

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PARAGUAY

**PROGRAM TO PROMOTE THE DEVELOPMENT OF SKILLS FOR EMPLOYMENT
IN THE FRAMEWORK OF WORKFORCE RESTRUCTURING IN POST-COVID-19
PARAGUAY AND THE PROTECTION OF WORKERS' RIGHTS**

(PR-L1159)

LOAN PROPOSAL

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ABBREVIATIONS

DNCP	Dirección Nacional de Contratación Pública [National Public Procurement Directorate]
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit [German Agency for International Cooperation]
ICAS	Institutional Capacity Assessment System
ICB	International competitive bidding
MTESS	Ministry of Labor, Employment, and Social Security
OECD	Organisation for Economic Co-operation and Development
SCSP	Sistema de Contrataciones del Sector Público [Public Sector Procurement System]
SIAF	Sistema Integrado de Administración Financiera [Integrated Financial Administration System]
SICO	Sistema Integrado de Contabilidad [Integrated Accounting System]
SICP	Sistema de Información de Contrataciones Públicas [Public Procurement Information System]
SIMS	Information System on Labor Markets and Social Security
SINAFOCAL	Sistema Nacional de Formación y Capacitación Laboral [National Vocational Education and Training System]
SNPP	Servicio Nacional de Promoción Profesional [National Professional Development Service]
WAPES	World Association of Public Employment Services
WDI	World Development Indicators

PROJECT SUMMARY

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PROGRAM TO PROMOTE THE DEVELOPMENT OF SKILLS FOR EMPLOYMENT IN THE FRAMEWORK OF WORKFORCE RESTRUCTURING IN POST-COVID-19 PARAGUAY AND THE PROTECTION OF WORKERS' RIGHTS (PR-L1159)

Financial Terms and Conditions					
Borrower:			Flexible Financing Facility ^(a)		
Republic of Paraguay			Amortization period:		24 years
Executing agency:			Disbursement period:		6 years
Republic of Paraguay, acting through its Ministry of Labor, Employment, and Social Security (MTESS)			Grace period:		6.5 years ^(b)
Source	Amount (US\$)	%	Interest rate:		LIBOR-based
IDB (Ordinary Capital):	30,000,000	100	Credit fee:		(c)
			Inspection and supervision fee:		(c)
			Weighted average life:		15.23 years
Total:	30,000,000	100	Approval currency:		U.S. dollar
Program at a Glance					
Program objective/description: The program objective is to support the Ministry of Labor, Employment, and Social Security (MTESS) in its efforts to develop and implement policies that help job-seekers obtain quality jobs. Its specific objectives are to: (i) expand the coverage of the MTESS job placement system; and (ii) improve job-seekers’ skills by updating the curricula of job training programs offered by the National Professional Development Service (SNPP) and the National Vocational Education and Training System (SINAFOCAL) and incorporating a gender perspective.					
Special contractual conditions precedent to the first disbursement of the loan:					
(i) The executing agency will have created, by ministerial resolution, the program coordination unit, which will be part of the MTESS organizational structure and report directly to the Minister, and the program coordinator, procurement specialist, and fiduciary specialist will have been appointed or hired in accordance with the terms of reference previously agreed upon with the Bank; and (ii) the executing agency will have approved, by ministerial resolution, the program Operating Regulations in accordance with the terms previously agreed upon with the Bank (paragraphs 3.2 and 3.3).					
Exceptions to Bank policies: None.					
Strategic Alignment					
Challenges: ^(d)	SI	<input checked="" type="checkbox"/>	PI	<input checked="" type="checkbox"/>	EI <input type="checkbox"/>
Crosscutting themes: ^(e)	GD	<input checked="" type="checkbox"/>	CC	<input checked="" type="checkbox"/>	IC <input checked="" type="checkbox"/>

^(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, interest rate, and commodity 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 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 Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

I. DESCRIPTION AND RESULTS MONITORING

A. Background, problem addressed, and rationale

- 1.1 **Economic and social context.** Paraguay has displayed strong economic performance in the last decade. From 2008 to 2017, the country's annual growth was approximately 4.7%, more than double the regional average (2%). Its per capita gross domestic product (GDP) rose from US\$9,028 to US\$11,790,¹ buoyed by high commodity prices. However, growth should drop 0.2% in 2019 and 1.2% in 2020² due to the crisis stemming from the COVID-19 pandemic.
- 1.2 This strong economic performance and the implementation of inclusive public policies have led to gains in social indicators. Between 2008 and 2017, the informal employment rate decreased from 69% to 60%;³ the percentage of employed people who earned the minimum wage or less fell from 74% to 67%;⁴ the poverty rate dropped from 33% to 23%;⁵ and income inequality, measured by the Gini coefficient, decreased from 0.51 to 0.49.⁶ However, the prospective slowdown in economic growth puts these social gains at risk.
- 1.3 **Despite these improvements, obstacles to accessing quality jobs persist.**⁷ According to data from 2018, the informal employment rate remains high (61% among men and 58% among women), and 64% of employed people earn the minimum wage or less.⁸ The crisis caused by the COVID-19 pandemic is expected to limit access to quality job opportunities.
- 1.4 **Employment figures are even worse for women.** The gender gap in workforce participation in Paraguay is 26 percentage points, the largest in South America. Occupations are highly segregated by gender, with 88% of employed women working in three sectors: agriculture, trade, and services. This contributes to the high percentage of women who earn less than the minimum wage, which is 14 percentage points higher than the rate for men.⁹
- 1.5 **Young people contend with specific challenges to joining the workforce.**¹⁰ In 2016, the unemployment rate in Paraguay among young people ages 15 to 24 was 12.9%, three times higher than the rate for adults.¹¹ Also, 79% of young people work informal jobs, and 79% earn less than the minimum wage.¹² Young people

¹ GDP is expressed in constant 2011 dollars with purchasing power parity. World Development Indicators (WDI) (2019). See [optional link 7](#) for the complete bibliography.

² [Paraguay: overview](#).

³ IDB Information System on Labor Markets and Social Security (SIMS) (2019), 2017 figures. The formal employment rate reflects the percentage of workers who have access to social security to finance old-age pensions.

⁴ SIMS (2019), 2017 figures.

⁵ Socio-Economic Database for Latin America and the Caribbean (2018).

⁶ WDI (2019).

⁷ Quality jobs are defined as formal jobs that pay at least the minimum wage.

⁸ SIMS (2019), figures from 2015 and 2018.

⁹ See [optional link 5](#).

¹⁰ IDB (2018); United Nations Population Fund (2016); Novella et al. (2018).

¹¹ Continuous Household Survey; Novella et al. (2018).

¹² SIMS (2019); Andean Development Corporation (2019).

indicate that the most significant obstacle to employment access is a lack of work experience (39.3%), followed by a lack of skills or qualifications (25.3%).¹³

- 1.6 **People with disabilities face additional obstacles.** The economic activity rate among people with disabilities is lower than the rate for other groups, with 42% of disabled men and 77% of disabled women economically inactive. Though Law 2,479/2004 stipulates that at least 5% of employees of public institutions should be persons with disabilities, 2018 data from the Civil Service Department indicate that less than 10% of public institutions have met this target.
- 1.7 **The obstacles Paraguayans face in obtaining quality jobs arise, in part, from three contributing factors.**¹⁴ First of all, the systems used for job searches are inefficient: 87% of job-seekers use informal job search methods; 54% contact potential employers directly, and 33% check with friends or relatives.¹⁵ These methods are inefficient and do not encourage equal access to job opportunities.¹⁶ Second, the lack of information about the labor market hinders efforts to analyze, design, and evaluate policy proposals to promote formal employment. For example, Paraguay does not have an employer survey with sample values by sector providing information on sector demand,¹⁷ nor does it have a supply-side survey that measures the skills of the workforce. Furthermore, as indicated below, administrative data is disjointed, which makes it difficult to use. The third contributing factor is the workforce skills gap, illustrated by scores on the 2013 Third Regional Comparative and Explanatory Study (TERCE) tests (IDB, 2017b), which ranked Paraguay among the lowest in the region. One indication of this skills gap is the fact that 29% of employers point to the lack of skilled labor as a barrier to their businesses' growth,¹⁸ compared to an average of 22.5% for all countries surveyed. Data from the World Economic Forum (WEF) from 2016 indicate that an "inadequately educated workforce" is the third most problematic factor for doing business in the country, which is the highest ranking of this factor among South American countries. In comparison, although Chile places similar weight on inadequate training of its workforce, it is less frequently mentioned in the survey. As for the other countries of the region, it averages between eighth and ninth.

¹³ Novella et al. (2018).

¹⁴ This program aims to address the problem associated with the backlog of people who are already part of the workforce but do not have strong enough skills to obtain gainful employment. It will coordinate with other programs that aim to improve education quality and focus on the problem of labor flows. However, broader interventions and policies are needed to address the problems of the Paraguayan labor market. For example, there are also problems related to the country's business climate (World Bank, 2016), as well as challenges concerning business innovation and productivity (Conference Board, 2018). For a description of other contributing factors, see IDB (2015) and IDB (2016).

¹⁵ Permanent Household Survey (2018).

¹⁶ Job-seekers who use informal job search methods and job-seekers from socially disadvantaged groups have less access to contacts with information on formal or better paying jobs (network quality). Consequently, this approach does not work well for these job-seekers, who, when they use such methods, end up taking informal jobs at a disproportionate rate. Informal mechanisms also diminish women's chances of finding a job because women have smaller networks. See Mazza (2016).

¹⁷ At present, there are essentially two mechanisms for generating information on the productive sector's demand for skills: (i) sector roundtables, which are not representative of businesses from all sectors and lack specific mechanisms for generating information that can inform policy decisions; and (ii) ad hoc studies of occupational demand and labor competencies in a handful of sectors.

¹⁸ Enterprise Survey (2017).

- 1.8 International experience shows that the MTESS can respond to the problems described above through job placement services, support for workforce entry (for example, apprenticeship programs), labor market information systems, and job training.¹⁹ Apprenticeship programs have been shown to have a positive impact on the entry of young people into the workforce,²⁰ and international evidence indicates that they are a cost-effective measure since they promote training and build work experience.
- 1.9 **Job placement services play a key role in addressing the three problems mentioned above:** the disconnect between the supply of and demand for skills, the lack of information, and the obstacles certain groups face in gaining access to jobs. When job placement services are effective, they implement solutions to ensure that job-seekers have the tools to effectively look for a job, get training, and find employment and ensure that companies can find the right talent. To achieve this, job placement services usually carry out a set of essential functions, including: (i) job placement; (ii) labor market information systems; and (iii) design and implementation of other active labor market policies, such as job training programs.²¹
- 1.10 **Job placement facilitates access to quality jobs, especially for the most vulnerable groups.** International evidence shows that job placement is a cost-effective intervention for matching workers to jobs,²² since it reduces job search times.²³ Evidence from the region also shows that job placement can help the unemployed find better paying jobs, compared to unemployed people who use other search methods,²⁴ and increase the likelihood of finding formal employment.²⁵ In addition, findings have shown that, among workers with dimmer prospects on the labor market, beneficiaries of job placement services may earn more than job-seekers who use informal methods.²⁶
- 1.11 **A labor market information system that produces timely, sound, and systematic data on labor market supply and demand is key to rectifying the lack of information and promoting access to quality jobs.**²⁷ This data can be used to (i) identify gaps in the skills job-seekers have and the ones employers need; and (ii) anticipate future demand for skills to guide occupational education, which includes job training programs. The focus of labor market information has gradually changed from “planning”—or forecasting based on extrapolation from past trends—to anticipating—or forecasting that also takes into account future trends. International experience points to three key factors for making the transition from extrapolating from the past to anticipating future demands: (i) using a wider range of labor market information sources (e.g., administrative records, data from public and

¹⁹ IDB (2016).

²⁰ Fazio, Fernández-Coto, and Ripani (2016).

²¹ IDB, World Association of Public Employment Services (WAPES), and the Organisation for Economic Co-operation and Development (OECD) (2015).

²² Brown and Koettl (2015).

²³ Michaelides (2013).

²⁴ Flores-Lima (2010).

²⁵ Pignatti (2016).

²⁶ Van den Berg and Van der Klaauw (2006).

²⁷ IDB, WAPES, and OECD (2015).

private employment portals, employer surveys, and follow-up surveys of training program participants); (ii) developing partnerships with other actors involved in the production of labor market information (e.g., government departments, the education sector, and research centers); and (iii) having a strategic approach for using information produced through the systematic analysis of the needs of various stakeholders at the national, regional, and local levels.²⁸ The pandemic has shown the importance of administrative data, due to the difficulties of conducting surveys during a public health crisis.

- 1.12 **Relevant, quality job training can facilitate the transition to formal employment by developing and updating the skills of the workforce.**²⁹ How workers fare on the job market depends on their skills, which have a direct impact on income and their likelihood of getting a job.³⁰ Evidence from across the globe³¹ and within the region³² shows that job training programs have a modest impact in the short term but a larger impact over the medium and long term. This impact tends to be greater for women and when the training is longer in duration. Evidence from Latin America also shows that the involvement of private providers, demand-oriented training, the inclusion of a significant job counseling and/or placement component, and the inclusion of modules for developing socioemotional skills³³ are all drivers of success in implementing job training programs.³⁴
- 1.13 **The most effective occupational education systems generally carry out the following basic functions:**³⁵ (i) they identify the productive sector's current and future demand for skills and get employers involved in the system through such activities as the collection and analysis of systemic, reliable data on the labor market and the creation of an organizational basis for employer involvement in the system; (ii) they develop curricula that are aligned with skills needed by the productive sector and learning environments and mechanisms that respond to real demand and have the necessary equipment and infrastructure; (iii) they guarantee quality training through such activities as establishing clear performance criteria and measurable indicators; offering incentives for continuous improvement; carrying out actions aimed at restoring quality at low-performing institutions; and incorporating quality assurance in evaluation, accreditation, and certification processes, thereby ensuring transparency; and (iv) they plan their budgets to prioritize certain actions and ensure continuity of resources and cofinancing from the private sector. It should be noted that, in countries that do not have a human capital strategy or adequate governance, the task of determining skills that are needed and developing curricula at the sector level is an alternative course of action for making progress in parallel to system

²⁸ European Centre for the Development of Vocational Training, European Training Foundation, and International Labour Organization (2015).

²⁹ IDB (2015).

³⁰ OECD (2015).

³¹ Card et al. (2015).

³² Kluge (2016).

³³ Heckman and Kautz (2012); OECD (2015). The importance of programs that aim to strengthen young people's socioemotional skills is increasingly being recognized (González et al., 2012).

³⁴ Gonzales et al. (2012); International Labour Organization (2016).

³⁵ IDB (2017).

reform, since it affords an opportunity to achieve results and make changes to prospecting, adjustment, and training processes.³⁶

- 1.14 **Additional good practices in job placement and job training for persons with disabilities.** The Convention on the Rights of Persons with Disabilities and international good practices promote effective inclusion.³⁷ This includes planning for the accessibility of public buildings and opportunities for persons with disabilities to participate in training classes that are inclusive, not segregated. Inclusive training environments ensure that people with disabilities learn the skills they need to enter the workforce, while trainees who are not disabled learn how to interact with disabled persons in an inclusive work environment.
- 1.15 **The Ministry of Labor, Employment, and Social Security (MTESS) is responsible for promoting and implementing policies on employment, the transition to the formal economy, job placement, and job training, but it needs to be strengthened to effectively perform its role.** The MTESS offers job guidance, job placement services, and self-employment support through the Office of the Deputy Minister of Employment and Social Security and the Employment Bureau. Two institutions that promote job training report to the MTESS:³⁸ the National Professional Development Service (SNPP), which offers job training courses using its own infrastructure and instructors; and the National Vocational Education and Training System (SINAFOCAL), which contracts with private entities to teach courses and serves as the apex agency for vocational education.³⁹
- 1.16 **In recent years, and with the Bank's support, the MTESS has been building institutional capacity and improving job placement and job training.**⁴⁰ The Program to Support Job Placement (loan 2660/OC-PR), a US\$5-million program approved in 2011 and whose final disbursement took place in February 2020, helped the MTESS expand the coverage of job placement services in Asunción and throughout the country. It served more than 29,000 people in 2018 (original target: 4,500) thanks to improvements to the Employment Bureau's processes and information systems and the opening of six employment offices funded under Component 1 of the program. The digitalization effort also helped create an advanced system for job seeker registration and a job placement system powered

³⁶ IDB (2016b).

³⁷ IDB (2019).

³⁸ This program focuses on job training, which is just one part of occupational education. In Paraguay, job training is delivered primarily by the SNPP and SINAFOCAL. However, since occupational education also encompasses secondary and postsecondary technical education, this project will coordinate with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the Ministry of Education and Science to leverage the lessons learned from their work and share labor market information that is essential for their work. In addition, high school and dual-track vocational students who live near the training centers strengthened by this program will be able to use those centers' equipment for their training.

³⁹ The SNPP and SINAFOCAL report to the MTESS, as established in the acts that created the two institutions: Law 253/71, as amended by Law 1,265/87, in the case of the SNPP; and Law 1,652/00 and its regulations (Decree 5,442/15), in the case of SINAFOCAL. See also the MTESS Charter (Decree 6,157/16) and Law 51/15.

⁴⁰ See [optional link 8](#).

- by artificial intelligence.⁴¹ Component 2 of the program supported SINAFOCAL in its effort to build partnerships between the productive sector and training centers to train around 4,500 young people by 2020, 50% of whom were women, in skills for which the market had high demand, including courses. This component also created curricula for courses on new information and communication technologies (digital marketing and HelpDesk). These results informed the baselines for this operation, which will continue to strengthen job placement services and job training systems, with this new operation including the SNPP.
- 1.17 Executed in parallel, the technical cooperation operation “Institutional Development of the Ministries of Labor in Paraguay, Uruguay, and the Dominican Republic” (technical cooperation operation ATN/FI-13862-RG) assisted the MTESS with the high level design of its systems and processes that needed improvement and with the creation of a master employee registry, which were then strengthened with support from technical cooperation operations “Labor Markets and Social Security Analysis” (technical cooperation operation ATN/OC-16588-PR) and “Support for Integrating Young People in the Formal Workforce” (technical cooperation operation ATN/OC-17444-PR). Thanks to this design, the MTESS has created systems for different departments of the Employment Bureau and has begun to transition to a digital ministry model.
- 1.18 **Support from other donors.** The Japan International Cooperation Agency and the Korea International Cooperation Agency are providing technical assistance to update SNPP curricula. In parallel, the GIZ also supports two programs,⁴² one with the Ministry of Education and Science and the other in coordination with the SNPP and SINAFOCAL. Both programs provide incentives for dual-track vocational training, are based on public-private cooperation, and are focused on the needs of companies.
- 1.19 **Unresolved challenges in job placement.** Significant progress has been made, but the MTESS still has challenges to overcome. Job placement services are still relatively underdeveloped in Paraguay, which is reflected by the fact that only 2% of people (1% of women) used public job placement services to find a job in 2018. The main reasons for this are the following: (i) limited coverage, in terms of a lack of physical offices to help job-seekers⁴³ who require assistance to register and search for jobs, since there are only five offices nationwide; (ii) weak data interconnectivity with public and private employment agencies that report to local governments, as well as with job training centers; (iii) a low rate of use of job placement services among employers to post vacancies, in a context of a highly informal labor market;⁴⁴ and a lack of specialized staff who could work with companies to advertise the service and register vacancies; and (iv) the lack of an effective management system, including performance indicators.

⁴¹ As part of the regional technical-cooperation operation, “fAIr LAC: Responsible Artificial Intelligence for Efficient and Individualized Provision of Social Services for All” (technical cooperation operation ATN/17312-RG), an ethics audit of the “Para Empleo” job search platform will be conducted in 2020. This audit will help identify areas for improving the system that can be addressed by this project.

⁴² For additional information on dual-track training in Paraguay, see the [link](#).

⁴³ A job-seeker is any employed or unemployed person who is looking for a new or better job.

⁴⁴ In 2018, only 1,259 vacancies were registered with the Employment Bureau nationwide.

- 1.20 Meanwhile, the challenges faced by persons with disabilities arise, in part, from Paraguay's lack of a comprehensive employment access policy. The country also does not have administrative or survey data with adequate representativeness of persons with disabilities that could be used to promote employment policies designed specifically for this demographic. Many job skills training courses are not accessible or suitable for students with disabilities, nor are the buildings where these courses are taught. In many cases, people with disabilities face additional obstacles getting to training locations due to the lack of public transportation options.
- 1.21 **Unresolved challenges related to labor market information systems.**⁴⁵ The MTESS organizational structure includes two complementary observatories. The first is the Labor Observatory, whose role is to produce intelligence to analyze and recommend employment policies. However, it does not have: (i) tools for extracting robust, trustworthy data from administrative management systems; (ii) the capacity to collect primary data, which would allow for a broad, forward-looking diagnostic assessment of the labor market; or (iii) enough staff with specialized training to perform these tasks. The second is the Occupational Observatory, whose role is to propose policy and regulation guidelines for the job training system. It too has technical weaknesses that hinder its supervision and monitoring of public and private training service providers.
- 1.22 To develop an efficient, effective labor market information system, the various MTESS departments responsible for the design, implementation, and evaluation of job creation and formalization policies need to have integrated information systems.⁴⁶ At present, no such integration exists for three main reasons: (i) most MTESS processes are still carried out manually, and there are no effective monitoring systems⁴⁷ with connections across MTESS departments or with external institutions; (ii) the MTESS does not have relevant information from primary data sources, collected specifically for purposes of analyzing the labor market; and (iii) the MTESS does not have staff with expertise in labor data analysis at its various agencies.⁴⁸ At the same time, the lack of targeted economic support for child care and transportation subsidies limit the MTESS's capacity to develop policies that promote gender equality and the inclusion of persons with disabilities.
- 1.23 **Unresolved challenges in job training. Significant challenges have yet to be addressed in this area as well.** Although 33% of Paraguayans have attended job

⁴⁵ In addition to these institutional challenges, the observatories run into challenges in terms of access to primary information sources (see, for example, the Labor Observatory Strategic Plan). For example, Paraguay does not have an employer survey with sample values by sector that can elicit information on sector demand, nor does it have a supply-side survey that measures the skills of the workforce. Furthermore, as indicated below, administrative data is disjointed, which makes it difficult to use.

⁴⁶ IDB, WAPES, and OECD (2015).

⁴⁷ The Office of the Deputy Minister for Labor is responsible for registering businesses and supervising businesses' employee payroll. This information is a key input for the job placement system, which has to confirm that a business exists in its records before it can refer candidates and needs payroll information and external data from social security institutions to monitor candidates' labor market outcomes. The SNPP and SINAFOCAL do not have registration systems that are interconnected with the rest of the MTESS. This means that these training institutions cannot verify the labor market outcomes of trainees.

⁴⁸ The program plans to establish a data analysis team at the main office and build capacity for analysis and use of this information among staff members at local offices.

training courses⁴⁹ (with 30% having attended a course administered by the SNPP or SINAFOCAL), there is no evidence on the relevance of available courses. There is evidence, however, that training providers struggle to keep content up to date. For example, training curricula for the agricultural sector are outdated and make no reference to skills associated with climate change prevention and response.⁵⁰ With support from the Japan International Cooperation Agency and the Korea International Cooperation Agency, the SNPP has developed new curricula for two of its training centers in Asunción. However, other training centers have not implemented these curricula due to infrastructure or equipment issues and a lack of opportunities for instructors to update their skills. For example, in a country that is heavily dependent on the meatpacking industry, the only equipment available for courses on cold chain management is from 1989. This also has a negative impact on the environment.⁵¹ The relevance of job training courses taken by women, in particular, needs to be improved, and women should be encouraged to take courses with a larger technological component and in fields not traditionally pursued by women. According to SNPP data from 2018, 33% of women took training courses in cosmetology, gastronomy, or garment-making. Furthermore, the quality of training courses is inconsistent, even within the same training center, and systems for tracking graduates and analyzing course quality are still at an early stage of development.

1.24 Additional challenges at the SNPP and SINAFOCAL. Both institutions struggle with challenges related to: (i) using their own and external information to identify demand for skills and propose an array of training opportunities tailored to local employer needs; (ii) creating a model to continuously update the training opportunities they offer, including inclusive training opportunities for persons with disabilities; and, in the case of the SNPP, upgrading the equipment that training centers require to implement new curricula, taking into consideration the impact of climate change on value chains in key economic sectors, such as agriculture and logistics, as well as the need to reduce greenhouse gas emissions in these sectors and adapt physical infrastructure to make it accessible to persons with disabilities; (iii) monitoring graduates to determine if training activities are effective and establishing performance criteria; and (iv) aligning budget planning with private sector demand at the local and national levels. The SNPP also faces challenges related to promoting ongoing evaluation and professional development of its instructors.

1.25 Lessons learned and relationship to other Bank activities in the sector. The Bank has experience with the design and execution of the activities planned under

⁴⁹ Permanent Household Survey (2018).

⁵⁰ Paraguay is vulnerable to climate change because its economy is primarily focused on commodities and its infrastructure, logistics capacity, and services sector are still in development (Economic Commission for Latin America and the Caribbean, 2014). Although agriculture is one of the most productive sectors of the Paraguayan economy, agricultural productivity between 1996 and 2015 could have been higher were it not for average annual losses of 0.75% of GDP caused by climate events such as droughts and floods. IDB (2018b). Taking into account the estimated future increases in mean temperature and precipitation, Paraguay needs to implement mitigation and adaptation measures, which will require workers with the necessary skills and expertise. Paraguay also has an emissions reduction target of 10%, relative to the baseline (business as usual emissions), by 2030, which creates demand for skills related to clean energy and energy efficiency in several sectors of the economy.

⁵¹ Proper use of modern equipment reduces energy consumption and greenhouse gas emissions.

this program. The Program to Support Job Placement successfully implemented information systems in Paraguay that complement those to be implemented under this operation. One of the lessons learned that applies to both components concerns the phasing in of new technology. Implementing new technology by modules leads to fast progress and means that systems can continue to be developed and adjusted to new needs. Based on this positive experience, both components will design and implement process and systems improvements in stages. Another lesson learned that applies to the systems proposed under both components is that implementation should be supported by a change management process. This process will encourage public employees to use these systems. This means that the program will require a high-level architecture that maps out relationships between modules and an implementation strategy that does not adversely affect the way the systems and modules will ultimately be interconnected. This strategy was developed as part of technical cooperation operation ATN/FI-13862-RG⁵² and its implementation will continue under this operation. Both components will also factor in lessons learned from a regional project that promoted the technological modernization of employment services (technical cooperation operation ATN/OC-16825-RG). Lessons learned from other operations that have been incorporated into Component 1 include: (i) strengthening the link between job placement services and the productive sector (loan 3547/OC-PE); and (ii) promoting the improvement of labor market information systems and databases for decision-making (loan 2793/OC-CH), as well as technical knowledge on the importance of performance management for job placement services (IDB, WAPES, and OECD-2015). Component 2 incorporates the IDB's technical expertise in employment and job training policies, including: (i) its analysis of the role of skills information systems in designing job training policy; and (ii) the critical role of the productive sector in ensuring the quality of job training and occupational education (IDB-2017, IDB-2015, IDB-2016); as well as its operational experience in developing quality standards for job training (loan 3539/OC-CH).

- 1.26 **Rationale.** The Paraguayan government's National Development Plan 2014-2030 gives priority to activities that strengthen occupational education and access to quality jobs. As part of this effort, it has requested financing from the Bank for an operation aligned with the MTESS's institutional vision of increasing access to quality jobs and ensuring that basic, social, and labor rights are fully respected and upheld in workplaces, in pursuit of socioeconomic development with inclusive employment and gender equality.
- 1.27 **Strategic alignment of the program.** This program is consistent with the second Update to the Institutional Strategy, Development Solutions that Reignite Growth and Improve Lives (document AB-3190-2), and aligned with the development challenges of: (i) Social Inclusion and Equality, by promoting equal access to better employment opportunities, particularly for people who have weaker social networks or who face additional challenges in accessing the job market, such as persons with

⁵² Outputs arising from the Bank's nonfinancial additionality notably include the technological architecture for the MTESS (technical cooperation operation ATN/FI-13862-RG), an alternatives analysis to improve database management (technical cooperation operation ATN/OC-16825-RG), institutional analyses of the MTESS, the SNPP, and SINAFOCAL (technical cooperation operation ATN/FI-13862-RG; and technical cooperation operation ATN/OC-16588-PR), and a comparative analysis of services for job-seekers (IDB, WAPES, and OECD 2015).

disabilities; and (ii) Productivity and Innovation, by facilitating a better match between the pool of job-seekers and the demand for workers, through improvements to job training and placement services that reduce search times for companies and the associated loss of productivity. The program is also aligned with the crosscutting areas of: (i) Gender and Diversity, through the design, implementation, and evaluation of a pilot for training women in nontraditional occupations;⁵³ support for job training for women and their entry into the workforce through financing for targeted economic support for nutrition and childcare subsidies, the renovation of public infrastructure and adaptation of IT systems to make them more accessible for persons with disabilities, promoting job training of job-seekers with disabilities and their entry into the workforce through targeted economic support, and training for MTESS staff members on gender equality and job placement of persons with disabilities; (ii) Institutional Capacity and the Rule of Law, in that the program helps public entities improve service delivery by improving information management tools; and (iii) Climate Change and Environmental Sustainability, through (i) updated curricula for key sectors (7 out of a total of 10) such as logistics and agriculture, to include knowledge and skills to mitigate climate change and adapt these sectors to climate change;⁵⁴ (ii) a reduction of greenhouse gas emissions stemming from fewer trips thanks to the digitalization of processes (master employee registry) and implementation of virtual services;⁵⁵ and (iii) EDGE green building certification of four buildings renovated under the program through the incorporation of energy efficient materials and measures to ensure energy efficiency and efficient use of water and the replacement of equipment to implement curricula with energy efficiency certification.

- 1.28 The program is also consistent with the Update to the Institutional Strategy's operational area of emphasis of Technology and Innovation. It will also contribute to the Corporate Results Framework 2020-2023 (document GN-2727-12) through the indicator "beneficiaries of employment support initiatives." The operation is also consistent with the Labor Sector Framework Document (document GN-2741-7) through the dimension of success "The region's young people, the unemployed, underemployed or hard-to-employ make the transition to work faster, more effectively, and with better earning prospects;" and with the Diversity Action Plan for Operations 2019-2021 (document GN-2531-17) in that it promotes job training for persons with disabilities and their entry into the workforce. An estimated 12.33% of the operation's resources are invested in climate change mitigation and adaptation activities, according to the [joint methodology of the multilateral development banks for tracking climate change adaptation finance](#). These resources contribute to the IDB Group target of increasing financing for climate-related projects to 30% of approvals by the end of 2020 ([optional link 4](#)). Therefore, the operation is also consistent with the Climate Change Sector Framework Document (document

⁵³ For purposes of this program, nontraditional occupations are defined as those in which less than 30% of workers, on average, are women.

⁵⁴ See [optional link 4](#).

⁵⁵ Trips will be reduced through: online tracking of applications and procedures, which will eliminate the need for trips to check their status; updating online availability of certification information for job searches and for printing certificates; an online space where companies and/or workers can upload documentation (e.g., worker payroll, paperwork for beginning or ending the employer-employee relationships).

GN-2835-8). The operation is aligned with the IDB Group Country Strategy with Paraguay 2019-2023 (document GN-2958) through the area of human capital and living conditions. This operation is included in the Update of the Annex III of the 2019 Operational Program Report (document GN-2991-3).

- 1.29 **Technology and innovation.** This program seeks to promote the implementation of cutting edge technologies for: (i) matching the labor pool with demand for workers at the level of job placement services; (ii) matching the skills that employers want with the skills that job-seekers have, and calculating the gap between the two, to develop relevant training courses; and (iii) furnishing equipment for job training courses (virtual reality). The program will also seek to develop the workforce's skills in the use of these technologies.

B. Objectives, components, and cost

- 1.30 **Objective.** The program objective is to support the MTESS in its efforts to develop and implement policies that help job-seekers obtain quality jobs. Its specific objectives are to: (i) expand the coverage of the MTESS job placement system; and (ii) improve job-seekers' skills by updating the curricula of job training programs offered by the SNPP and SINAFOCAL and incorporating a gender perspective.
- 1.31 **Component 1. Expansion of the job placement system (US\$18.9 million).** This component will implement activities aimed at expanding the coverage of the MTESS's job placement system. To achieve this, it has been divided into two subcomponents.
- 1.32 **Subcomponent 1.1. Incentives to facilitate entry into the workforce.** This subcomponent seeks to promote the entry into the workforce of job-seekers, especially young people. It will finance activities that: (i) fund economic transfers, including apprenticeship programs for young people; (ii) adjust and design additional curricula for the dual apprenticeship system;⁵⁶ (iii) train instructors at companies for dual training processes; (iv) procure equipment for dual system technical institutes; (v) pay instructors at participating companies; and (vi) design and implement an IT system for data management, in line with safety and privacy standards.
- 1.33 **Subcomponent 1.2. Strengthening of the MTESS.** This subcomponent seeks to strengthen the MTESS's ability to appropriately match the skills of job-seekers to the skills needed by employers, through job placement services. It will finance activities that: (i) improve and expand the Public Employment Service with a profile of its users and other services; (ii) implement a job policy monitoring and evaluation system; (iii) implement an online services portal that is open to the public; (iv) implement communication campaigns for job retraining and protecting labor rights; and (v) remodeling MTESS infrastructure to include EDGE certification and make facilities more accessible for persons with disabilities.
- 1.34 **Subcomponent 1.3. Labor market information.** This subcomponent seeks to build capacity at the MTESS to improve its monitoring of information on job quality, through the production and use of labor market information. It will finance activities that: (i) build capacity for data collection, systematization, and management by

⁵⁶ The dual-track education system is job training that combines learning in a company and in a job training center where the student spends time in both places and has a training tutor at the company. For additional information on dual-track training programs in Paraguay, see the [link](#).

collecting primary data, implementing improvements to management and information systems (including cybersecurity and personal data management), digitalizing procedures currently carried out manually,⁵⁷ and building technological infrastructure;⁵⁸ (ii) train MTESS staff, particularly employees of the Labor and Occupational Observatories, in the use of data for developing, monitoring, analyzing, and evaluating policy proposals to promote quality employment. Training received by staff will also address such topics as equality and inclusion of persons with disabilities in the workplace; (iii) improve operational and technological infrastructure, by acquiring vehicles, equipment, and software; (iv) design and implement an IT system for investigations and oversight; and (v) design and implement an online job mediation system as part of the investigations and oversight process. Financing will also be provided for the development of at least three proposals for policies to promote quality employment.

1.35 Component 2. Update of available job training opportunities (US\$10.5 million).

This component will carry out activities aimed at improving job-seekers' skills by updating the SNPP's and SINAFOCAL's job training curricula to more effectively respond to the needs of the labor market.⁵⁹ It will finance activities that:⁶⁰ (i) build capacity for labor market and employer demand analysis at the SNPP and SINAFOCAL, using information from the labor market information system; (ii) establish systems for consulting employers about the skills they need; (iii) align and update curricula⁶¹ with the needs identified in surveys by occupational area and include adjustments to promote the inclusion of persons with disabilities in training courses; (iv) equip SNPP technological institutes and retrofit their infrastructure to

⁵⁷ The process used by companies to submit documentation to the MTESS would be digitalized, and a system for tracking the status of applications and other procedures would be established so that businesses, employees, and job-seekers do not need to make as many trips to track processes. There would also be the opportunity to obtain certifications (e.g., company records and/or fulfillment of obligations) online. In addition, an integrated job placement system will be established. It will include information on the skills certified under Component 2 so that job-seekers can add them without having to go to a job placement system office and print job training certifications from a website without having to go to the job training center.

⁵⁸ The strides made toward digitalization under the Program to Support Job Placement laid the foundation for the development of interconnected computer systems that link the job placement system to the MTESS departments that have the information needed to improve job training and search processes, as well as to job training institutions (the SNPP and SINAFOCAL), so that the system will have complete information on graduates, course curricula, and skills job-seekers developed in training. This information will ensure that the Labor Observatory, the Occupational Observatory, and training centers have inputs for analysis to develop policies. This administrative information is particularly valuable because of the low cost of producing it in a country that does not have a lot of statistical information available.

⁵⁹ This component will promote the relevance of job training through the following activities: (i) information from the systems established under Component 1 and the interconnectivity with other State institutions will be used to determine the training needs of job-seekers and current employees, so improvements can focus on market needs; and (ii) forums for public-private coordination will be developed, so as to obtain a better understanding of the skills that the private sector needs at the industry or sector level. To promote quality, efforts will be made to strengthen teacher and instructor evaluation and quality assurance systems, both in the classroom and in the workplace.

⁶⁰ See paragraph 1.27, which describes how the proposed activities address the concerns of women and persons with disabilities, in line with the diagnostic assessment of these groups' concerns.

⁶¹ During the process of designing curricula and the procurement of equipment thereafter, the program will coordinate with other donors (paragraph 1.17) to avoid overlapping efforts, promote synergies, and ensure that students from other programs can access and benefit from the acquired equipment. At present, universities and educational institutions administered by the Ministry of Education and Science use the SNPP's equipment for their courses.

- adapt to new curricula and facilitate access for persons with disabilities, including EDGE certification; (v) implement a training quality assurance system; (vi) train instructors/trainers; (vii) design, implement, and evaluate a pilot study for training women in nontraditional occupations; (viii) support job training for women and their entry into the workforce by providing financing for targeted economic support for nutrition and child care subsidies; and (ix) strengthen training for job-seekers, especially those with disabilities, and their entry into the workforce, through targeted economic support for transportation subsidies. Economic support will be subject to the criteria established in the program Operating Regulations.
- 1.36 Component 2 will also finance an impact and cost-effectiveness evaluation of learning outcomes in nontraditional educational settings (virtual reality) compared to settings where traditional equipment is used.
- 1.37 Change management activities will be financed under both components. Good practices and guidelines for technology implementation by the State will be followed, including those developed by the Paraguayan Ministry of Information and Communication Technologies.
- 1.38 **Administration and contingencies (US\$600,000).** Funds will also be allocated for program administration and audits.
- 1.39 **Beneficiaries.** The program would benefit at least 40,000 job-seekers through job counseling and placement services.⁶² Approximately 17,500 people would benefit from training courses with new curricula, infrastructure, and/or equipment, including 500 women who would take courses to train for nontraditional occupations.⁶³

C. Key results indicators

- 1.40 The expected impact is to help job-seekers find quality jobs. The expected outcomes of the activities to expand the coverage of the MTESS's job placement system are increases in: (i) the number of job-seekers served by the job placement system each year; and (ii) the number of vacancies posted in the job placement system. As for the activities to enhance job-seekers' skills by updating the SNPP's and SINAFOCAL's job training curricula, the expected outcomes are increases in: (i) the number of people certified through training courses implemented as part of this program, and disaggregated data will be given for persons with disabilities;⁶⁴ and (ii) the number of women certified in training courses for nontraditional occupations.
- 1.41 **Economic analysis.** An ex ante cost-benefit analysis of the program was performed to analyze its economic feasibility. Calculated based on an evaluation horizon of 10 years and a discount rate of 9% (the rate used by the Paraguayan National Public Investment System), the program's net present value is US\$1,917,533, and its internal rate of return is 14.2%. With a discount rate of 12% (the rate typically used by the IDB to analyze projects), the estimated net present value is US\$686,526. The

⁶² Including expansion outside of the capital region (Asunción).

⁶³ For available information on persons with disabilities, see the Gender and Disability Annex.

⁶⁴ The program will keep full records of its beneficiaries, with an emphasis on persons with disabilities, to quantify the program's impact on that group. It should be noted that there was not enough information on the employment profile of persons with disabilities in Paraguay when the operation was designed, which has made it difficult to calculate a target for the program. Therefore, no specific target is given for this breakdown.

sensitivity analysis performed found that the expected net present value is highly variable but remains positive (US\$2,074,776).

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 The program will be financed with a specific investment loan because: (i) it has been fully defined; and (ii) its components cannot be separated without adversely affecting the nature of the program. It will be a US\$30-million loan financed from the Bank's Ordinary Capital. The amounts at the subcomponent level are indicative.

Table 1. Estimated program costs (US\$ millions)⁶⁵

Component	IDB	%
Component 1. Expansion of the job placement system	18.9	63.2
Subcomponent 1.1. Incentives to facilitate entry into the workforce	10.3	54.5
Subcomponent 1.2. Strengthening of the MTESS	3.9	20.6
Subcomponent 1.3. Labor market information	4.7	24.9
Component 2. Promotion of skills training policies	10.5	34.9
Administration and contingencies	0.6	1.9
Total	30.0	236.0

- 2.2 Disbursements will be made over a period of six years from the date the loan contract is signed, as set forth in the disbursement schedule in Table 2. The six-year disbursement period reflects the past performance of Paraguay's portfolio; technical aspects of this program's design; and the recommendation by the Office of Evaluation and Oversight (2017) that the design of Paraguayan operations incorporate the additional timeframes required for approval and execution.

Table 2. Disbursements (US\$)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
IDB	242,970	2,758,952	4,013,489	8,217,998	10,205,883	4,560,708	30,000,000
%	0.8	9.2	13.4	27.4	34.0	15.2	100

B. Environmental and social risks

- 2.3 **Environmental and social considerations.** In accordance with the guidelines of the Bank's Environment and Safeguards Compliance Policy (Operational Policy OP-703), this program has been classified as a category "C" operation as it will not finance any major physical investments (civil works) and thus is not expected to have a significant negative environmental impact.

C. Fiduciary risks

- 2.4 **Fiduciary considerations.** The risk management assessment found that, under current conditions, there is a medium-level risk associated with potential noncompliance with the initially defined procurement plan and annual work plan and

⁶⁵ The projected costs include local taxes, in accordance with Bank policy.

potential delays to program launch. To mitigate this risk, the following measures will be taken: (i) a program coordination unit with specialized technical staff will be created; and (ii) program Operating Regulations will be put in place. Training on fiduciary issues will also be provided.

- 2.5 **Implementation capacity and sustainability.** An institutional capacity assessment of the MTESS was performed. The methodology used found a medium level of institutional capacity development and a medium level of risk. Based on the areas in need of improvement identified by the diagnostic assessment, an institutional strengthening plan has been developed. This plan includes a detailed description of the proposed mitigation measures, costs, and responsible units or officials, and these measures will be considered institutional strengthening activities.

D. Other key issues and risks

- 2.6 **Macroeconomic framework.** The program team has identified a medium risk stemming from a slowdown in economic growth, which could result in lower demand for workers and adversely affect the program target of helping job-seekers join the workforce. To mitigate this risk, the program will promote job training in sectors that have the best prospects for continued growth in demand for labor and high productive potential.
- 2.7 **Other risks.** Three medium risks were identified, two development risks and one cybersecurity risk. These risks and their corresponding mitigation measures are described below: (i) challenges in getting strategic entities and program users to use and take ownership of the policy and technology innovations could delay execution of Components 1 and 2. To mitigate this risk, change management and training processes will be implemented, as well as campaigns to explain and publicize program benefits; (ii) lack of coordination and cooperation between the various institutional actors involved in employment policy could delay execution of Components 1 and 2 and affect the quality of their outputs. To mitigate this risk, the Bank will help the MTESS develop program Operating Regulations based on lessons learned and good practices from the execution of other programs, and the general and technical coordinators of the program coordination unit will have specific duties and play a key role in coordinating the various MTESS units and promoting collaboration between them. The coordinators' duties will include developing an action plan to facilitate coordination and regular meetings between key actors to monitor compliance with that plan; and (iii) cyberattacks targeting the MTESS's computer systems could put beneficiaries' personal data at risk. To mitigate this risk, cybersecurity considerations will be built into the outputs as an eligibility requirement (paragraph 1.32), and a cybersecurity strategy will be developed in the first six months of loan execution.
- 2.8 **Sustainability.** Two medium sustainability risks have been identified: (i) financial sustainability of the new courses depends on the resources available for training in the national accounts. The MTESS receives funds from the payroll tax that Paraguay levies on employers to finance job training. These funds should also be the foundation for the SNPP equipment modernization strategy to be developed as part of the roadmap under Component 2, to ensure that future adjustments to curricula have the equipment they need for implementation; and (ii) technological systems may quickly become obsolete, which would create cost overruns and adversely affect the outcomes of Components 1 and 2. To mitigate this risk, the technical

specifications used to select providers will emphasize cloud-based solutions and existing digital solutions that are regularly updated and can be customized for the MTESS's uses, instead of custom-made solutions.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 **Borrower and executing agency.** The Republic of Paraguay is the borrower and will serve as executing agency, acting through its Ministry of Labor, Employment, and Social Security (MTESS). It will create a program coordination unit that will be responsible for program management. The executing agency is responsible for program execution, which includes maintaining accounting records for loan proceeds, procurement processes, submitting reports, and compliance with the program Operating Regulations, as well as coordination of all program-related technical and operational activities.
- 3.2 **The following will be conditions precedent to the first disbursement: (i) the executing agency will have created, by ministerial resolution, the program coordination unit, which will be part of the MTESS organizational structure and report directly to the Minister, and the program coordinator, procurement specialist, and fiduciary specialist will have been appointed or hired in accordance with the terms of reference previously agreed upon with the Bank; and (ii) the executing agency will have approved, by ministerial resolution, the [Operating Regulations](#) in accordance with the terms previously agreed upon with the Bank.** The first condition is necessary to ensure that the executing agency has the structure and minimum capacity necessary to begin program execution, while the second is justified by the need for the executing agency to have clear procedures for implementing the program and meeting its contractual obligations.
- 3.3 **[Program Operating Regulations](#).** The rules governing execution will be set out in the program Operating Regulations, which will be approved by the executing agency and agreed upon with the Bank. The program Operating Regulations will address such topics as: (i) the makeup, duties, and functions of the program coordination unit; (ii) scope of responsibilities; (iii) fiduciary procedures; (iv) accountability and control mechanisms; (v) coordination with other institutions; and (vi) requirements for and the content of reports, plans, and other program management and supervision tools.
- 3.4 **Coordination with the private sector.** The program will promote coordination of the job placement system and job training with the private sector by: (i) opening employment offices in medium-sized cities where the Employment Bureau does not currently have offices and where there is the greatest likelihood of being able to coordinate with employers from sectors in which labor demand is on the rise; (ii) promoting the visibility of the job placement system in the private sector, which will include raising employer awareness of gender and diversity concerns; and (iii) establishing systems for consulting employers about the skills they need.⁶⁶

⁶⁶ More specifically, the program plans to use technical roundtables, but a mix of other mechanisms could be used. See [link](#).

- 3.5 **Procurement.** Procurement of goods, works, and consulting services will be conducted pursuant to the Policies for the Procurement of Works and Goods Financed by the IDB (document GN-2349-15) and the Policies for the Selection and Contracting of Consultants Financed by the IDB (document GN-2350-15). The country subsystems for electronic reverse auction and competitive bidding will be used pursuant to their approval by the Board of Executive Directors (document GN-2538-11) in October 2013 and may change as the Bank approves greater levels of use. The [procurement plan](#) contains additional details on the procurement that will take place during execution.
- 3.6 **Disbursement flow.** The IDB will transfer funds to an account exclusively for program use that the Ministry of Finance will open at a financial institution. Disbursements will be made in the form of advances of funds to cover liquidity needs according to the respective financial plan for a period of up to 180 days. A new advance may be requested when supporting documentation has been provided for 80% of the cumulative resources pending justification. Payments or reimbursements of payments may also be made directly to suppliers.
- 3.7 **Financial statements and external audit.** Program financial statements audited by a independent audit firm acceptable to the Bank will be requested on an annual basis within 120 days after the end of each fiscal year or the date of the last disbursement.

B. Summary of arrangements for monitoring results

- 3.8 **Monitoring.** The executing agency, acting through the program coordination unit, will submit to the Bank progress reports that address fulfillment and progress toward the indicators contained in the results matrix, the multiyear execution plan, the annual work plan, and the procurement plan, as described in the monitoring and evaluation plan. The monitoring and evaluation plan discusses available resources for monitoring and evaluation.
- 3.9 **Evaluation.** The program will conduct a final evaluation of program results, which will analyze whether the results indicators included in the results matrix have been achieved and will study whether the interventions effectively attracted women to nontraditional sectors and facilitated their placement in jobs in these sectors. The program will also conduct an impact evaluation and cost-effectiveness analysis to evaluate learning outcomes in nontraditional training settings (virtual reality) compared to the use of traditional equipment. The impact evaluation will be experimental and will use the randomized method of design by stages as indicated in the [monitoring and evaluation plan](#).

Development Effectiveness Matrix		
Summary		PR-L1159
I. Corporate and Country Priorities		
1. IDB Development Objectives		
Development Challenges & Cross-cutting Themes	<div>-Social Inclusion and Equality</div> <div>-Productivity and Innovation</div> <div>-Gender Equality and Diversity</div> <div>-Climate Change and Environmental Sustainability</div> <div>-Institutional Capacity and the Rule of Law</div>	
Country Development Results Indicators	<div>-Formal employment of women (%)</div> <div>-Women beneficiaries of economic empowerment initiatives (#)*</div> <div>-Government agencies benefited by projects that strengthen technological and managerial tools to improve public service delivery (#)*</div>	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-2958	See p. 3.31 (i) enhancing the coverage and quality of education and job training ; (iii) building institutional capacities in job training, prioritizing the development and coordination of information systems, the implementation of effective training processes, personnel recruitment and appraisal, as well as improvements in the design, execution, monitoring, and evaluation of interventions and programs.
Country Program Results Matrix	GN-2991-3	The intervention is included in the 2020 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		10.0
3.1 Program Diagnosis		3.0
3.2 Proposed Interventions or Solutions		4.0
3.3 Results Matrix Quality		3.0
4. Ex ante Economic Analysis		10.0
4.1 Program has an ERR/NPV, or key outcomes identified for CEA		3.0
4.2 Identified and Quantified Benefits and Costs		3.0
4.3 Reasonable Assumptions		1.0
4.4 Sensitivity Analysis		2.0
4.5 Consistency with results matrix		1.0
5. Monitoring and Evaluation		10.0
5.1 Monitoring Mechanisms		2.5
5.2 Evaluation Plan		7.5
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		Yes
Environmental & social risk classification		C
IV. IDB's Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)	Yes	Procurement.
Non-Fiduciary		
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	RG-T3450; ATN/OC-17312-RG; RG-T2262; ATN/FI-13862-RG; PR-T1230; ATN/OC-16588-PR; PR-T1266; ATN/OC-17444-PR

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

Evaluability Assessment Note:

This is a US\$30 million operation aimed at supporting job seekers to access quality jobs. The specific objectives of the program are: (i) increase the coverage of the Labor Intermediation System (SIL) of the Ministry of Labor, Employment and Social Security (MTESS); and (ii) improve the skills of job seekers, by updating the job training curricula of the National Professional Promotion Service (SNPP) and the National System of Job Training (SINAFOCAL) with a gender approach. Labor informality is high in Paraguay (61% for men and 58% for women) and there is a gender participation gap of 26 percentage points, the largest in South America. In part, the lack of access to quality jobs is explained by the use of inefficient job search systems (87% of job seekers use informal search methods, which are less effective for socially disadvantaged groups, which usually have more limited contact networks). The lack of information on the labor market (there are no surveys of employers with sectoral representativeness) make it difficult to design policies to promote formal employment. In terms of skills, the country is in the last positions in the region in terms of learning tests, and 29% of employers identify the lack of skilled labor as a barrier to the growth of their companies. The obstacles faced by people with disabilities are even greater (42% of men and 77% of women with disabilities are inactive in the labor market). The program seeks to increase the coverage of the SIL (both in terms of physical and virtual offices), expand the generation and analysis capacity of labor information of the MTESS and the updating of the curricula of the SNPP and SINAFOCAL. The program will include actions aimed at promoting the job training of women and people with disabilities, including the training of women in non-traditional occupations, and the renovation of infrastructure to be more accessible. The achievement of the specific objectives will be measured: for objective (i) with the increase in the number of job seekers served annually by the SIL; and for the increase in vacancies registered per year in it. For objective (ii) with an increase in the number of people who are certified in new forms of job training; and an increase in the number of women who are certified in training courses in non-traditional occupations.

The ex-ante economic analysis of the intervention is appropriate, with reasonable and standard assumptions for these types of projects, and with reasonable sensitivity analyses. The net present value of the project is US\$1.9 million (based on a discount rate of 9%, used by the National Public Investment Service of Paraguay) and the expected internal rate of return is 14.2%.

The project evaluation plan proposes to carry out a final evaluation of the program based on obtaining the goals set in the results matrix, which does not allow empirical attribution of the results. Additionally, the project proposes two other evaluations. A qualitative evaluation of interventions to attract women to non-traditional professions, and an experimental impact evaluation and cost-effectiveness analysis on the quality of learning in non-traditional training environments, through a pilot on the use of virtual reality in job training. This last evaluation has the potential to create extremely useful knowledge about the use of new technologies in job training.

RESULTS MATRIX

Program objective:	The program objective is to support the Ministry of Labor, Employment, and Social Security (MTESS) in its efforts to develop and implement policies that help job-seekers obtain quality jobs. ¹ Its specific objectives are to: (i) expand the coverage of the MTESS job placement system; and (ii) improve job-seekers' skills by updating the curricula of job training programs offered by the National Professional Development Service (SNPP) and the National Vocational Education and Training System (SINAFOCAL) and incorporating a gender perspective.
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IMPACT

Indicator	Unit of measure	Baseline	Baseline year	Final target	Means of verification
Male job-seekers served by the job placement system who obtain quality jobs.	Percentage	35.6	2018	41.4	Reports from the Para Empleo system*
Female job-seekers served by the job placement system who obtain quality jobs.	Percentage	37.7	2018	43.9	Reports from the Para Empleo system*

EXPECTED OUTCOMES

Indicator	Unit of measure	Baseline	Baseline year	Final target	Means of verification
Job-seekers served, ² on average, by the job placement system each year	Number	13,217	2015-2019	19,884	Reports from the Para Empleo system*
Vacancies ² posted, on average, in the job placement system each year	Number	2,620	2015-2019	5,620	Reports from the Para Empleo system*

* For additional information on the means of verification and sources of information, see the monitoring and evaluation plan.

¹ Quality jobs are defined as those that pay at least the minimum wage and include social security.

² For definitions of "job-seekers served" and "vacancies," as well as additional information on new modalities of job training to help job-seekers enter the workforce, see the monitoring and evaluation plan. Baseline calculated based on a five-year period. The average for the target was calculated based on a six-year period. See the monitoring and evaluation plan.

Indicator	Unit of measure	Baseline	Baseline year	Final target	Means of verification
People certified through new modalities of job training to help job-seekers enter the workforce. ³	Number	3,616	2015-2019	20,616	Reports from the Para Empleo system*
Disaggregated: Persons with disabilities certified through new modalities of job training to help job-seekers enter the workforce					
Women certified through training courses for nontraditional occupations designed by the program	Number	0	2018	500 ¹	Reports from the Para Empleo system*

OUTPUTS

Output	Unit of measure	Base-line	Base-line year	Year						Target	Means of verification	Comments
				1	2	3	4	5	6			
Component 1: Promoting job placement in the post-COVID-19 landscape												
Subcomponent 1.1. Incentives to facilitate entry into the workforce												
People who benefit from economic transfers ⁴	Thousands of people	0	2019	5	5	4	0	0	0	14	Reports from the Para Empleo system*	Beneficiary is defined as a person who has received at least one economic transfer.
Computerized information management system, including security and privacy standards, implemented	System	0	2019	0	1	0	0	0	0	1	Reports from system testing*	The system is considered implemented when it has defined indicators, measures trends, and regularly documents those trends for the purposes of generating information for decision-making.

³ Baseline: total for the 2014-2019 period.

⁴ Includes financing for incentives to encourage young people to join the apprenticeship program.

Output	Unit of measure	Base-line	Base-line year	Year						Target	Means of verification	Comments
				1	2	3	4	5	6			
Subcomponent 1.2. Strengthening of the MTESS												
Employment policy monitoring and evaluation system implemented	System	0	2019	0	1	0	0	0	0	1	Labor Observatory report*	The system is considered implemented when it has defined indicators, measures trends, and regularly documents those trends for the purposes of generating information for decision-making.
Employment offices in operation	Office	4	2019	0	2	2	0	0	0	4	MTESS administrative data*	An office is considered to be in operation when it is open and can serve the public according to the standards established by the MTESS.
Web portal of online services available to the public implemented	Website	0	2019	0	1	0	0	0	0	1	Reports from the Para Empleo system*	The website is considered implemented when the public can use it to conduct transactions.
MTESS infrastructure renovated, which includes obtaining EDGE certification and being made accessible to persons with disabilities	Building	0	2019	0	0	0	0	1	0	1	Works acceptance certificate and EDGE certification	Infrastructure is considered renovated when works have been completed.
Subcomponent 1.3. Labor market information												
Computerized information management platform for employment policies	Number	0	2019	0	1	0	0	0	0	1	Platform use reports*	Operational platform
MTESS staff and technicians trained in data use	Number of people	0	2019	0	20	20	20	20	20	100	MTESS training reports*	Staff members will attend a specific training.
MTESS staff and technicians trained in inclusion and equality	Number of people	0	2019	0	20	20	20	20	20	100	MTESS training reports*	Staff members will attend a specific training.
MTESS staff and technicians trained in sector-related technical functions	Number of people	0	2019	0	20	20	20	20	20	100	MTESS training reports*	Staff members will attend a specific training.

Output	Unit of measure	Base-line	Base-line year	Year						Target	Means of verification	Comments
				1	2	3	4	5	6			
Employment policy proposals designed	Document	0	2019	0	0	0	1	1	0	2	Policy documents*	A policy proposal is considered designed when it has been conceptually developed and written down in a document.
Labor mediation and oversight systems, implemented	System	0	2019	0	1	0	0	0	0	1	Reports from system tests*	The system is considered implemented when it has defined indicators, measures trends, and regularly documents those trends for the purposes of generating information for decision-making.
Component 2: Update of available job training opportunities												
Roadmap for the skills development system formulated	Report	0	2019	1	0	0	0	0	0	1	Roadmap document*	The roadmap is considered formulated when it has been documented.
Training curricula updated, by job family ⁵	Number of curricula	0	2019	0	10	0	0	0	0	10	Reports from the implemented courses*	A curriculum is considered updated when the job skills training course is taught using the new training curriculum.
Infrastructure of technical institutes renovated	Building	0	2019	0	1	1	1	0	0	3	Acceptance certificate and EDGE certification	A building is considered renovated when renovation works have been completed, EDGE certification has been obtained, signage for people with disabilities has been placed, the equipment needed to teach training courses with the new curricula has been installed, and energy efficiency certification has been obtained. ⁶

⁵ Seven of the ten training curricula will incorporate technical skills that support emissions reduction and climate change adaptation.

⁶ Energy efficiency certification for equipment can be obtained from Energy Star or the equipment manufacturer.

Output	Unit of measure	Base-line	Base-line year	Year						Target	Means of verification	Comments
				1	2	3	4	5	6			
Instructors trained	Number of people	0	2019	0	10	35	45	10	0	100	SNPP administrative data*	Instructors are considered trained when they pass the courses included in their training plans.
Quality assessment system implemented	System	0	2019	0	1	0	0	0	0	1	Reports from the quality assessment system*	The system is considered implemented when it can generate indicators on the results of the program activities that can then be used to produce reports for policy decisions.
Pilot project for training women for employment in nontraditional sectors designed	Report	0	2019	1	0	0	0	0	0	1	Pilot document*	The pilot is considered designed when the content of the training and the method of delivery have been documented.
Pilot project for training women for employment in nontraditional sectors implemented	Pilot	0	2019	0	1	0	0	0	0	1	Reports from the Para Empleo system*	The pilot is considered implemented when the training courses begin to be taught.

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Country:	Paraguay
Program name:	Program to Promote the Development of Skills for Employment in the Framework of Workforce Restructuring in Post-COVID-19 Paraguay and the Protection of Workers' Rights
Project number:	PR-L1159
Executing agency:	Ministry of Labor, Employment, and Social Security
Fiduciary team:	Fernando Glasman, Jorge Seigneur, and Jorge Luis González (Fiduciary Specialists)

I. EXECUTIVE SUMMARY

- 1.1 The institutional assessment for fiduciary management was conducted jointly by the Bank's fiduciary team and officials from the administrative/financial and procurement units of the Ministry of Labor, Employment, and Social Security (MTESS). It was supplemented by the findings of the November 2019 Institutional Capacity Assessment System (ICAS) evaluation of the MTESS and the program's risk matrix. Preparation of the fiduciary agreements has been based on those inputs.

II. FIDUCIARY CONTEXT OF THE COUNTRY

- 2.1 In general, the country systems for financial management have a medium level of development. For the purposes of specific financial reports and external control when executing Bank-financed projects, these systems need to be supplemented by auxiliary accounting systems and the contracting of Bank-eligible private audit firms. Financial control tools such as the Integrated Financial Administration System (SIAF), the Integrated Accounting System (SICO), and other subsystems allow executing agencies to transfer payments to suppliers of goods and services through the Central Bank. In the future, integration of these systems will make it possible for the SIAF to produce audited financial statements for the program or project. In the meantime, parallel systems will be used.
- 2.2 The country's Public Sector Procurement System (SCSP) has made efficiency and transparency gains in recent years following the creation of its apex agency, the National Public Procurement Directorate (DNCP), which has enabled implementation of a transactional purchasing platform with electronic procedures, such as electronic reverse auction, a vendor system, and the Statistical Information System. The Public Procurement Information System (SICP) is used for Bank-financed operations, as are the country electronic reverse auction and

competitive bidding subsystems, for the amounts and categories established in the agreement for their use, signed on 17 June 2014.

III. FIDUCIARY CONTEXT OF THE EXECUTING AGENCY

- 3.1 The Republic of Paraguay is the borrower and will serve as executing agency, acting through its Ministry of Labor, Employment, and Social Security (MTESS). The executing agency will establish a program coordination unit (PCU/PR-L1159) that will act as the procurement operations subunit¹ and the financial administration subunit² and will report to the Minister, who will be responsible for overseeing the technical and operational management of program PR-L1159. For all fiduciary and administrative matters, the program coordination unit will work in coordination with the Directorate-General of Administration and Finance. More details on the execution mechanism will be provided in the program Operating Regulations.
- 3.2 During program preparation, the program team assessed the MTESS's institutional capacity in relation to programming and organizational capacity; execution capacity for the programmed and organized activities, which includes systems for financial, goods and services, and personnel administration; and control capacity. That assessment found that the MTESS has technical expertise in fiduciary matters. The ICAS was used to assess the MTESS's capacities, and its findings show a medium level of development and a medium level of risk.
- 3.3 The program will be executed by the loan PR-L1159 program coordination unit, which will perform the following functions: operational management, procurement monitoring, and financial administration. It will also be the IDB's counterpart and will act as the representative of program PR-L1159 in dealings with other institutions.

IV. FIDUCIARY RISK EVALUATION

- 4.1 The evaluations performed show that opportunities for improvement are concentrated in the following areas:
 - a. Development of the profiles for technical and fiduciary positions and hiring of procurement and financial management specialists with knowledge of IDB policies.
 - b. Implementation of the program Operating Regulations.
 - c. Training on the Bank's financial management policies for the accounting and internal control departments, through courses and workshops.
 - d. Training on the Bank's procurement policies.

¹ The procurement operations unit will delegate its functions to the procurement operations subunit by means of a ministerial resolution, which will let the subunit independently carry out procurement processes.

² The financial administration unit will delegate its functions to the financial administration subunit by means of a ministerial resolution, which will let the subunit independently carry out financial and administrative processes.

V. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF THE CONTRACT

- 5.1 The agreements and requirements to be considered in the special provisions are as follows:
- a. For purposes of Article 4.10 of the General Conditions, the Parties agree that the applicable exchange rate will be as indicated in Article 4.10(b)(i). The agreed exchange rate will be the exchange rate in effect on the date when the currency of approval or disbursement is converted into the borrower's local currency. For the purpose of determining the equivalency of expenditures incurred in local currency chargeable against the local contribution, the agreed exchange rate will be the rate in effect at the time of payment whereby the MTESS, or any other person or corporation with delegated authority to incur expenditures, makes the respective payment to the contractor, vendor, or beneficiary. For purposes of determining the equivalency of reimbursement of expenditures against the loan proceeds, the agreed exchange rate will be the rate in effect on the date of the reimbursement request.
 - b. The program annual financial statements will be delivered no later than 120 days after the end of the fiscal year, and final financial statements no later than 120 days after the date of the last disbursement.

VI. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

- 6.1 The procurement policies applicable to this loan are those contained in documents GN-2349-15 and GN-2350-15. In addition, the Bank's Board of Executive Directors approved (document GN-2538-11) the use of the electronic reverse auction and competitive bidding subsystems of the SCSP (Law 2,051/03). Other country systems approved subsequent to program approval will apply automatically and will be indicated in the procurement plan.

A. Procurement execution

- 6.2 **Procurement of works, goods, and nonconsulting services.** Contracts for works, goods, and nonconsulting services³ subject to international competitive bidding (ICB) will be executed using the standard bidding documents issued by the Bank. Procurement subject to national competitive bidding will be executed using national bidding documents as agreed with the Bank. The technical specifications of the procurements will be reviewed by the program's sector specialist during the preparation of selection processes.
- 6.3 **Selection and contracting of consultants.** Consulting service contracts arising under the program will be executed using the standard request for proposals issued by or agreed with the Bank. The program sector specialist will be responsible for reviewing the terms of reference for contracting consulting services.
- 6.4 **Use of the country system.** Pursuant to document GN-2538-11 of October 2013, the use of the electronic reverse auction and competitive bidding subsystems of

³ Policies for the Procurement of Goods and Works financed by the Inter-American Development Bank (document GN-2349-9), paragraph 1.1: Nonconsulting services are treated as goods.

the SCSP in Bank-financed operations will be applicable to: (i) all contracts for goods and nonconsulting services subject to the use of the electronic reverse auction procedure under the SCSP, where the amount in question is below the threshold set by the Bank for use of the shopping method for off-the-shelf goods (for reference, US\$250,000); and (ii) all works contracts for amounts below the threshold set by the Bank for use of the shopping method for complex works (for reference, US\$250,000), and contracts for goods and nonconsulting services up to the amount established by the Bank for use of the shopping method for complex goods and services (for reference, US\$50,000); while (iii) contracts for amounts greater than or equal to the aforementioned amounts will be governed by Bank policies (document GN-2349-9).

- 6.5 Section 1 of the Bank's policies (document GN-2349-9) will apply to all contracts executed, regardless of amount or procurement method. Any subsequently approved system or subsystem will apply to the operation. The operation's procurement plan and its updates will identify which procurements are to be executed using the approved country systems. If the Bank validates another system or subsystem, it will also be applicable to this operation, as established in the loan contract.
- 6.6 **Recurrent expenses.** No recurrent expenses are expected for this operation.
- 6.7 **Domestic preference.** Domestic preference is not anticipated for this operation.
- 6.8 **Sustainability criteria for procurement.** As indicated in paragraph 1.35 of the loan proposal, the Bank's green procurement guidelines will apply.

Table 1. Thresholds for ICB and international shortlists⁴ (US\$)

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

Table 2. Procurements by contracting segment⁵ (US\$)

Total works	1,440,000
Total goods	10,866,000
Total nonconsulting services	5,467,500
Total consulting firms	6,602,500
Total individual consultants	2,009,000
Total Procurement Plan	26,385,000

- 6.9 **Procurement supervision.** All procurement and/or contracting processes governed by the Bank's procurement policies (documents GN-2349-15 and GN-2350-15) will be subject to ex ante review by the Bank, bearing in mind the government's opinion on the matter. All procurement and/or contracting processes using the SCSP's electronic reverse auction and competitive bidding subsystems

⁴ The threshold amounts may change, in which case the new thresholds will apply, and the procurement plan will be adjusted accordingly.

⁵ The procurement plan contains an itemized list of procurements.

(document GN-2538-11) will be supervised through the country system. Supervision can be supplemented by program audits.

- 6.10 **Special provisions.** No special provisions are expected other than those mentioned in section V of this Annex.
- 6.11 **Records and files.** Program reports should be prepared and filed using the agreed formats and procedures, as described in the program Operating Regulations.

VII. FIDUCIARY AGREEMENTS AND REQUIREMENTS FOR FINANCIAL EXECUTION

A. Financial management

- 7.1 **Programming and budget.** The MTESS will centralize program execution through a program coordination unit, which will receive logistical support from other units.
- 7.2 **Accounting.** The program's accounts will be kept on an accrual basis; however, accountability reporting for projects financed in part or in full by the IDB operates on a cash basis. The SIAF is the main manager of budget and accounting transactions and is connected to the SICO as the accounting subsystem. These and other subsystems are used to download information and produce reports accessible to the Bank and other sources of financing.
- 7.3 **Information systems.** The program coordination unit will have access to the SIAF; however, the country systems **do not issue the reports required by the Bank.** These reports are prepared using different systems. This means that an independent, integrated system with financial, management, and monitoring modules needs to be developed and implemented in line with the program requirements.
- 7.4 **Disbursements and cash flow.** Disbursements will be made through advances of funds, which will be corroborated by presenting a financial plan that covers a six-month period and is itemized by month. This will make it possible to determine actual program demand arising from the multiyear execution plan, annual work plan, and procurement plan. The second and subsequent disbursements will require justification of 80% of previous advances of funds made during program execution, pursuant to the policies contained in document OP-273-12 on financial management and associated documents.
- 7.5 **Internal control and internal audit.** The following arrangements have been made to address the findings of the ICAS assessment of the internal control system: (i) regular reports on implementation of the Paraguayan Standard Internal Control Model (MECIP) will be submitted to the Bank, to ensure active control of project execution; and (ii) regular reports on implementation of the system mentioned in item 2 will be submitted to the Bank.
- 7.6 **External control and reports.** The executing agency, acting through the program coordination unit, will submit annual audit reports for the program describing the activities financed by the Bank's loan. The audits will be performed by an independent audit firm acceptable to the Bank, in accordance with the terms of reference previously approved by the Bank. External audit reports will be published in accordance with the Access to Information Policy.

- 7.7 **Financial supervision plan.** Financial supervision may be adjusted in response to program execution and audit reports. Three methods of financial supervision will be used.

Table 3. Financial supervision plan

Nature/Scope	Frequency
Financial audit and submission of audited financial statements	Annual
Review of disbursement requests and annexed reports	Two or three times a year
Inspection visit / Analysis of internal controls and control environment at the executing agency	Annual

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/20

Paraguay. Loan ____/OC-PR to the Republic of Paraguay. Program to Promote the Development of Skills for Employment in the Framework of Workforce Restructuring in Post-COVID-19 Paraguay and the Protection of Workers' Rights

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 Promote the Development of Skills for Employment in the Framework of Workforce Restructuring in Post-COVID-19 Paraguay and the Protection of Workers' Rights. Such financing will be for an amount of up to US\$30,000,000 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 ____ 2020)