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DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PARAGUAY

PRODUCTIVE PARAGUAY: TRANSPARENCY AND FINANCING

(PR-L1144)

LOAN PROPOSAL

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ABBREVIATIONS

AFD	Agencia Financiera de Desarrollo [Development Finance Agency]
AML	Anti-money laundering
AML/CFT	International Standards for Combating Money Laundering and Financing of Terrorism
BNF	Banco Nacional de Fomento
FATF	Financial Action Task Force
GAFILAT	Financial Action Task Force for Latin America
GDP	Gross domestic product
IMF	International Monetary Fund
MSME	Micro, small-, and medium-sized enterprises
OECD	Organization for Economic Cooperation and Development
PBL	Policy-based loan
PNPC	Plan Nacional de Prevención de la Corrupción [National Plan for Corruption Prevention]
SEPRELAD	Secretariat for the Prevention of Assets and Money Laundering
SME	Small and medium-sized enterprises
WAL	Weighted average life
WEF	World Economic Forum

PROJECT SUMMARY

PARAGUAY
PRODUCTIVE PARAGUAY: TRANSPARENCY AND FINANCING
(PR-L1144)

Financial Terms and Conditions				
Borrower: Republic of Paraguay			**Flexible Financing Facility**[a]	
			Amortization period:	20 years
Executing agency: Republic of Paraguay, acting through the Ministry of Finance			**Disbursement period:**	2 years
			Grace period:	5.5 years[b]
Source	**Amount (US$)**	**%**	**Interest rate:**	LIBOR-based
IDB (Ordinary Capital):	200 million	100	**Credit fee:**	[c]
			Inspection and supervision fee:	[c]
Total:	200 million	100	**Weighted average life (WAL):**	12.72 years[d]
			Currency of approval:	U.S. dollars

Project at a Glance
Project objective/description: The objective of this operation is to improve the productivity of the Paraguayan economy by: (i) strengthening transparency; (ii) improving the functioning of the financial system; and (iii) improving the legal and institutional framework for long-term financing. This operation will be financed as a multi-tranche policy-based loan in two consecutive tranches of US$100 million each.
Special contractual conditions precedent to disbursement of the loan: Disbursement of the proceeds corresponding to from each tranche of the loan is subject to fulfillment of the policy reform conditions, pursuant to the policy matrix (Annex II), the policy letter, and the conditions established in the loan contract (paragraph 3.2).
Exceptions to Bank policies: None

Strategic Alignment						
Challenges:[e]	SI	☐	PI	☑	EI	☐
Crosscutting themes:[f]	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 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 the corresponding policies.

(d) The original WAL of the loan may be shorter, depending on the effective signature date of the loan contract.

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

(f) GD (Gender Equality and Diversity); CC (Climate Change and Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

I. DESCRIPTION AND RESULTS MONITORING

A. Background, problem addressed, and rationale

1.1 **Macroeconomic context.** Paraguay ended 2016 with a real GDP growth rate of 4.1%, compared with 3.1% in 2015. On the supply side, this growth is explained by a dynamic electricity sector (13% growth), and on the demand side, net exports have been the main driver of economic activity (25% growth). During the first half of 2017, the economy evolved favorably, with year-on-year GDP growth of 5.3% (March).[1] This growth has been underpinned by robust activity in the manufacturing and service sectors. In the short- and mid-term, the real GDP growth rate is forecast at about 4.0%, higher than the expected growth rate of 1.0% for the rest of Latin America and the Caribbean.[2] The external position has strengthened. As of June 2017, the trade surplus was 1.7% of GDP (US$500 million), and the capital and financial account deficit had dropped from 2.7% of GDP in 2015 to 0.15% in 2016. As a result, international reserves stood at US$8 billion (US$6.9 billion in June 2016), offering coverage equivalent to over seven months of imports. Additionally, prices were stable. As of June 2017, year-on-year inflation was 2.9%, below the level recorded for the same period in 2016 (4.7%). Lastly, as of June 2017, the fiscal deficit was 1.5% of the GDP, in line with the limit established by the Fiscal Responsibility Law, and public debt was 23.5% of GDP, one of the lowest rates in Latin America and the Caribbean. Though the macroeconomic context is positive, Paraguay's economy faces vulnerabilities. Severe climate events, unfavorable performance of trade partners, a drop in international prices for agricultural commodities (soy, beef), and rising economic and financial uncertainty on the international stage are notable risk factors. According to recent studies,[3] maintaining macroeconomic stability, strengthening the regulatory and institutional framework, increasing the Paraguayan economy's productivity, reducing poverty, and promoting inclusive growth are essential to increase the country's resilience.

1.2 **Productive context.** Although Paraguay's per capita GDP has trended positively in the last several years, increasing from US$3,226 in 2010 to US$3,823 in 2015 (in constant 2010 U.S. dollars), this is far below not only the levels seen in Argentina (US$10,515), Brazil (US$11,159), Chile (US$14,660), and Uruguay (US$13,944) but also the Latin American and Caribbean average (US$9,342).[4] This gap in growth can largely be explained by the low levels of productivity in the Paraguayan economy.[5] Paraguay has one of the lowest aggregate productivity rates in Latin America and the Caribbean, coming in below the regional average, and well below the highest-performing countries in the region. Whereas Paraguay's total factor productivity was 74% of the United States' in 1970, it was less than half (47% of the United States' total factor productivity) in 2014 and far below its neighbors' rates (67% for Uruguay, 68% for Chile, and 81% for Argentina) and also below the Latin

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1 Central Bank of Paraguay (2017).

2 Ibid.

3 IMF (2017), Article IV.

4 World Bank (2017), *World Development Indicators.*

5 On the relationship between productivity and economic growth, see IDB (2017), Support to SMEs and Financial Access/Supervision Sector Framework Document (document GN-2768-7).

American and Caribbean average (55%).[6] This productivity gap has a particularly pronounced effect on small and medium-sized enterprises (SMEs), with productivity at 60% of the rates for large companies.[7] In order to remedy this situation, recent diagnostic assessments[8] indicate four working areas to boost the Paraguay's economic productivity: (i) productive integration and diversification; (ii) productive infrastructure; (iii) human capital; and (iv) quality policy frameworks and institutions.[9] Regarding the latter, and according to international assessments,[10] the Paraguayan government has embarked on a structural reform agenda[11] that is built around the following pillars: (i) strengthening transparency; (ii) improving financial system operations; and (iii) improving the legal and institutional framework for long-term financing.

1. Transparency in Paraguay

1.3 **Productivity and transparency.** Institutional quality and transparency are key to the effective delivery of public services and fundamental to building a business climate that incentivizes investment and supports private sector development.[12,13] Empirical evidence has shown that a lack of transparency and integrity can affect a country's productivity and economic growth.[14] The causes for this type of problem include systems and processes that restrict access to information, both for citizens and economic actors, and even government agencies responsible for control, and also institutions, laws, and regulations that have technical or design flaws that leave room for discretionality.

1.4 **Transparency in Paraguay.** Recent surveys have shown that lack of transparency is the main obstacle to improving the business climate in Paraguay.[15] International

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6 R. Feenstra et al. (2015), "The Next Generation of the Penn World Table." *American Economic Review.* 105 (10): 3150-3182.

7 General Division for Statistics, Surveys, and Censuses (2011), National Economic Census.

8 IDB (2017). *Paraguay: Country Development Challenges*. In preparation.

9 This operation will focus on the fourth area, with a special emphasis on creating a business climate conducive to public and private investment that promotes productive transformation and sustained economic growth in the country.

10 IMF (2017), Op. cit.; WEF (2017), *Global Competitiveness Report 2016-2017*; IDB (2017), Op. cit.

11 See Paraguay National Development Plan 2030. This plan sets out three strategic pillars: (i) poverty reduction and social development; (ii) inclusive economic growth; and (iii) effective integration of Paraguay into the global economy. The main actions envisaged for the second pillar—inclusive economic growth—include pursuing reforms to create a business climate conducive to promoting productive sector development, for example, by promoting an open and transparent government; guaranteeing the independence and purpose of the Central Bank of Paraguay; establishing lines of financing for SMEs; promoting seed capital and implementing a guarantee fund to strengthen SME entrepreneurship and productive capacity; and developing special long-term credit products for innovation and technology projects, with an emphasis on SMEs.

12 OECD (2013). "The rationale for fighting corruption," background brief. Paris: OECD; R. Sumanjeet (2015). "Institutions, Transparency, and Economic Growth." *Emerging Economy Studies.* 1(2): 188-210.

13 See Paolo Mauro (1995). "Corruption and Growth." *Quarterly Journal of Economics.* 110 (3): 681-712. This article warns about the relationship between honesty and bureaucratic efficiency indicators with economic growth and the potential negative macroeconomic consequences of corruption.

14 See, for example, J. Lambsdorff (2003). "How Corruption Affects Productivity." *Kyklos* 56(4): 457-474; D. De Rosa, N. Gooroochurn, and H. Gorg (2010). "Corruption and Productivity." Working Paper 5348, Washington, DC: World Bank.

15 WEF (2017), Op. cit.

indicators[16] place Paraguay at position 93/138 in the area of transparency of government policymaking and point to poor performance in government effectiveness, with Paraguay in the 17th percentile for 2015, out of a maximum of 100. According to Latinobarómetro 2015, corruption is the country's fifth largest problem, and 65.3% of Paraguayans consider it to be a serious problem in the public sector.[17] This is consistent with the high perception of corruption reported by Transparency International's Corruptions Perception Index for Paraguay. Although the country improved by three points between 2015 and 2016 (from 27/100 to 30/100 points, respectively), it remains below the Latin American and Caribbean average (39 points in 2016) and far below the region's highest-performing countries (Uruguay with 71 points, Chile with 66 points, and Costa Rica with 58 points). A review of integrity indicators and recent reports[18] suggests that Paraguay has a high level of risk in terms of money laundering and financing for terrorism, in addition to weakness in terms of internal control, external audits, and legislative scrutiny of audit reports. Although the Open Access to Public Information and Government Transparency Law (Law 5282/2014) was enacted in 2014, the 2015 Right to Information Index underscores the fact that Paraguay has room to continue improving in the areas of right to access, application processes, exceptions and rejections, appeals, sanctions and protection, and measures aimed at promoting public access to information.

1.5 **Ongoing challenges.** Since enacting Law 5282/2014 and adopting the National Plan for Corruption Prevention (PNPC) by Decree 4900 of 15 February 2016, Paraguay has laid the groundwork for strengthening its regulatory and institutional framework for preventing corruption and promoting the right to access to public information, including open data. Decree 4900 also details the way in which the PNPC uses the major international conventions against corruption as a source and reference, which is explained in further detail below. As of February 2017, the IDB had determined that about 20% of the targets set forth in the PNPC (10 out of 45) had been significantly to fully met, including the three corresponding to implementation of Law 5282/2014. With the recent adoption of Law 5787/2016, Modernizing and Strengthening the Regulations Governing Paraguay's Financial System, the Secretariat for the Prevention of Assets and Money Laundering (SEPRELAD) is being strengthened in areas related to the use of financial information for preventive purposes (exceptions to banking secrecy). The law also establishes provisions regarding the registration of shareholders of entities regulated by the system and the obligation to identify the end beneficiary in the case of shareholder companies. In order to continue this progress in the area of transparency and build a clear institutional and regulatory framework that incentivizes investment and supports the development of the country's productive sector,[19] Paraguay would benefit from efforts to: (i) further implement the PNPC; (ii) deepen some of the PNPC's objectives, broadening some of its initial measures and targets; and (iii) expand the reform agenda, in line with some of the recommendations derived from international conventions on transparency and integrity ratified by Paraguay, in addition to international financial integrity

16 Ibid.

17 Global Corruption Barometer (2013).

18 See, for example, Basel Anti-Money Laundering (AML), latest PEFA and IMF evaluation (2017), Op. cit.

19 IDB (2017). *Paraguay: Country Development Challenges*. In preparation.

standards[20] it has adopted, and commitments it has made voluntarily as part of the Open Government Partnership 2016-2018. Paraguay would also benefit from eliminating bearer shares, as a fundamental step toward financial and fiscal transparency, strengthening the principle of identifying end beneficiaries of economic transactions and eliminating banking secrecy, for purposes of taxation, money laundering prevention, and the fight against terrorism. Eliminating bearer shares would be a major milestone in compliance with international transparency standards and improving the country's credibility.

2. Functioning of the financial system in Paraguay

1.6 **Productivity and functioning of the financial system.** The development level of a financial system has a major effect on productivity. A more advanced degree of development: (i) allows for better allocation of capital to projects with better returns; and (ii) mitigates the impact of macroeconomic shocks and volatility on the economy.[21] In order for the financial system to achieve a level of development that maximizes its contribution to productivity, regulations should seek to ensure stability levels that allow agents to make decisions in a predictable context. At the same time, proper regulation and supervision of the financial system is key to ensuring that the stability of the system is maintained as a higher level of development is being pursued. This helps to prevent financial crises, which undermine agents' trust in the financial sector, limiting savings expansion, the growth potential of intermediation, and the availability of medium- and long-term financing.[22] Finally, proper functioning and regulation of the financial system are crucial to channeling resources toward a greater number of companies and investment projects, thereby facilitating financial inclusion.

1.7 **Paraguay's financial system.** The financial system is solid and well-capitalized. Financial institutions' assets are equal to 93% of GDP. The system is mainly banking (the 17 banks operating in Paraguay hold 78% of total assets) and concentrated (four large banks control about two-thirds of total financial assets). The main component of bank assets is credit, concentrated in the agricultural sector (22%), wholesale trade (18%), and livestock (13%).[23] The credit portfolio presents a gender gap, with 70% of agricultural loans issued to companies or projects led by men, versus 30% to companies or projects led by women, which is an obstacle to greater

[20] Paraguay has ratified the Inter-American Convention against Corruption and the United Nations Convention against Corruption. It has also signed the International Standards on Combating Financing Laundering and the Financing of Terrorism (AML/CFT) and Proliferation (herein after, "the Standards"), issued by the Financial Action Task Force (FATF), as a member of the Financial Task Force of Latin America (GAFILAT), a regional subgroup of the FATF. Together, these treaties promote a complex, multifaceted agenda of preventive measures, institutional strengthening, intra- and extra-national cooperation, including corruption investigations and sanctions. The PNPC reflects several elements of this agenda, some of which are also included in this operation.

[21] For more information on the relationship between productivity and functioning of the financial system, see IDB (2017) Op. cit.

[22] Instability and financial crises may explain nearly 50% of the regional gap in financial depth compared with other regions of the world. See A. De la Torre et al. (2014), *Emerging Issues in Financial Development. Lessons from Latin America*, Washington, DC: World Bank. Regarding the studies linking financial reforms to improvements in factor allocation in the economy, see M. Larrain and S. Stumpner (2013), *Financial Reforms and Aggregate Productivity: The Microeconomic Channels,* New York, New York: Columbia University.

[23] Central Bank of Paraguay (2017), Financial Stability Report, May.

financial inclusion.[24] The levels of regulatory capital to weighted assets (17.93%), from the past-due portfolio to total loans (2.94%), return on assets and return on equity (2.3% and 23.3%, respectively) are comparable to levels in the region's most advanced countries (LAC-5).[25,26] Paraguay's capital markets are still very small, shallow, and liquid, which limits the ability of companies and households to diversify sources of financing, undermining the country's financial stability.

1.8 **Ongoing challenges.** Recent studies[27] highlight three factors that deserve special attention regarding the stability and proper functioning of the Paraguayan financial system. First, credit growth (26.5% in the last 10 years) has been very strong, and although this is partly a reflection of the country's significant underdevelopment in terms of financial depth and minimal growth in the past-due portfolio (half a percentage point between 2016 and 2017), this situation nevertheless introduces balance sheet risks for the banking sector.[28] Secondly, the banking system is particularly characterized by the high rate of dollarization of its credit portfolio (nearly half is denominated in foreign currency), while in LAC-5 countries this figure is below 30%.[29] Thirdly, the banking system has a gender bias, which limits progress toward greater levels of financial inclusion. Additionally, updated and detailed information on this situation is lacking, which makes it difficult to design policy actions aimed at correcting this bias. To address this situation, and in line with the diagnostic assessments performed by major international organizations, the government requires support for reforms it is currently pursuing in the following areas: (i) improving microprudential regulation; (ii) improving macroprudential regulation; and (iii) mainstreaming gender considerations into the financial system. The first two areas of reform aim to promote financial stability, while the third area seeks to extend the reach of the financial system, bringing it to segments that are currently underserved.

3. The legal and institutional framework for long-term financing in Paraguay

1.9 **Productivity, legal framework, and institutions for long-term financing.** In addition to financial stability, financial development depends on the efficiency of financial intermediation to build the system's capacity to finance projects with greater risks and returns.[30] In order for financial intermediation to efficiently allocate an economy's resources to more productive projects, institutions are needed to promote an environment of credible and accessible information, to enable banking institutions or agents of capital market (pension, investment, and other funds) to

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[24] Global Findex (2011).

[25] The countries included in LAC-5 are Mexico, Brazil, Chile, Colombia, and Paraguay.

[26] IMF (2016), *Financial Soundness Indicators*.

[27] IMF (2017), Article IV.

[28] In March 2017, a year-on-year decrease of 1.9% was recorded, mainly due to the negative growth in the agriculture and trade sectors (Financial Stability Report, Central Bank of Paraguay).

[29] However, the sectors where 75% of the debt in foreign currency is concentrated (agriculture and trade) are export-oriented and, therefore, have income in dollars, providing natural coverage. However, stress tests have demonstrated that banks could face serious problems in the case of strong currency devaluations (See IMF, Paraguay, Country Report 16/117).

[30] For a quantitative model of the importance of intermediation for productivity, see Greenwood et al. (2013), "Quantifying the Impact of Financial Development on Economic Development," *Review of Economic Dynamics*.

make credit and investment decisions that are as informed as possible, improving their ability to identify projects with the best risk-return profile. At the same time, good financial intermediation depends on institutions that are capable of effectively and efficiently enforcing financial contracts, to reduce the cost of financing or make collateral-based financing (e.g. structured financing) feasible, facilitating long-term financing.[31]

1.10 **Long-term financing in Paraguay.** According to recent studies, lack of access to financing is an active barrier to development in Paraguay.[32] The country's financial system is relatively liquid but also quite shallow when compared with other Latin American and Caribbean countries. In 2015, credit to the private sector as a percentage of GDP stood at 57.9%, above countries like Argentina (14.7%) and Uruguay (30%) but behind Brazil (67.9%), Chile (111%), and the average for middle-income countries (97%).[33] The efficiency of intermediation is comparatively low: In the decade from 2006 to 2015, Paraguay's net interest spread was close to 20%, nearly triple the middle-income country and Latin American and Caribbean country average. At the same time, protection for borrower and lender rights is low: in 2017, Paraguay was ranked 137/190 by *Doing Business* in this area, dropping one spot from the prior year. This is expressed in very high levels of collateral as well as limited access to financing for relatively small firms, startups, and tech firms.[34] The available data show that access to financing is particularly restricted for SMEs. Though they represent 97.1% of all firms in the country and generate about 65.2% of all employment, fewer than 30% of small enterprises and fewer than 50% of medium-sized ones have access to formal financing.[35] Among the main barriers to financing, firms mention the prohibitive requirements set by the financial institutions, high interest rates, and lack of collateral. Financing for productive projects is limited by the scarcity of long-term financing. Bank assets are mainly concentrated in short- and medium-term assets (78% of the portfolio as of March 2017). In this context, though development banks can play a decisive role when it comes to incentivizing the provision of long-term financing, there is minimal participation by that segment at present, with 5.6% of the country's portfolio held by the Agencia Financiera de Desarrollo (AFD) and 7% by Banco Nacional de Fomento (BNF).

1.11 **Ongoing challenges.** In order to improve the legal and institutional framework for financial intermediation and incentivize long-term financing for productive projects, the country needs to advance in various areas. First, efforts are needed to improve

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[31] See, for example, Qian and Strahan (2007), "How Laws and Institutions Shape Financial Contracts: The Case of Bank Loans," *The Journal of Finance,* 62: 2803–2834; Bae and Goyal (2009), "Creditor Rights, Enforcement, and Bank Loans," *The Journal of Finance*, 64: 823–860; Ponticelli and Alencar (2016), *Court enforcement and firm productivity: evidence from a bankruptcy reform in Brazil*, Booth School of Business, University of Chicago.

[32] IDB (2017). *Paraguay: Country Development Challenges*. In preparation.

[33] World Bank (2017). *World Development Indicators*.

[34] Financing restrictions for SMEs, startups, and tech firms are due to the higher level of risk perceived by the banking sector, associated with characteristics specific to these segments. Information asymmetries, a lack of credit history, higher fixed costs of intermediation, lower levels of capitalization and ability to offer collateral, and a low level of formalization in accounting and operational matters, among other factors, lead banks to be particularly cautious about providing financing to these companies. See: IDB (2017), Op. cit. On access to financing for these segments.

[35] General Division for Statistics, Surveys, and Censuses (2011), National Economic Census.

financial contracts, and in particular to modernize and strengthen the legal framework for protecting creditors insofar as legal procedures in cases of insolvency and the use or recovery of guarantees in cases of payment default. These measures will help reduce the amount of collateral that firms are required to provide, while diversifying sources of collateral, especially for SMEs, startups, and tech firms, which typically find it difficult to provide real estate as collateral for financing. Secondly, the system needs instruments that improve the conditions and viability of private sector financing, especially for SMEs, startups, and tech firms, which have limited access to credit owing to their high-risk profile. Along these lines, guarantee funds have proven to be an effective instrument for solving the problem of information asymmetry and high risk in these segments. These funds, made available by the public sector, create market incentives for the private financial sector to get more involved in financing. A government-backed fund would reduce the credit risk to financial institutions, encouraging them to lend to firms with good projects that either have no credit history or lack the collateral required by lending institutions. Lastly, efforts must be made to strengthen the capacities of public institutions that provide productive sector financing, with a special focus on long-term financing. State development banks play a key role in promoting investment in economic sectors or market segments where market failures create mismatches in the supply and demand for financing, which discourages private activity. These failures are especially acute for SMEs, startups, tech firms, and long-term investments such as infrastructure projects, where information asymmetries, the greater uncertainty associated with longer tenors, and transaction costs discourage commercial banking intermediation. Given these market flaws, in order for the State banking sector to effectively and efficiently perform its role in improving access to productive financing, areas and mechanisms for reforming and adapting its mandate and operations must be identified, in order to increase its participation in financing long-term investment projects and actors in the productive sector, and to develop a reform plan in line with international good practices. In the case of the BNF in particular, in order to fulfill its potential as an institution for productive development financing, its mandate, which dates back to 1961, needs to be modernized, to make it functional and compatible with the modern financial system, which demands a high level of efficiency, speed in bank transactions, risk-taking, and a proactive and dynamic view of customers and the market.[36] The AFD's mandate must be adapted to allow it to carry out first-tier strategic interventions in longer and larger operations under syndicated loans. This would facilitate a rate reduction and make it more attractive for other financial entities to participate in this market.

4. The Bank's experience, coordination with other donors, and strategic alignment

1.12 **The Bank's experience and lessons learned.** The program is consistent with the Bank's previous work in transparency and integrity in the region (especially 3617/OC-CH, 3748/OC-CH, 2216/BL-BO, 3786/OC-GU, 2745/BL-HO and recently approved 4244/OC-AR) and in the country (ATN/OC-13604-PR to strengthen the government control system; ATN/OC-15125-PR for the professionalization of civil servants; ATN/AA-15928-PR to strengthen the supervision of State-owned

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[36] Diagnostic assessments conducted for the Program to Support the Modernization of Banco Nacional de Fomento (2592/OC-PR).

enterprises; ATN/AA-15682-RG on innovations to improve transparency and efficiency in public investment systems; and PR-T1242 to support the transparency agenda, specifically prepared to support the government's agenda in this area). Lessons from these projects have been incorporated into the design of the program, in order to ensure that the reforms are approved, can be implemented effectively, are accepted by the country's stakeholders, and have a logical sequence of milestones to follow. The program is also consistent with the Bank's work strengthening the institutions that provide financing for the productive system (3354/OC-PR-1, 3354/OC-PR-2, 3354/OC-PR-3; 2592/OC-PR; ATN/OC-15778-PR), which include financing for the creation of the AFD and financial and technical support programs for it. The Bank's dialogue and support in different areas has resulted in the commitments set forth in the policy matrix. The program includes lessons learned at the Bank in designing policy-based loans (PBLs): (i) an appropriate sequence of reforms should take into account participating institutions' capacities and identify a horizontal logic for progressive implementation of the reforms that combines regulatory progress with improved technical capacities; (ii) planned reforms should incorporate the interests and capacities of the bodies which will be implementing them in order to improve effectiveness; (iii) setting incentives linked to fulfillment of the preestablished objectives should have a positive impact on the success of the reforms; and (iv) there needs to be appropriate coordination between the various bodies participating in designing the reforms.[37]

1.13 **Coordination with other donors and Bank additionality.** This operation is coordinated with, and complementary to, technical cooperation activities of the International Monetary Fund (IMF) and the World Bank. The IMF's support is focused on macro and microprudential reforms for greater financial system stability, particularly those related to the analysis of regulations and stress tests of the nonbanking sector, the relationship between electronic money and financial stability, the banking crisis and resolution framework, and the creation of the Financial Stability Committee. World Bank support is focused on improving the legal framework for creditor protection, particularly in the areas of movable collateral and insolvency. The IDB's actions, and therefore its additionality and added value, are concentrated on the areas of transparency, support for public banking, creation of new instruments for financing the productive sector, and efforts to mainstream the gender perspective into the financial system. With special reference to the latter, the operation includes actions aimed at identifying measures for the periodic production and publication of statistics on access to and use of financial services by men and women, as well as recommendations for actions in support of gender equality, which will have a medium- and long-term impact on changing public policies, national plans, and the institutional strategies of Paraguay's financial entities.

1.14 **Strategic alignment.** This operation is consistent with the Update to the Institutional Strategy 2010-2010 (document AB-3008) and strategically aligned with the development challenge of productivity and innovation, inasmuch as it proposes reforms to transparency, the financial sector, and legal and institutional financing framework, which impact the productive sector and facilitate SME access to financing. The program is also aligned with the crosscutting theme of institutional

[37] See, for example: 3177/BL-NI, 3326/OC-DR and the Country Program Evaluation: Panama 2010-2014, from the Office of Evaluation and Oversight (OVE).

capacity and the rule of law, inasmuch as it will strengthen the transparency of the public sector. Additionally, the operation aligns with the Corporate Results Framework 2016-2019 (document GN-2727-6), given that: (i) it will allow a greater number of micro, small, and medium-sized companies (MSMEs) to be financed, by including measures aimed at strengthening institutions that lend to SMEs and startups; and (ii) it will strengthen the capacity of government agencies to provide citizens with services via measures aimed at strengthening the integrity and governance of public institutions and State-owned enterprises. Pursuant to the Bank's country strategy with Paraguay (document GN-2769) for 2014-2018, the operation is aligned with the strategic objectives to "enhance the productivity and competitiveness of firms," "promote investment financing through the financial system," and "foster greater financial inclusion". The program is also consistent with the Sector Strategy on Institutions for Growth and Social Welfare (document GN-2587-2), which, among its areas of action, establishes an increase in productivity via reforms supporting greater transparency and the provision of financing in countries in the region, and with the Support to SMEs and Financial Access/Supervision Sector Framework Document (document GN-2768-7), which includes actions in the area of regulatory and institutional reforms to improve the functioning of the financial system, as a mechanism for boosting the productivity of firms in the region. The program offers additionality in the area of gender equality, as it includes actions aimed at promoting the inclusion of a gender perspective within the financial system. The operation is also included in the country programming document for 2017 (document GN-2884).

B. Objective and components

1.15 **Objective.** The objective of this operation is to improve the productivity of the Paraguayan economy by: (i) strengthening transparency; (ii) improving the functioning of the financial system; and (iii) improving the legal and institutional framework for long-term financing.

1.16 **Beneficiaries.** The program reforms are crosscutting in nature and aimed at dismantling regulatory and financial restrictions that inhibit transparency and hinder the proper functioning of the financial system and the Paraguayan legal and institutional framework, while enhancing productivity in the Paraguayan economy. With this in mind and the broad nature of the reforms, this program is expected to benefit all economic stakeholders. In particular, firms operating in the country are expected to benefit from the improved business climate, which will result from the series of reforms set forth in the program. Additionally, sectors underserved by the banking sector (SMEs, startups, technology firms) will benefit from improvements to the financial system and long-term financing institutions and instruments.

1.17 **Components.** The program has four components. The measures planned under each component are aimed at strengthening the financial system and enhancing transparency in Paraguay, by advancing legislative action to enable the country to meet international standards in transparency, improve the Central Bank of Paraguay's ability to regulate and supervise risk in the financial system, and modernize the institutional framework and financial instruments to support the inclusion of SMEs, households, and the gender perspective. In general, the program will focus on technical preparation under the first tranche and legal implementation of the measures under the second tranche. The IDB is providing support for these

measures through technical cooperation in the areas of official development banking, gender considerations, and SME guarantee funds, while the IMF and the World Bank are providing support in the areas of financial stability and legal infrastructure, respectively.

1.18 **Component I. Macroeconomic stability.** The objective of this component is to ensure that macroeconomic conditions are consistent with the program objectives, as established in the policy matrix.

1.19 **Component II. Strengthening transparency.** This component seeks to reinforce progress already achieved in the country, through the following area of reform:

a. **Strengthening the integrity and governance of public institutions and State-owned enterprises.** With this goal, the first tranche of this operation supports the following measures: (i) the adoption of an instrument to monitor the implementation of Law 5282/14 on “Open Access to Public Information and Government Transparency”; (ii) preparation of a draft bill on the corporate governance of State-owned enterprises, according to international best practices; and (iii) presentation of a draft law to Congress eliminating bearer shares. The second tranche includes: (i) implementation of the monitoring instrument by the entity responsible for enforcing Law 5282/14 on “Open Access to Public Information and Government Transparency”; (ii) presentation of a draft law on corporate governance of State-owned enterprises to Congress; and (iii) enactment and publication of the law eliminating bearer shares.

1.20 **Component III. Improving the functioning of the financial system.** This component aims to strengthen the working areas indicated in international assessments:

a. **Improving microprudential regulation and supervision.** Microprudential regulation specifically aims to regulate and supervise the soundness of individual institutions. Along these lines, Paraguay should endeavor to comply with the Basel Committee’s Core Principles for Effective Banking Supervision. Accordingly, in its first tranche, this operation will: (i) amend the General Law on Banks, Finance, and Other Credit Entities to improve the regulation of capital adequacy, strengthen the capacity of the Banking Superintendency in the area of enforcement and risk-based regulation, and improve the corporate governance of financial entities; (ii) amend the Central Bank of Paraguay’s charter to improve its enforcement and inspection capacity; and (iii) enact and publish a law regulating the capital market, so as to improve the system’s stability. The following activities are expected under the second tranche: (i) the entry into force of regulation on market risk, conglomerates, liquidity risk, and operational risk; (ii) enactment and publication of the Basic Law on the Central Bank of Paraguay; and (iii) regulations implementing the law on the capital market.

b. **Improving macroprudential regulation.** Macroprudential regulation complements microprudential regulation, by adopting a systemic perspective and focusing on interconnections between financial system entities, as well as between the financial system and the real economy. The first tranche of this operation calls for a proposal to create a Financial Stability Committee, an

advisory body comprised of the various financial market regulatory and supervisory agencies (Central Bank of Paraguay, Ministry of Finance, National Institute for Cooperativism, and the National Securities Commission), with the aim of coordinating actions and information regarding financial stability. In the second tranche, the Financial Stability Committee is expected to enter into activity.

c. **Mainstreaming the gender perspective into the financial system.** With the aim of improving the financial inclusion of companies owned or led by women, the first tranche of this operation includes the preparation of a diagnostic assessment of the data needs for access to financial services among companies, disaggregated by gender. The second tranche includes the development of a strategy to improve gender mainstreaming in the financial sector, which: (i) collects gender-disaggregated supply and demand information on financial services; and (ii) includes actions to promote gender equality in financial system policies and institutions.

1.21 **Component IV. Improving the legal and institutional framework for long-term financing.** This component introduces reforms in three areas:

a. **Improving the legal framework for creditor protection.** Strengthening this legal framework is key to improving the performance of financial contracts, mitigating information asymmetries, and reducing the cost of financing for the productive sector. With this in mind, the first tranche of the operation calls for: (i) the preparation of a draft bill on movable collateral to diversify sources of collateral, and thereby make it easier for Paraguayan firms to request financing; and (ii) the preparation of draft legislation for modernizing and strengthening Paraguay’s insolvency regime (Law 154/1969 and Law 4,870/2013). The second operation calls for the presentation of the collateral law to Congress and approval of the proposal for modernizing and strengthening the insolvency regime by the National Economic Team,[38] before it is submitted to the National Congress.

b. **Strengthening institutions and instruments for long-term financing.** In order for Paraguay’s State banks to effectively and efficiently fulfill their role in improving access to productive financing, they must adapt their mandate and operations to international good practices and have the instruments needed to improve conditions and make private sector financing viable. To this end, the first operation calls for: (i) preparation of a plan to bring the AFD in line with international best practices as a second-tier development bank and catalyst for long-term financing, particularly in the infrastructure sector; and (ii) modernization of the BNF by implementing a new charter, tailoring its operations to the needs of the modern financial system and improving the efficiency and effectiveness with which it is run. In the second operation, reports will be presented on the implementation status of the AFD reform plan and new BNF charter.

c. **Strengthening institutions for lending to SMEs and startups.** In order to equip the system with instruments that improve conditions and make financing

[38] The National Economic Team is an economic policy advisory body to the national government, comprised of representatives from various ministries, and headed by the Minister of Finance.

possible for SMEs, startups, and tech firms, which, due to their greater risk profile, face particular challenges when it comes to access to financing, the first tranche of this operation calls for the enactment and publication of a law establishing a guarantee fund for financing for MSMEs, as well as regulations implementing it. Under the second tranche, the guarantee fund for financing for MSMEs will be in active operation.

C. Key results indicators

1.22 The key indicator for measuring the impact of this program will be the average rate of real GDP growth between 2017 and 2022, which is expected to what the GDP would have grown in a scenario without reforms by 0.4 percentage points. The base-case scenario consists of projections carried out by the IMF for that period. The specific program objectives will be measured by the following indicators: (i) corruption perception index; (ii) bank credit to the private sector as a percentage of GDP; (iii) the securities market regulation index; and (iv) strength of legal rights index. More details can be found in the program results matrix.

D. Economic analysis

1.23 The program's economic analysis is based on the estimated impact of program reforms on GDP growth in the medium term, based on a simulation analysis using a general equilibrium model[39] for reforms linked to the financial sector, and corruption-GDP elasticity found in empirical literature, for the reforms associated with the transparency component. In accordance with the standard at the Bank, the net benefits of the reform are discounted at a real rate of 12%, resulting in a program net present value of US$1.4 billion over a 10-year horizon. The net benefits of reforms have been analyzed for sensitivity to cost levels, growth rates without reforms, the structural parameters of the model, and previous scenarios collectively. In the various scenarios, the results remained robust.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instrument

2.1 This operation is structured as a multi-tranche policy-based loan (PBL)[40] based on document "Policy-Based Loans: Guidelines for Preparation and Implementation" (document CS-3633-1), in order to facilitate policy dialogue between the country and the Bank, while providing the time frames necessary to implement the reforms. The multi-tranche PBL modality, structured in two tranches, was selected in response to the Paraguayan government's interest in receiving Bank support to advance a consensus agenda of sector policy reforms and institutional changes in the short and medium term. The modality is further justified by the government's robust knowledge and commitment to the scope and content of the established policy process, and the instrument will strengthen its consistency over time.

[39] The model is presented in E. Dabla-Norris, Y. Ji, R. Townsend, and D. F. Unsal (2015), *Identifying Constraints to Financial Inclusion and Their Impact on GDP and Inequality: A Structural Framework for Policy*, IMF.

[40] The instrument for these loans provides fungible resources in support of a policy reform program, established by mutual agreement, and/or institutional changes in a sector or subsector.

2.2 **Dimensioning.** This loan is in the amount of US$200 million, to be drawn from the Bank's Ordinary Capital and disbursed in two consecutive tranches, each one for US$100 million. Pursuant to the draft 2018 Budget Act, that amount represents nearly 21% of the public sector's gross financing needs for 2018 (US$950 million, or 3.1% of GDP). The operation is justified on the basis of the criterion of any financing gap that may arise from the sector policy reforms and/or institutional changes to be carried out under the operation, pursuant to paragraph 3.27 of document CS-3633-1.

B. Environmental and social safeguard risks

2.3 In accordance with Directive B.13 of the Bank's Environment and Safeguards Compliance Policy (document GN-2208-20 and operational policy OP-703), this operation does not require classification. The proposed reforms will not generate negative environmental or social impacts. The program will not finance infrastructure or public works components.

C. Other risks

2.4 The only medium-level risk is in regard to the continuity of measures adopted as part of this program, given that elections will be held in 2018. As a mitigating measure, the reforms proposed are in line with the National Development Plan 2030 and the lines of action agreed upon within the framework of the National Plan for Corruption Prevention (PNPC), approved under Decree 4900 of 15 February 2016. The measures have been proposed in consultation with the private sector, through various channels and procedures laid out in the country's regulatory and policy framework. Additionally, reforms are receiving technical and financial support (from technical cooperation resources) from the Bank[41] and other international institutions (World Bank and the IMF) and are included as part of the work plan with the country by those institutions. Finally, in order to ensure fiscal sustainability, the reforms proposed as part of the program have been designed so as to provide benefits and not represent a public finance burden.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

3.1 **Borrower and executing agency.** The borrower will be the Republic of Paraguay, and the executing agency will be the Ministry of Finance, acting through the Debt Policy Division. The executing agency will be responsible for the following: (i) coordinating with the entities responsible for actions indicated in this operation, on all matters related to those actions (including the Central Bank of Paraguay, the National Securities Commission, the AFD, the BNF, and SEPRELAD); (ii) providing evidence that policy commitments have been fulfilled and any other evidence related to the program that is required by the Bank in order to approve the respective disbursement; and (iii) once the program disbursement has been ensured, collecting information from the performance indicators to be used to evaluate program results. The executing agency will use the institutional means at its disposal to ensure effective coordination between the government agencies concerned with the policy measures incorporated in this operation. The executing agency will also collaborate

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41 PR-T1242, Support for Paraguay's Transparency Strategy (in preparation); ATN/OC-15778-PR, Support for the Institutional Strengthening of the AFDs (in execution).

with the Bank on the necessary coordination with other institutions concerned with the measures that are part of this operation.

3.2 **Special contractual conditions precedent to disbursement of the loan. Disbursement of the proceeds corresponding to each tranche of the loan is subject to fulfillment of the policy reform conditions, pursuant to the policy matrix (Annex II), the policy letter, and the conditions established in the loan contract.**

B. Summary of arrangements for monitoring results

3.3 Program implementation will be monitored by the Debt Policy Division of the Ministry of Finance. The borrower and the Bank will hold twice-yearly meetings to review fulfillment of the conditions required by the program. At program completion, the Bank will prepare a project completion report and an ex post evaluation based on a general equilibrium model, to estimate the impact on economic growth following implementation of the reforms. For further details see the monitoring and evaluation plan.

IV. Policy Letter

4.1 The policy matrix for the program (Annex II) is aligned with the policy letter issued by the Republic of Paraguay, in which it reiterates the government's commitment to implement the activities agreed upon with the Bank.

Development Effectiveness Matrix		
Summary		
I. Corporate and Country Priorities		
1. IDB Development Objectives	**Yes**	
Development Challenges & Cross-cutting Themes	**-Productivity and Innovation -Institutional Capacity and the Rule of Law**	
Country Development Results Indicators	**-Micro / small / medium enterprises financed (#)* -Government agencies benefited by projects that strengthen technological and managerial tools to improve public service delivery (#)***	
2. Country Development Objectives	**Yes**	
Country Strategy Results Matrix	**GN-2769**	**i) Enhance the productivity and competitiveness of firms, ii) Promote investment financing through the financial system, and iii) Foster greater financial inclusion.**
Country Program Results Matrix	**GN-2884**	**The intervention is included in the 2017 Operational Program.**
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	**9.6**	
3.1 Program Diagnosis	**3.0**	
3.2 Proposed Interventions or Solutions	**3.6**	
3.3 Results Matrix Quality	**3.0**	
4. Ex ante Economic Analysis	**7.0**	
4.1 The program has an ERR/NPV, a Cost-Effectiveness Analysis or a General Economic Analysis	**2.5**	
4.2 Identified and Quantified Benefits	**2.0**	
4.3 Identified and Quantified Costs	**2.0**	
4.4 Reasonable Assumptions	**0.0**	
4.5 Sensitivity Analysis	**0.5**	
5. Monitoring and Evaluation	**7.2**	
5.1 Monitoring Mechanisms	**1.0**	
5.2 Evaluation Plan	**6.2**	
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood	**Low**	
Identified risks have been rated for magnitude and likelihood	**Yes**	
Mitigation measures have been identified for major risks	**Yes**	
Mitigation measures have indicators for tracking their implementation		
Environmental & social risk classification	**B.13**	
IV. IDB´s Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)	**Yes**	**Financial Management: Budget, Treasury, Accounting and Reporting, External Control, Internal Audit.**
Non-Fiduciary		
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Gender Equality	**Yes**	**The program will support a diagnostic of access to financial services disaggregated by gender, which will serve to develop a strategy for improving the inclusion of the gender perspective in the financial sector.**
Labor		
Environment		
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		
The ex-post impact evaluation of the project will produce evidence to close knowledge gaps in the sector that were identified in the project document and/or in the evaluation plan		

Note: (*) Indicates contribution to the corresponding CRF's Country Development Results Indicator.

The Program “Productive Paraguay: Transparency and Financing” (PR-L1144), for an amount of US$ 200 million, is a policy based loan, in two consecutive tranches. The objective of the program is to improve the productivity of Paraguay, through: (i) strengthening transparency, (ii) improving the functioning of the financial system, and (iii) improving the legal and institutional framework for long-term financing.

The diagnostic has identified several challenges such as legal voids in the financial sector, and regarding transparency. It is convincingly argued that such challenges restrict productivity growth in the county. The proposed outputs (decrees, laws, normatives, etc.) aim at addressing those challenges. However, for the second tranche, the degree of progress in the implementation of the reforms is heterogeneous, with important achievements in some areas, but more limited progress in others (eg. reforms regarding transparency, protection for creditors, etc.). The output and outcome indicators of the results matrix are SMART; and the monitoring plan will allow tracking them.

Both the economic analysis and the evaluation plan rely primarily on a micro-founded general equilibrium model, developed by the International Monetary Fund (IMF), and recently utilized by similar operations (CO-L1144, UR-L1108, JA-L1058, etc.). The model allows simulating the evolution of GDP in response to changes in parameters of the financial system. In order to measure the effects of reform in the area of transparency, the model is complemented with the estimation of corruption-GDP elasticities. Combining both methodologies, the net present value (NPV) of the program remains positive for a number of scenarios. The main advantage of the model is that the necessary data is available and it is updated frequently. However, limitations identified for previous operations remain. Regarding the economic analysis (ex-ante), there is not a convincing justification for the assumptions or for the applicability of the model to the case of Paraguay. Regarding the evaluation plan (ex-post) it is assumed that any observed change in the financial market or regarding transparency can be attributed to the program, while in reality other drivers may exist (which results in an over-estimation of the program effectiveness).

POLICY MATRIX

POLICY OBJECTIVES	AGREED UPON POLICY MEASURES TRANCHE I	AGREED-UPON POLICY MEASURES TRANCHE II
Component I: Macroeconomic stability		
To maintain a macroeconomic environment that is consistent with program objectives and with the guidelines in the sector policy letter.	The macroeconomic environment is consistent with the program objectives and the guidelines in the sector policy letter.	
Component II: Strengthening transparency		
To strengthen the integrity and governance of public institutions and State-owned enterprises.	Adoption of an instrument to monitor the implementation of Law 5282/14 on "Open Access to Public Information and Government Transparency."	Implementation of the monitoring instrument by the entity responsible for enforcing Law 5282/14 on "Open Access to Public Information and Government Transparency."
	Preparation of a draft bill on corporate governance for State-owned enterprises, bringing the general system for State-owned enterprises in line with international standards, including: (i) transparency in the election and information provided by boards of directors and audit committees; and (ii) accountability for members of boards of directors.	Presentation of a draft law to Congress on corporate governance for State-owned enterprises.
	Presentation of a draft law to Congress to eliminate bearer shares.	Enactment and publication of a law eliminating bearer shares.
Component III: Improving the functioning of the financial system		
To improve microprudential regulation.	Amendment of the General Law on Banks, Finance, and Other Credit Entities to improve: • the regulation of capital adequacy; • the capacity of the Banking Superintendency in the area of enforcement and risk-based regulation; • the corporate governance of financial entities.	The entry into force of regulation on: • Market risk; • Conglomerates; • Liquidity risk; • Operational risk.
	Amendment of the Central Bank of Paraguay's charter to improve its enforcement and inspection capacity.	Enactment and publication of the Basic Law on the Central Bank of Paraguay.
	Enactment and publication of a law regulating the capital market, to improve the system's stability.	Approval of regulations from the Securities Market Law by the National Securities Commission, regulating, among other areas, issuer and broker requirements and the rules and procedures for issuing securities.
To improve macroprudential regulation.	Development of a Financial Stability Committee proposal.	Entry into service of the Financial Stability Committee.
To mainstream the gender perspective into the financial system.	Preparation of a diagnostic assessment of the data needs for access to financial services among companies, disaggregated by gender.	Development of a strategy to improve gender mainstreaming in the financial sector, which: (i) collects gender-disaggregated supply and demand information on financial services; and (ii) includes actions to promote gender equality in financial system policies and institutions.

POLICY OBJECTIVES	AGREED UPON POLICY MEASURES TRANCHE I	AGREED-UPON POLICY MEASURES TRANCHE II
Component IV: Improving the legal and institutional framework for long-term financing		
To improve the legal framework for creditor protection.	Preparation of a draft bill on movable collateral.	Presentation of a law on movable collateral to Congress.
	Preparation of a proposal for modernizing and strengthening the Paraguayan insolvency regime, which is currently regulated by Law 154/1969 and Law 4.870/2013.	Approval by the National Economic Team of the draft law for modernizing and strengthening the Paraguayan insolvency regime, prior to its submission to the National Congress.
To strengthen institutions for long-term financing.	Preparation of a plan to bring the AFD in line with international best practices in structuring as a second-tier development bank.	Release of final report of the AFD reform plan.
	Modernization of BNF by tailoring its operations to the needs of the modern financial system and improving the efficiency and effectiveness with which it is run.	Presentation of the report on the implementation status of the new BNF charter, to include: (i) revision and adjustments to the organizational structure; and (ii) redefinition of professional profiles and processes.
To strengthen institutions for lending to SMEs and startups.	Enactment and publication of a law establishing a guarantee fund for financing for MSMEs, and implementing regulations.	Entry into force of a guarantee fund for MSME financing.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-__/17

Paraguay. Loan ____/OC-PR to the Republic of Paraguay
Productive Paraguay: Transparency and Financing

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 project Productive Paraguay: Transparency and Financing. Such financing will be for an amount of up to US$200,000,000 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 ___ ____________ 2017)

LEG/SGO/CSC/EZSHARE-746870777-1973
Pipeline: PR-L1144