions; and (iii) development and implementation of a technology platform (internal

⁴⁵ Field work for the CNPV is planned for the second half of 2022.

⁴⁶ An energy efficiency requirement will be included for the program's technology infrastructure purchases.

⁴⁷ Within the scope of the technology to be considered and to mitigate risks when the data collected is uploaded, the executing agency will have the support of a specialized firm. This firm will perform the scanning and provide the input needed, including designing the questionnaires that will later be captured.

⁴⁸ For the contracting process of the census team (precensus, census, and Indigenous Census), the executing agency will have the support of one or more specialized firms.

⁴⁹ All statistical information produced, when applicable, will be disaggregated by gender, ethnicity, and disability status. This will help governments formulate policies and programs that consider these perspectives.

⁵⁰ Following the recommendations of the Washington Group.

communications system, procurement of software, and adaptation of information technology infrastructure) to process data online.

- 1.29 **Component 3. Institutional strengthening of the INE and development of the National Statistics System (SISEN) through the use of administrative registers for statistics (US\$500,000).** The objective of this component is to harness the relevance of the census to consolidate the operational and professional capacity of the INE as a producer of information. This will include: (i) ensuring access to gross microdata from administrative registers to be used for statistical purposes (including regulatory considerations and interagency agreements); (ii) computerizing administrative registers, integrating them, and making them interoperable with census information; and (iii) improving the quality of the administrative registers that are currently computerized and ready to be shared with the INE, by building its capacity to provide technical assistance to the agencies responsible for these registers.
- 1.30 The component will finance: (i) standardization of statistical methodology for the capture, processing, and operational control of data for administrative registers;⁵¹ (ii) development of a master sample framework for households to consolidate the household survey system; (iii) training workshops for personnel responsible for administrative registers and district and departmental government personnel on the use of the census and administrative registers; and (iv) training activities for INE staff.⁵²
- 1.31 **Program administration.** Administration, evaluation, and audit costs will account for 5.3% of loan proceeds (US\$2,300,000).
- 1.32 **Beneficiaries.** The central government and its decentralized units will benefit from having quality primary strategic information to formulate public policies, plans, and socioeconomic projects, and to measure the progress achieved toward these objectives. They will also have advanced data analysis instruments. A specific beneficiary is the INE, which will have an updated database for the country's entire population (living and housing conditions) and modern tools for information capture, processing, and dissemination. This will include having trained staff for work areas involving statistical activities.
- 1.33 Civil society as a whole and the productive sector specifically will greatly benefit from having census information that is updated and disaggregated both by demographic group and region. Among other benefits, this will enable them to formulate plans and estimate investments and the supply of goods and services by sector and locally; know workforce availability by location; and have information to conduct scientific and academic studies and research.

C. Key results indicators

- 1.34 **Expected outcomes.** The general development objective will be measured through an increase in the use of information generated by the INE, both by the public and private sectors, for decision-making. This will be based on the following outcomes to be achieved in line with the specific objective of improving the quality

⁵¹ The [inventory of statistical operations for the national government includes a list and the development status of the administrative registers prepared by Paraguayan government institutions](#).

⁵² Courses on sampling techniques; demographic analysis and population estimates; information dissemination techniques; information quality; information processing; and use of administrative registers for statistical purposes.

of official statistics: (i) collect information for more indicators of international commitments (SDGs) (relevance); (ii) decrease the time elapsed between the end of census-taking for the CNPV and the Indigenous Census and the publication date of their results (timeliness); and (iii) reduce the omission rate of the CNPV (reliability).

- 1.35 **Economic analysis.** The cost-effectiveness analysis is based on a comparative analysis of alternatives against the outcome indicator for the census omission rate. This indicator was selected because of its homogeneity, since it can be compared between countries and over time within the same country. A decrease in this rate will increase the quality, reliability, and use of statistics. Data on census costs and omission rates for the 2000 and 2010 census rounds in comparable countries was used for the calculation, with results of US\$204,301. This means that the program will allocate an average of an additional US\$204,301 for every tenth of a point reduction in the census omission rate and that on an ex ante basis, this operation is the most cost effective compared with the alternatives. A sensitivity analysis with more conservative assumptions showed results that do not surpass the cost-effectiveness ratio of the other alternatives (see the [economic analysis](#)).

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 The program will have a total cost of US\$43 million, financed with a specific investment loan from the Bank's Ordinary Capital. Table 2 sets out the budget by component. For more details, see the itemized budget ([required link 1](#)).

Table 2. Estimated program costs (US\$)

Components	IDB	%
Component 1. Support to conduct the 2022 CNPV	38,000,000	88.4
Component 2. Increased use of information as a public policy input	1,600,000	3.7
Component 3. Institutional strengthening of the INE and development of SISEN through the use of administrative registers for statistics	500,000	1.2
Program administration	2,300,000	5.3
• Program coordination unit	1,708,000	3.9
• Audits	200,000	0.5
• Monitoring and evaluations (midterm, final, and ex post cost-effectiveness analysis)	392,000	0.9
Contingency	600,000	1.4
Total	43,000,000	100

Note: The amounts for the planned costs include local taxes in accordance with Bank policy.

- 2.2 The five-year execution period is justified by the time needed to process, analyze, and disseminate all the information and studies conducted after census information is collected.

Table 3. Disbursement schedule (US\$ million)

Source	Year 1	Year 2	Year 3	Year 4	Year 5	Total
IDB	21.3	17.4	2.2	1.4	0.7	43
% per year	49.6	40.4	5.2	3.2	1.6	100

B. Environmental and social risks

- 2.3 According to the Environment and Safeguards Compliance Policy (Operational Policy OP-703), the operation has been classified as a category “C” operation. No adverse environmental or social impacts are expected. Certain precensus and census-taking activities that require in-person field work will be performed following strict biosafety protocols to prevent risks to the staff and community members. For some vulnerable groups, such as indigenous peoples and people with disabilities, the population census offers the only opportunity to see themselves represented in the country's demographic structure and become visible with respect to public policy. Therefore, not conducting a census would mean making them invisible. For indigenous peoples, there will be a specialized census that considers the needs and characteristics of their communities, including translation into their languages. For people with disabilities, the questionnaire will be aligned with the recommendations of the Washington Group.⁵³

C. Fiduciary risks

- 2.4 The following were preliminary identified as medium-high human resources risks of a fiduciary nature: (i) if a procurement specialist with knowledge of IDB policies and project experience were not available during the first quarter of program execution, there would be delays in procurement processes, which would cause schedule delays starting in year 1; and (ii) if a financial specialist with knowledge of IDB financial guidelines and project experience were not available during the first quarter of program execution, there would be delays and/or mistakes in using and justifying funds, which could result in ineligible expenditures and incorrect decision-making because of mistakes in financial reports. Both risks will be mitigated by having a procurement specialist and a financial specialist in the program coordination unit (PCU). These specialists are part of the essential staff mentioned in the special contractual conditions precedent to the first disbursement (paragraph 3.6).

D. Other risks and key issues

- 2.5 The following risks were identified for the design stage:
- Political.** There is a high political risk that if the legislative branch delays approval of the operation, the first disbursement for the program would be delayed, resulting in delays in the startup of execution and impacting up to 50% of the planned execution for year 1. The INE will mitigate this risk by sharing information with and making presentations to relevant stakeholders, including the congress, on the importance of the program and census information for the country. A medium-high risk was identified that if faculty unions were to employ their voluntary participation in census supervision activities as a bargaining tool to negotiate wage increases, it could impact these activities and the operating

⁵³ <https://www.washingtongroup-disability.com/fileadmin/uploads/wg/Documents/WG-Short-Set-Spanish-translation-v2020-June-23.pdf>.

plan for census day might not be achieved as scheduled. To mitigate this risk, an emergency plan will be activated, under which public officials will be census supervisors.

- b. **Planning.** The following medium-high planning risks were identified: (i) if there were complaints during the tendering processes because participants disagree, contract awards would be delayed and logistical arrangements would not meet the scheduled timelines. To mitigate this risk, there will be specialized support to prepare technical specifications and bidding documents, in order to ensure free competition (paragraph 3.3); (ii) if the necessary staff could not be contracted as planned and on schedule, it would impact technical and management processes, resulting in an inability to meet the schedule of the operations plan for census day. To mitigate this risk, in coordination with the Bank's fiduciary staff, mechanisms that enable shortened processes will be analyzed and the possibility of outsourcing the administration of mass contracting will be evaluated (paragraph 3.7); (iii) if the forecasts to flatten the COVID-19 transmission curve failed to materialize and there were another outbreak, it would impact the execution calendar of activities that require field work and social proximity, resulting in a failure to meet the planned census schedule. To mitigate this risk, safety protocols will be followed by those responsible for in-person work, in coordination with the MSPBS. In addition, technologies enabling remote data collection for the precensus will be used (paragraphs 1.7 and 3.4); and (iv) if there were no local suppliers that meet the minimum requirements (technology restrictions in the market), procurement processes would be delayed and technical and management preparatory processes would not meet the scheduled timelines. To mitigate this risk, there will be specialized support to prepare the technical specifications and bidding documents to ensure free competition, as well as international competitive bidding (paragraph 3.3).

- 2.6 **Sustainability.** The Paraguayan government has given top priority not only to the census, by formally requesting technical and financial assistance from the Bank to conduct it, but also to modernization of the institutional framework for statistics in the country through enactment of the "Law establishing Modernization of the National Statistics System (SISEN) and creating the National Statistics Institute (INE)" in December 2020.⁵⁴ In terms of capacity, the technical and methodology progress resulting from this program will impact the quality of all statistical operations under the INE's responsibility, specifically because of solid investments to improve its staff and technology for census execution. Lastly, one of the main pillars for the sustainability of statistical capacity is the existence of ongoing demand for information from civil society and the public and private sectors, which is the main objective of this operation.

⁵⁴ [Law 6670](#).

III. IMPLEMENTATION AND MANAGEMENT PLAN

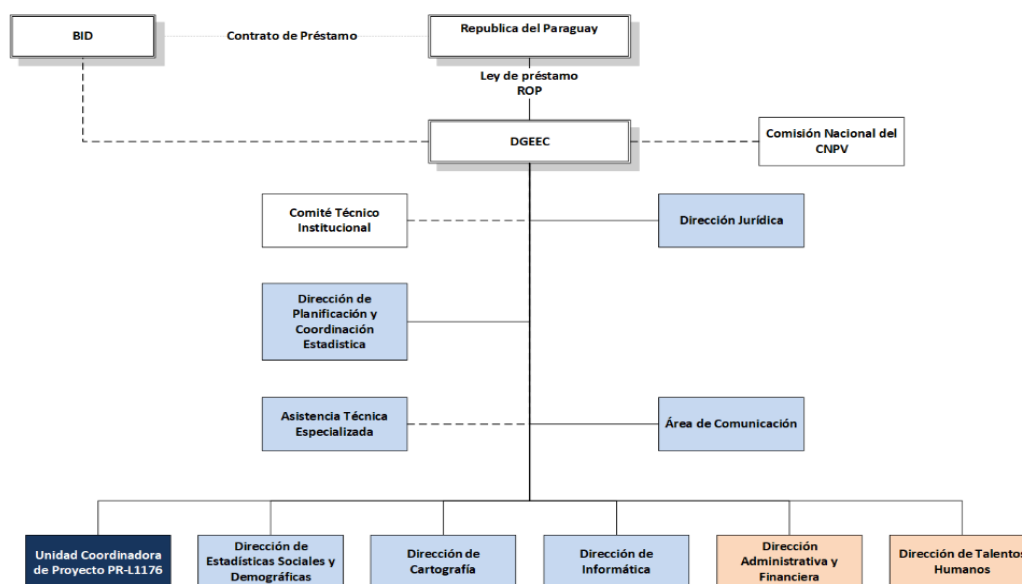
A. Summary of implementation arrangements

- 3.1 **Borrower and executing agency.** The borrower is the Republic of Paraguay, and the executing agency is the National Statistics Institute (INE). For program execution, the INE will establish a program coordination unit (PCU) attached to the Office of the National Director. This unit will be responsible for executing all planning, financial management, procurement, and monitoring processes. Therefore, the PCU will have a team comprised of at least: (i) a general coordinator; (ii) a coordinator for every component; (iii) a planning and monitoring specialist; (iv) an administrative and financial specialist; and (v) a procurement specialist.
- 3.2 The Bank performed an assessment using the Institutional Capacity Assessment Platform in September 2020. The main results were: (i) the executing agency has the conditions necessary for program execution; (ii) the areas identified as needing strengthening with training were project management and fiduciary (new procurement policies set out in documents GN-2349-15 and GN-2350-15); (iii) a financial information system that generates the reports required for the operation is needed; and (iv) implementation of the Risk Mitigation Plan needs to remain updated and in execution through semiannual reviews by the PCU.
- 3.3 For program execution, the INE, in addition to the PCU, will use its organizational structure and fiduciary management systems. The PCU will have: the fiduciary support⁵⁵ of the corporate or support units (administration, procurement, finance, legal counsel, human resources, planning, information technology, cartography, communications, etc.) as well as the technical or mission units (social and demographic statistics, etc.). The INE will receive specialized technical assistance financed by the loan (paragraph 3.8).⁵⁶ This assistance will initially focus on updating census maps, designing questionnaires, arranging logistics for field operations, and preparing technical specifications and bidding documents.

⁵⁵ For the contracting process of the census team (precensus, census, and Indigenous Census), the executing agency will have the support of one or more specialized firms.

⁵⁶ As demonstrated in the "lessons learned" (paragraph 1.20), conducting a CNPV requires particular expertise to ensure the success of an operation that is so complex and filled with interactions, with the participation of various actors at the same time and in different locations of the country. It is important to have the technical assistance and support of entities with proven international experience in this area.

Figure 1. Organization chart⁵⁷



Source: IDB.

- 3.4 **Interagency coordination mechanisms.** Considering that conducting the census process requires the participation of various institutions and government levels, a National Census Committee⁵⁸ was established. Within this framework, specific agreements with the commitments of the different parties can be defined. This includes the Ministry of Education and Sciences for the census-taking process, with the active participation of faculty and students; the Ministry of Public Health and Social Welfare (MSPBS) to define and monitor the protocols to be followed for all in-person activities because of the health emergency resulting from the COVID-19 pandemic; and subnational governments to provide logistics assistance for field work. Specifically, with the Ministry of Education and Sciences and the support of the Ministry of Childhood and Adolescence, the executing agency will establish a protocol for the participation of students from the last two years of high school in the census-taking process, which ensures compliance with applicable national legal requirements.⁵⁹
- 3.5 **Program Operating Regulations.** The [program Operating Regulations](#) will detail the program execution strategy and will include: (i) the organizational chart and coordination of the program; (ii) the structure and responsibilities of the PCU staff; (iii) the technical and operational arrangements for its execution; (iv) the programming, monitoring, and results evaluation mechanism; and (iv) guidelines for financial, audit, and procurement processes. Annexes will include at a minimum: (i) the Results Matrix; (ii) the Fiduciary Agreements and Requirements;

⁵⁷ This organizational chart may be updated in the program [Operating Regulations](#) in accordance with the regulatory degree implementing [Law 6670](#).

⁵⁸ The function of this committee established through [Decree 3620](#) is programmatic coordination among State agencies and entities, departmental governments, municipalities, and the Paraguayan part of binational entities. This is intended to obtain their cooperation and support to conduct precensus, census, and postcensus activities, facilitating the assignment of staff and material resources required for each stage.

⁵⁹ <https://www.bacn.gov.py/leyes-paraguayas/2515/sanciona-el-codigo-del-trabajo>.

- (iii) the [monitoring and evaluation plan](#); (iv) necessary recurrent costs, including temporary and supplemental remuneration for executing agency personnel assigned to program activities; (v) the itemized budget; and (vi) a description of eligible activities planned for every component.
- 3.6 **Special contractual conditions precedent to the first disbursement of the financing.** The special contractual conditions precedent to the first loan disbursement are: (i) the establishment of the PCU through a resolution from the National Director of the INE and the contracting or appointment of its key staff based on the terms of reference previously agreed upon with the Bank, a necessary condition to complete the execution mechanism (paragraph 3.1); and (ii) evidence that the executing agency has approved the [program Operating Regulations](#) under the terms previously agreed upon with the borrower and the Bank, to establish the rules for the elements mentioned in the previous paragraph and implement the program successfully; and (iii) signature of a subsidiary agreement between the borrower and the executing agency on the transfer and use of the loan proceeds, under terms previously agreed upon with the Bank, because the executing agency is a separate legally established entity and therefore requires a mechanism to formalize the transfer of resources.
- 3.7 **Procurement of goods, services, and works.** Works, goods, and consulting services will be procured in accordance with the Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (document GN-2349-15) and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-15). The Bank's fiduciary staff and members of the PCU will jointly review mechanisms enabling shortened processes for mass contracting.
- 3.8 **Direct contracting.** Because the UNFPA is the United Nations organization responsible for population issues,⁶⁰ it can be contracted as a specialized agency to help the INE conduct the population and housing census. This direct contracting is necessary because Paraguay lacks specialized agencies with the staff and capacity to provide demonstrated technical assistance to perform all the activities of a census operation. In this regard, the UNFPA provides a combination of capabilities and unique experience⁶¹ for the preparation, execution, analysis, and dissemination of population and housing censuses in developing countries.⁶² In addition, since according to national laws the fuel used by State agencies and entities must come from a single source,⁶³ to follow the Fuel Supply Agreement between Petróleos Paraguayos and the executing agency,⁶⁴ this product will be procured through direct contracting.
- 3.9 **Audits.** During execution, the PCU will submit on an annual basis audited financial statements for the program, pursuant to the Bank's terms. The operation will

⁶⁰ <https://www.unfpa.org/census>.

⁶¹ Pursuant to Policy GN-2349-15, paragraph 3.10; and Policy GN-2350-15, paragraph 3.16 (Selection of Specialized Agencies as Consultants) and paragraphs 3.10 and 3.11(d) "when only one firm is qualified or has experience of exceptional worth for the assignment."

⁶² UNFPA (2017): [UNFPA Strategy for the 2020 Round of Population & Housing Censuses \(2015-2024\)](#).

⁶³ Policy GN-2349-15, subparagraph 3.7(c).

⁶⁴ Based on Article 301 of Decree 4774 of 2016, which regulates Articles 128 and 129 of Law 5554/2016. http://www.correoparaguayo.gov.py/application/files/6014/7015/5977/Decreto_4774.pdf.

require selection of an independent audit firm acceptable to the Bank. Audited financial statements will be submitted within 120 days following the close of each fiscal year, and the final statement will be submitted within 120 days after the effective date of the last disbursement.

B. Summary of arrangements for results monitoring

- 3.10 **Monitoring and supervision system.** To measure program progress and evaluate fulfillment of its objectives, outcome indicators associated with the general and specific objectives will be used, as well as the outputs indicated for each component in the Results Matrix. This information will be included in the progress monitoring report. The executing agency will be responsible for maintaining data collection and monitoring systems. The [annual work plan](#) will include: (i) an estimated budget; (ii) an updated procurement plan; (iii) the planned indicators for the Results Matrix; (iv) the planned activities; and (v) an execution calendar. The executing agency will also submit semiannual status reports, within 60 days following the end of each six-month period. The instruments for program monitoring are detailed in the [monitoring and evaluation plan](#).
- 3.11 **Monitoring by the Bank.** There will be administration missions and inspection visits. The Bank agrees that the executing agency will use a progress monitoring report, which includes estimates of disbursements and fulfillment of physical goals and results. In addition, a meeting between the executing agency and the Bank will be held annually to discuss topics that include: (i) progress made in the activities identified in the [annual work plan](#); (ii) the fulfillment of the indicators established in the Results Matrix; (iii) the annual work plan for the following year; and (iv) the [procurement plan](#) for the following 12 months and potential modifications to the budget allocations by component. The executing agency agrees to maintain a program monitoring and evaluation system for all the components, which will be used as the basis for preparing the reports and data it will submit to the Bank. The executing agency will have a planning and monitoring specialist responsible for monitoring its activities ([monitoring and evaluation plan](#)).
- 3.12 **Evaluation.** The Results Matrix and the monitoring and evaluation plan will be used for program evaluation. The program will include a midterm evaluation, a final evaluation, and an ex post economic evaluation, covering technical, operational, and financial aspects. The midterm evaluation will be conducted after disbursement of at least 60% of the resources or two and a half years after the entry into force of the loan contract, whichever occurs first. The main objectives of this evaluation will be to review the progress in all activities programmed for that period, identify potential deviations and their causes, and propose corrective measures to be applied, as well as to verify intermediate outputs, emergence of the risks foreseen in the corresponding matrix, and application of measures to mitigate these risks. The final evaluation will be conducted after disbursement of at least 90% of the loan resources. Its objectives will be to verify progress in fulfilling the planned targets for each of the outcomes expected and the generation of outputs by component. These evaluations will serve as inputs to prepare the project completion report.
- 3.13 The ex post cost-effectiveness analysis will be part of the final evaluation and replicate the activities performed for the program's ex ante economic analysis, using data collected during execution and updating the data related to comparison factors. The effectiveness of the specific objective will be evaluated with a "before

and after” methodology for all outcome indicators, combined with the conclusions from the evaluation of census coverage.

Development Effectiveness Matrix		
Summary		PR-L1176
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Issues	-Social Inclusion and Equality -Productivity and Innovation -Gender Equality and Diversity -Climate Change -Institutional Capacity and the Rule of Law	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	-Agencies with strengthened digital technology and managerial capacity (#)	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-2958	Strengthen public management capabilities
Country Program Results Matrix		The intervention is included in the 2021 Country Program Document
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution		10.0
3.1 Program Diagnosis		2.5
3.2 Proposed Interventions or Solutions		3.5
3.3 Results Matrix Quality		4.0
4. Ex ante Economic Analysis		8.0
4.1 Program has an ERR/NPV, or key outcomes identified for CEA		2.0
4.2 Identified and Quantified Benefits and Costs		3.0
4.3 Reasonable Assumptions		0.0
4.4 Sensitivity Analysis		2.0
4.5 Consistency with results matrix		1.0
5. Monitoring and Evaluation		9.5
5.1 Monitoring Mechanisms		4.0
5.2 Evaluation Plan		5.5
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood		Medium High
Environmental & social risk classification		C
IV. IDB's Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)	Yes	Financial Management: Budget, Treasury. Procurement: Information System, Price Comparison.
Non-Fiduciary	Yes	Statistics National System.
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project	Yes	ATN/OC-18366-PR: The overall objective of technical cooperation is to support the Republic of Paraguay, specifically the National Institute of Statistics (INE), in planning and preparation for the implementation of the National Census of Population and Housing (CNPV).

The general objective of the program is to increase the use of official statistical information in public and private decision making. The program has a specific objective: to improve the quality of official statistical information in terms of relevance, timeliness, reliability, and accessibility.

The program presents a complete diagnosis, with a precise description of the current state of national statistics and a detailed explanation of previous experiences in previous census rounds. The indicators associated with the general objective and the specific objectives included in the Results Matrix are SMART, with established goals and means of verification.

The economic analysis of the project was carried out through a cost-effectiveness analysis. The unit of analysis was the census omission rate since it allows comparability between countries and over time within the same country. The expected decrease in the census omission rate turns out to be cost effective. Sensitivity analysis with more conservative assumptions yields results that do not exceed the cost-effectiveness ratio of the other alternatives.

The project includes a monitoring and evaluation plan according to Bank standards. The effectiveness of the proposed intervention will be evaluated through a before-and-after analysis, and the ex-post efficiency of the project will be evaluated using a cost-effectiveness analysis.

RESULTS MATRIX

Program objectives:	The specific objective of this operation is to improve the quality of official statistics in terms of relevance, timeliness, reliability, and accessibility. Achieving this objective will contribute to the general objective of increasing the use of official statistics for public and private decision-making.
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GENERAL DEVELOPMENT OBJECTIVE

Indicators	Unit of measure	Baseline value	Baseline year	Expected year achieved	Target	Means of verification	Comments
General development objective: Increase the use of official statistics for public and private decision-making.							
Annual requests for information by the public sector from census sources	Number of requests	420	2019	2026	630	Sociodemographic Information Request Record System of the National Statistics Institute (INE)	This indicator can be evaluated upon completion of the program. Information from census sources includes census database, projections, and census mapping.
Annual requests for information by the private sector from census sources	Number of requests	1,013	2019	2026	1,519	Ibid	Ibid

SPECIFIC DEVELOPMENT OBJECTIVES

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of operation	Means of verification	Comments
Specific development objective 1. Improve the quality of official statistics in terms of relevance, timeliness, reliability, and accessibility											
Indicators that can be estimated based on census information to monitor Sustainable Development Goals (SDG) indicators	%	57	2020					75	75	Publication of indicators on the INE website	Attribute: relevance. The percentage is calculated by dividing the SDG indicators that the INE currently estimates with census data (20) by the total SDG indicators that can be generated based on census information (35).

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of operation	Means of verification	Comments
Time elapsed between the end of census-taking for the population census and the publication date of the final basic national results (by age group and gender)	Months	24	2014					12	12	Publication of data on the INE website	Attribute: timeliness. Baseline: 2012 population census. The universe refers to 17 departments, 258 municipios, and the Capital District (Asunción). The final target refers to planning for the 2022 census.
Time elapsed between the end of census-taking for the Indigenous Census and the publication date of the final basic national results (by age group and gender)		22	2014					12	12		Attribute: timeliness. Baseline: 2012 population census.
Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of operation	Means of verification	Comments
Omission rate for the National Population and Housing Census (CNPV)	%	25.6	2012					7.0	7.0	Report that the CNPV was conducted. Results of the postcensus survey.	Attribute: reliability. The 7.0% value corresponds to the average of the country's 1992-2002 censuses.
Government agencies benefited by projects that strengthen technology and managerial tools to improve public service delivery	Number	0	2020					1	1	Semiannual status reports and final report approved by the Bank	The government agency refers to the INE.

OUTPUTS

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of operation	Means of verification	Comments
Component 1. Support to conduct the 2022 CNPV											
O1. Mapping database for the census operation updated and digitized	Segmented and georeferenced mapping digital database	0	2020	1	0	0	0	0	1	Output report for the mapping update and the precensus	This is also linked to a population record database, georeferenced at the housing level.
O2. Pilot census executed	Pilot census	0	2020	1	0	0	0	0	1	Pilot census report. Program status reports.	
O3. Campaigns for census communication and awareness conducted	Campaigns	0	2020	1	1	0	0	0	2	Final report from communications on campaign implementation	
O4. Field operation for the CNPV conducted	Census	0	2020	0	1	0	0	0	1	Implementation report from census operation	
O5. Indigenous Census conducted		0	2020	0	1	0	0	0	0		
O6. Consistency of population database validated and verified	Database	0	2020	0	0	1	0	0	1	Census database. Database closing report.	
O7. CNPV results validated and disseminated	Publications	0	2020	0	0	2	2	2	6	Information available on the INE website	Publication of the final tabulations for the CNPV and the Indigenous Census at a national, departmental, and district level.
O8. Census coverage evaluation conducted	Documents	0	2020	0	0	0	1	0	1	Coverage evaluation report	

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of operation	Means of verification	Comments
Component 2. Increased use of information as a public policy input											
O9. Workshops to promote and disseminate the use of census information conducted	Reports	0	2020	0	0	1	1	1	3	Reports of workshops conducted	
O10. Studies using census information (estimates) conducted	Studies	0	2020	0	0	0	0	5	5	Documents published	
O11. Thematic studies based on the 2022 census (research) conducted, including at least one on gender issues and one on people with disabilities		0	2020	0	0	0	0	20	20		For the study on people with disabilities, a specific indicator is "prodiversity"
O12. Technology platform for online data processing implemented	Platform	0	2020	0	0	0	1	0	1	Web platform available on institutional website	
O13. Geoportal combining various sources of information with digital census mapping in operation	Geoportal	0	2020	0	0	0	1	0	1	Web platform available on institutional website	

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of operation	Means of verification	Comments
Component 3. Institutional strengthening of the INE and development of the National Statistics System (SISEN) through the use of administrative registers for statistics											
O14. Standardized methodology for capture of statistical data from administrative registers for SISEN institutions implemented	Methodology assistance	0	2020	0	0	0	0	10	10	Reports on assistance provided to Statistics Offices	
O15. Master sample framework for households updated	Available master sample framework	0	2020	0	0	0	0	1	1	Final report on master sample framework for households	
O16. Training workshops conducted for administrative-register staff and district and departmental government staff	Workshops	0	2020	0	0	0	5	5	10	Reports of workshops conducted	
O17. Training activities conducted for INE staff (courses, workshops, certificates, seminars, on-the-job training)	Staff trained	0	2020	0	0	0	15	15	30	Participation reports	Courses on sampling techniques; demographic analysis and population estimates; information dissemination techniques; information quality; information processing; and statistical use of administrative registers.

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Country:	Paraguay
Project name:	Program to Strengthen the National Statistics System of Paraguay
Project number:	PR-L1176
Executing agency:	National Statistics Institute (INE)
Prepared by:	Jorge Luis Gonzalez and Jorge Seigneur (fiduciary specialists)

I. EXECUTIVE SUMMARY

- 1.1 The institutional assessment for the program's fiduciary management was based on: (i) the fiduciary context of the country; (ii) the results of the fiduciary risk assessment and Project Risk Management Workshop; and (iii) the results of the institutional capacity assessment of the executing agency, conducted in September 2020.¹ The fiduciary agreements applicable to the execution of this program are based on this assessment.

II. FIDUCIARY CONTEXT OF THE COUNTRY

- 2.1 Paraguay's national financial management systems are generally considered to present a medium level of development. Nonetheless, they need to be supplemented for purposes of executing Bank-financed projects. Specific financial reports are currently produced through auxiliary accounting systems. Financial control tools, such as the Integrated Financial Management System (SIAF), the Integrated Accounting System (SICO), and other subsystems, enable executing agencies to transfer payments to suppliers through the Central Bank of Paraguay (BCP) under acceptable conditions. External control is currently being performed through independent audit firms.
- 2.2 Paraguay's national public procurement system has shown great progress in terms of efficiency and transparency in the recent years, as a result of the creation of its lead agency, the National Public Procurement Office (DNCP). This enabled the implementation of a procurement transaction platform with electronic processing that includes online reverse auctions, a supplier system, and a statistics information system. Paraguay's Public Procurement Information System (SICP)

¹ All of the institutional assessment analyses were conducted for the Bureau of Statistics, Surveys, and Census (DGEEC), which became the National Statistics Institute (INE) pursuant to [Law 6670](#), published in the Official Gazette of the Republic of Paraguay on 30 December 2020. Article 51 of the Law establishes, "Contracted personnel and the officials, goods, and financial resources of the Bureau of Statistics, Surveys, and Census (DGEEC) will be transferred to the National Statistics Institute (INE)."

has been fully used in the Bank's operations, in conjunction with the country online reverse auction and competitive tendering subsystems, for the amounts and categories specified in the agreement for use of those subsystems signed on 17 June 2014.

III. FIDUCIARY CONTEXT OF THE EXECUTING AGENCY

- 3.1 The National Statistics Institute (INE) will execute the program, acting through a program coordination unit (PCU). The PCU will have: the fiduciary support of the corporate or support units (administration, procurement, finance, legal counsel, human resources, planning, information technology, cartography, communications, etc.) as well as the technical or mission units (social and demographic statistics, etc.).
- 3.2 Based on the institutional capacity assessment, this unit needs its core staff to be reinforced in the technical and fiduciary areas, to be able to absorb the greater operational demands that this operation will entail. This situation is considered a crosscutting factor that is highly likely to generate risks for attaining the program's objectives within the scope, timeframe, and costs (quality) initially estimated. As this is seen as a problem, it will be mitigated as indicated in paragraph 4.2.

IV. FIDUCIARY RISK EVALUATION AND MITIGATION ACTIONS

- 4.1 The following were preliminary identified as medium-high human resources risks of a fiduciary nature: (i) if a procurement specialist with knowledge of IDB policies and project experience were not available during the first quarter of program execution, there would be delays in procurement processes, which would cause schedule delays starting in year 1; and (ii) if a financial specialist with knowledge of IDB financial guidelines and project experience were not available during the first quarter of program execution, there would be delays and/or mistakes in using and justifying funds, which could result in ineligible expenditures and incorrect decision making because of mistakes in financial reports. Both risks will be mitigated by having a procurement specialist and a financial specialist in the program coordination unit (PCU).
- 4.2 **Procurement management.** Based on the assessments of the PCU, the main areas for improvement focus on: (i) difficulties contracting staff trained on procurement; and (ii) a slow process for preparing bidding documents, evaluating bids, and awarding contracts. To address these, there will be: (a) training on the use and application of the new procurement policies; and (b) planning for the various types of procurement processes in the program Operating Regulations, with estimated times and approved by resolution.
- 4.3 **Financial management.** To mitigate risks of delays and overlapping functions, the basic functions of the PCU and the roles of the INE units that will participate in the processes and actions executed by the PCU will be established.

V. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF THE CONTRACT

- 5.1 The following agreements and requirements should be considered in the special clauses or the General Conditions, as applicable:
- (i) The opening of a special bank account for the program's exclusive use.
 - (ii) The PCU will submit annual audited financial statements, under specific terms of reference acceptable to the Bank, within 120 days following its fiscal year-end. The final audit report will be submitted within 120 days following the expiry of the last disbursement period.
 - (iii) According to the provisions of Article 4.10 of the General Conditions, the parties agree that the exchange rate applicable will be as indicated in section (b)(ii) of this article. For these purposes, the agreed upon exchange rate will be that prevailing on the effective date on which the borrower, executing agency, or any other legal entity or individual that has been delegated the authority to incur expenditures makes the respective payments to the contractor, provider, or beneficiary. The agreed upon exchange rate to determine the equivalence of expenditures incurred in local currency and chargeable to the local contribution or for reimbursement will be the exchange rate in effect on the date on which the borrower, the executing agency, or any other legal entity or individual that has been delegated the authority to incur expenditures makes the respective payments to the contractor, provider, or beneficiary.

VI. FIDUCIARY AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

- 6.1 The procurement policies applicable to this loan are contained in documents GN-2349-15 and GN-2350-15. The Bank's Board of Executive Directors also approved, through document GN-2538-11, the use of the online reverse auction and competitive tendering subsystems of Paraguay's Public Procurement System (SCSP) (Law 2051/03). The use of other country systems that may be approved after this program's approval will be automatically applicable and will be indicated in the procurement plan.
- A. Procurement execution**
- 6.2 **Procurement of works, goods, and nonconsulting services.** Works, goods, and nonconsulting services² subject to international competitive bidding (ICB) will be procured using the standard bidding documents issued by the Bank. Bidding processes subject to national competitive bidding (NCB) will be executed using national bidding documents agreed upon with the Bank. The program sector specialist is responsible for reviewing the technical specifications for procurement.
- 6.3 **Selection and contracting of consultants.** Consulting services contracts generated under the program will be executed using the standard request for proposals issued by or agreed upon with the Bank. The program sector specialist

² Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (document GN-2349-15), paragraph 1.1: Nonconsulting services are treated as goods.

is responsible for reviewing the terms of reference for the contracting of consulting services.

- (i) **Selection of individual consultants.** Pursuant to the respective procurement policies (document GN-2350-15).
- (ii) **Training.** Procurement workshops will be offered.
- (iii) **Use of country system.** Pursuant to document GN-2538-11 of October 2013, use of the online reverse auction and competitive tendering subsystems of Paraguay's SCSP will be applicable in Bank-financed operations, as follows:
 - a. In all goods and nonconsulting service contracts subject to online reverse auction under the SCSP, provided the amount is below the threshold set by the Bank for application of the shopping method for off-the-shelf goods (US\$250,000).
 - b. In all works contracts for amounts below the threshold set by the Bank for application of the shopping method for custom goods (US\$250,000), and contracts for goods and nonconsulting services up to the amount set by the Bank for application of the shopping method for custom goods and services (US\$50,000).
 - c. Contracts for amounts equal to or above the aforementioned thresholds will be governed by the Bank's policies (document GN-2349-15).

6.4 Section 1 of the Bank's policies (document GN-2349-15) will be applicable in all contracts executed regardless of their amount or procurement modality. Any system or subsystem that is subsequently approved will be applicable to the operation. The operation procurement plan and its updates will indicate which procurements processes are to be executed using the approved country systems.³

6.5 **Direct contracting.** Two direct contracts will be executed: (i) the United Nations Population Fund (UNFPA), which is the United Nations organization responsible for population issues, will be contracted as a specialized agency to help the INE conduct the population and housing census. This direct contracting is necessary because Paraguay lacks specialized agencies with the staff and capacity to provide demonstrated technical assistance to perform all the activities of a census operation. In this regard, the UNFPA provides a combination of capabilities and unique experience for the preparation, execution, analysis, and dissemination of population and housing censuses in developing countries;⁴ and (ii) Petróleos Paraguayos PETROPAR, given that its Fuel Supply Agreement with the executing agency establishes unique conditions with respect to the types of products that cannot be provided by other suppliers, making this a single-source contract.⁵

³ If the Bank validates another system or subsystem, this will be applicable to the operation, pursuant to the provisions of the loan contract.

⁴ Pursuant to Policy GN-2349-15, paragraph 3.10 (Procurement from Specialized Agencies); and Policy GN-2350-15, paragraph 3.16 in line with paragraphs 3.10 and 3.11(d).

⁵ Pursuant to Policy GN-2349-15, paragraph 3.7(c).

Table 1. Thresholds for international bidding and international shortlist (US\$)⁶

Method	ICB for works	ICB for goods and nonconsulting services	International shortlist for consulting services
Threshold	3,000,000	250,000	200,000

Table 2. Amounts by type of contracting (US\$)

Procurement category	Amount financed by the Bank
Works	0.00
Goods	7,592,786
Nonconsulting services	13,477,623
Firms	793,423
Individual consultants	1,911,491
Training	167,606
TOTAL	23,942,929

- 6.6 **Procurement supervision.** Procurement and/or contracting processes governed by Procurement Policies GN-2349-15 and GN-2350-15 will be reviewed by the Bank ex ante, after consulting the Ministry of Finance in this regard. The supervision of all procurement and/or contracting processes governed by the online reverse auction and competitive tendering subsystems of Paraguay's SCSP (document GN-2538-11) will be processed through the country system.⁷
- 6.7 **Special provisions.** No special provisions are anticipated, other than those specified in paragraph 5.1.
- 6.8 **Records and files.** Program reports will be prepared and filed using systems, formats, or procedures that the Bank stipulates or that have been agreed upon with the Bank.

VII. FIDUCIARY AGREEMENTS AND REQUIREMENTS FOR FINANCIAL EXECUTION

A. Financial management

- 7.1 **Programming and budget.** The PCU will centralize the coordination of program execution, supported by other INE divisions and units, as necessary. The budget will be programmed, managed, and executed by the PCU, under the zero-based budgeting system.
- 7.2 **Accounting and information systems.** Paraguay uses modified cash accounting; however, for record-keeping in Bank-financed projects, it is working on a cash basis.
- 7.3 **Information systems.** The PCU will have access to the SIAF through the Public Credit Bureau. Given that the country systems are unable to issue the reports the

⁶ If these are updated, the executing agency will be notified for immediate implementation.

⁷ Depending on the extent of use of the system, supervision may be supplemented with program audits, in which case it should be mentioned in this annex.

Bank needs, these will be prepared using different systems, which will require additional work for this unit.

- 7.4 **Disbursements and cash flow.** Program disbursements will be made through advances of funds, which must be supported by a detailed monthly financial plan covering a period of up to six months, and another long-term plan, making it possible to determine the program's actual needs arising from the execution plan, annual work plan, and procurement plan. The second and subsequent disbursements will require justification of 80% of funds already advanced.
- 7.5 **Exchange rate.** The exchange rate agreed upon with the executing agency for financial reporting will be that prevailing on the effective date of the respective payments unless the borrower decides otherwise during loan negotiations.
- 7.6 **Internal control and internal audit.** With respect to internal control, the 2019 second-semester report of the Standard Internal Control Model of Paraguay (MECIP) produced a score of 4.5, corresponding to an adequate performance level. This has been published on the website of the Public Audit Office, which monitors internal control of the INE.
- 7.7 **External control and reporting.** The executing agency will submit annual auditing reports for the program, prepared by an independent audit firm acceptable to the Bank, under the terms of reference previously approved by the Bank. The program financial statements include statements of cash received and disbursements made, statement of cumulative investments, notes to those statements, and the declaration by the program's management (executing agency). The audit report will include an evaluation of the internal control system. The program will require selection of an independent audit firm rated at the "Plus" level, which will be financed with the loan proceeds.
- 7.8 **Financial supervision plan.** Financial supervision may be adjusted in response to program execution and audit reports. Supervision will be provided through three methods.

Table 3. Financial supervision plan

Nature and scope	Frequency
Financial audit and presentation of financial statements	Annually
Review of disbursement requests and attached reports	Twice or three times per year
Inspection visit/analysis of internal controls and control environment at the executing agency	Annually

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/21

Paraguay. Loan ____/OC-PR to the Republic of Paraguay. Program to Strengthen Paraguay's National Statistics System

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Republic of Paraguay, as borrower, for the purpose of granting it a financing to cooperate in the execution of the Program to Strengthen Paraguay's National Statistics System. Such financing will be for an amount of up to US\$43,000,000 from the Ordinary Capital resources of the Bank, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on ____ 2021)