

## ENERGY SECTOR RESTRUCTURING PROGRAM

(TC-95-01-39-8)

### EXECUTIVE SUMMARY

**EXECUTING AGENCY:** The Office of the Deputy Minister of Mines and Energy, under the Ministry of Public Works and Communications

**BENEFICIARIES:** Republic of Paraguay

**OBJECTIVES:** To help the Paraguayan government institute reforms and new policies in the electric power and oil and natural gas sectors to improve performance in these sectors, pave the way for the attraction of private investors, and strengthen the capacity of government policy-making and regulatory agencies. The program will help the government set up new legal, regulatory, and institutional frameworks designed to make energy sector operations more transparent, improve sector efficiency and boost private investment in the energy sector.

**DESCRIPTION:** The program, to be financed by the MIF, is composed of a series of activities aimed at restructuring the energy sector, consisting primarily of consulting services to establish the legal, institutional and technical characteristics of necessary mechanisms for the implementation of structural reforms. It also includes provisions for technical assistance, training, and the procurement of equipment for administrative government agencies with regulatory responsibilities in the electric power and oil and natural gas sectors.

This operation is tied to program PR-0030 (Yacyretá transmission system) currently pending approval by the Bank, which will basically finance construction of a 220-kV transmission line to convey power from the Yacyretá hydroelectric power plant to the Asunción metropolitan area, connecting this new generating facility with the rest of the power system. The Administración Nacional de Electricidad [National Power Administration] (ANDE) will serve as the executing agency for this program.

<b>FINANCING:</b>	Modality:	Grant
	Beneficiary:	US\$ 115,000
	MIF:	US\$1,085,000
	Total:	US\$1,200,000

**ENVIRONMENTAL  
CLASSIFICATION:**

The Environment Committee classified this program as a Category III operation at its February 8, 1995, meeting. The Committee approved the environmental summary for loan PR-0030 to the Republic of Paraguay on October 18, 1994. ANDE will be the executing agency.

## I. COUNTRY ELIGIBILITY

- 1.1 Paraguay was declared eligible for all forms of MIF financing by the Donors Committee on September 16, 1994.

## II. THE PROGRAM

### A. Background

- 2.1 The Office of the Deputy Minister of Mines and Energy attached to the Ministry of Public Works and Communications is the government agency with overall responsibility for the energy sector. The National Economic Council, consisting of a group of ministers in the executive branch of government, is involved in setting pricing policy for the energy sector and, more specifically, in making decisions on electric power rates.
- 2.2 In Paraguay, public electric power service is provided by the Administración Nacional de Electricidad [National Power Administration] (ANDE), a decentralized government agency operating as a legal monopoly under the provisions of its charter (Law 966). ANDE is in charge of power transmission and distribution services throughout the country and of all power generating facilities with the exception of Itaipú and Yacyretá, which are operated by binational agencies under partnership arrangements between Paraguay and Brazil (Itaipú) and Paraguay and Argentina (Yacyretá).
- 2.3 Paraguay has no proven reserves of oil or gas, it imports one hundred percent of all hydrocarbons consumed, and it is one of the largest Latin American consumers of fuelwood. Yet, it has enjoyed large electric power surpluses since 1985, as a result of the Itaipú binational hydroelectric power plant and, later, the Yacyretá binational hydroelectric power plant, whose first units were commissioned in late 1994. Since the advent of these large-scale power plants, the country has built a modern high-voltage transmission system connecting them with the nation's main consumption centers.
- 2.4 Paraguay's share of the power capacity of these two development projects (50% of Itaipú and 50% of Yacyretá) is equivalent to approximately 15 times its current peak load. However, relatively speaking, it is still the least developed Southern Common Market country as far as electric power is concerned. Per capita power consumption in Paraguay for 1992 was 520 kWh/inhabitant/year, which is remarkably low compared with figures of 1,400 kWh/inhabitant/year for Argentina, 1,550 kWh/inhabitant/year for Brazil, 1,330 kWh/inhabitant/year for Uruguay or the Latin American average of 1,140 kWh/inhabitant/year. Approximately 60% of its population currently has access to electric power service. Though rising, this

percentage is also low compared with the other Southern Common Market countries, with Uruguay and Argentina reporting coverage rates of over 90% of their population and Brazil reporting a 77% coverage rate.

- 2.5 In the wake of the start-up of Itaipú, the large electric power supply has generated a great deal of momentum within the Paraguayan power sector, reflected in a high rate of sustained growth in demand corresponding to a cumulative annual growth rate of roughly 13% over the last five years, produced by: i) the more than three-fold increase in the number of customers between 1982 and 1994, pushing the coverage rate up from 38% to 60% of the population, combined with the electrification of 80% of the country's rural areas, which presently have power service; and ii) the sizeable increase in per capita power consumption by customers connected to the power grid from 3,401 kWh to 5,046 kWh. These factors produced a four-fold increase in total electric power consumption over this same period.
- 2.6 Paraguay's electric power rates are the lowest in the Southern Common Market for all consumption categories (residential, commercial and industrial) and continue to lag behind economic costs. However, there is an adjustment plan in place, established in connection with loan 648-OC/PR, which should narrow the gap between electric rates and economic costs within a medium-term time frame.
- 2.7 For the immediate future, the electric power sector is facing the challenge of effectively meeting the strong demand for more and better service. Moreover, with the operation of the Southern Common Market, the electric energy sectors of its member countries can be expected to become increasingly integrated, making it all the more important for Paraguay to narrow the gap separating it from the other MERCOSUR countries in terms of its per capita consumption and level of electrification. The government has established the following sector priorities in pursuit of these goals: i) improving efficiency by making better use of its power capacity and optimizing investments, and ii) ensuring flows of needed resources for investments in additional transmission and distribution capacity, paving the way for participation by the private sector.
- 2.8 Against this backdrop, as part of its economic modernization program, the government has decided to promote reforms in the regulatory and institutional framework for the electric power sector with a view to improving transparency by separating government regulatory and entrepreneurial functions. ANDE presently has typical sector responsibilities as far as planning, investment decisions and pricing policy are concerned and, at the same time, holds a monopoly over the operation of electric power service. These reforms are being given high priority in light of the unique features of Paraguay's electric power sector, which

virtually rule out any possibility of promoting competition in power generation. Power transmission and distribution services are considered natural monopolies, and the prospect of opening up these areas to private operators requires both a clear regulatory framework and a corresponding institutional framework, both of which will need to be established.

- 2.9 With this in mind, as part of this program, the government is planning to draft and send to Congress new proposed framework legislation for the electric power sector regulating business activities in this sector and establishing the obligations of public and private utility operators, consumer rights, and arbitration procedures for settling disputes. At the same time, the government will also address the various technical considerations involved in establishing and setting up the sector's new organizational structure.
- 2.10 As part of this endeavor, by promoting private investment and introducing appropriate forms of competition where feasible, the government is hoping to improve sector efficiency and pave the way towards attracting new sources of financing to fund necessary expansions in service. As a first step in this direction, the most likely area for promoting private investment is the power distribution area.
- 2.11 In the oil and natural gas sector, the government enterprise Petropar has traditionally held a monopoly over oil refining operations. On the other hand, there is no monopoly as far as exploration and production activities are concerned, which are governed by the provisions of Law 675/60. Paraguay is considered a high-risk country as far as oil development is concerned. Only a relatively small portion of the country's land area has been explored due to a combination of different circumstances. The fact that, throughout Paraguay's entire history of oil development, the number of exploratory wells drilled in its sedimentary basins has been negligible, to say the least - a mere 49 wells over a fifty-year period, all drilled by international oil companies - speaks for itself.
- 2.12 With the new oil and natural gas act, which is extremely close to being passed by the legislature, the Paraguayan government is seeking to attract private investment in all facets of the oil industry by establishing a modern, updated legal framework.
- 2.13 The new act is conceived as a more flexible legal instrument than the current Law 675/60. In drafting the new legislation, its authors have taken into account Paraguay's status as a high-risk country as far as oil development is concerned, competing at the regional level with neighboring countries (such as Argentina, Brazil, and Bolivia) holding comparative advantages (less geological risk, more of a service tradition and better service

infrastructure) in attempting to attract private risk capital for exploration projects.

- 2.14 As for natural gas, a fuel which could well be available to Paraguay in the near future, whether it is domestically produced or imported from Argentina or Bolivia, there is still no clear assessment of alternatives and of the costs and benefits of bringing natural gas to Paraguay, both from a microeconomic standpoint and from the standpoint of the country energy matrix.
- 2.15 Moreover, there is no body of laws regulating the production, transportation, and processing of natural gas or sales of piped gas, activities that would be opened to the private sector. Accordingly, it would be necessary to establish a framework within which these enterprises could operate if it is decided to carry out projects for the use of this fuel.

#### B. Objectives

- 2.16 The proposed program is designed to assist the government in its efforts to institute reforms and policies helping to improve performance in the electric power and the oil and natural gas sectors by paving the way for participation by private investors and to strengthen the capacity of existing or envisaged government policy-making and regulatory agencies.
- 2.17 More specifically, the program will help establish new legal, regulatory and institutional frameworks designed to make energy sector operations more transparent, improve sector efficiency, and lay the necessary groundwork for promoting competition and increasing participation by the private investment.

#### C. Activities

- 2.18 The program, to be financed by the MIF, would be carried out in two separate phases, with the first phase being devoted to activities aimed at restructuring the energy sector, primarily through the retention of consulting services to establish the legal, institutional and technical characteristics of the necessary mechanisms for the implementation of structural reforms. Once these mechanisms are in place, the program provides for technical assistance, manpower training, and the procurement of equipment for the administrative government agencies responsible for regulating the electric power and the oil and natural gas sectors as the second phase of the program.

##### 1. Phase one

##### a. Electric power sector

- 2.19 This component involves the design and selection of the best institutional restructuring alternative for Paraguay's electric

power sector in line with government guidelines for: i) improving sector efficiency by making its operations more transparent and promoting competition; ii) effectively keeping pace with the rapid growth in demand and achieving a level of electrification similar to that of other countries in a comparable stage of development within a reasonable time frame; iii) using its large electric power supply as a means of developing Paraguayan industry; iv) facilitating and promoting private investment in power development; v) adequately protecting consumer interests and rights to high-quality public utility services in cases where such services are operated as monopolies, and vi) preparing the power sector for the challenges of growing competitiveness automatically produced by the operation of the Southern Common Market.

2.20 The consulting services envisaged are designed to produce the following:

- a. A draft bill establishing a regulatory framework for the electric power sector, specifically separating the policy-making and public utility roles of government and the private sector and the regulatory role reserved for government agencies with a maximum of autonomy.
- b. Design of institutional alternatives for the electric power sector in line with power policy objectives seeking to make sector operations more transparent and competitive, strengthen pricing policy based on sound economic and financial principles, clear the way for private investment, and attract a larger flow of capital to the sector.
- c. Proposals for revamping the sector's organizational structure, identifying business units into which the current public electric utility business network operated by ANDE could be broken up.
- d. Establishment of technical and administrative requirements for the government agency having the regulatory function envisioned in the new legislation.

2.21 A seminar will be held on the organization and regulation of electric utilities to disseminate information throughout Paraguay on recent experiences in regard to the privatization and regulation of electric public utility systems, with emphasis on regional countries and sharing the experiences of developed countries. This activity is considered important in view of Paraguay's own lack of experience in getting the private sector involved in the provision of infrastructure and the need to build a consensus in this respect, both at a technical level and from the perspective of the various government, legislative and business agencies and organizations involved and of public opinion in general.

b. Oil and natural gas sector

- 2.22 Consulting services are needed to assist the government in its efforts to frame a policy designed to attract private risk capital for oil and gas exploration and production activities under the new oil and natural gas act.
- 2.23 To this end, the consultants will: i) establish a program promoting participation by the private sector in high-risk exploration activities and in the subsequent exploitation of any fields discovered in the course of these exploration activities, and ii) furnish technical assistance to the Office of the Deputy Minister of Mines and Energy for the issuance of regulations under the new oil and natural gas act upon its passage by Congress in all areas requiring specific regulations.
- 2.24 The main activities to be conducted as part of this consultancy include: i) selecting areas in Paraguay with good exploration prospects according to available geological data; ii) preparing standard agreements for the performance of high-risk exploratory work by private enterprises, taking into account both regional and international experience in this area and, more importantly, Paraguay's status as a high-risk country from the oil exploration standpoint; and iii) recommending action plans for the launching of new policies and their promotion in international petroleum circles.

c. Natural gas and liquefied gas

- 2.25 The services of consultants would be retained to:
- a. Establish the technical and economic feasibility of developing a natural gas industry in Paraguay, specifically taking into account the potential impact of this new fuel on the long-range energy balance and assessing the competitiveness of natural gas compared with alternative sources of energy (electricity, liquid hydrocarbons, fuelwood, etc.) from the perspective of different types of consumers and whether the country should promote these alternatives.
  - b. Draft a regulatory framework for the operation of transportation and distribution services for natural gas and liquefied gas that would establish guidelines for service companies and the relationship between service companies and users.
  - c. Establish technical and administrative requirements for the existing or future government agency that would be responsible for the regulatory function contemplated in the proposed legislation.



2. Phase two

- 2.26 The second phase of the program provides for the financing of a series of essential activities for the implementation of the reforms planned, consisting basically of support services for the operation of regulatory agencies. The executing agency will furnish detailed terms of reference for these services upon the completion of sector reorganization work.
- 2.27 The second phase of the program includes the following activities:
- a. Technical assistance for designing the organizational structure of new regulatory agencies or reforming existing agencies, as envisioned in the new regulatory frameworks.
  - b. Technical assistance for establishing the professional qualifications and work load required for each function.
  - c. Technical assistance for the selection and training of agency personnel, with emphasis on the training of staff members involved in the implementation of new rate-setting methods and procedures.
  - d. Organization of seminars to exchange views with counterpart agencies throughout the region.
  - e. Technical assistance for the design of required systems for setting rates, evaluating service quality, issuing permits for the installation of new facilities, processing customer claims, etc.
  - f. Procurement of computer equipment for newly established units.

D. Cost and financing

- 2.28 The aggregate program cost would be US\$1,200,000, of which the MIF would finance US\$1,085,000 and the government would finance the remaining US\$115,000 itself. The local counterpart funding would cover salaries and wages for counterpart personnel, administrative expenses and other government program support costs. An itemized program cost estimate is presented in the following table.

PROGRAM COST ESTIMATE (in US\$000s)			
	MIF	Local	Total
Consulting services for the electric power sector	580	40	620
Seminar on the organization and regulation of the electric power sector	38	15	53
Consulting services for the oil and natural gas exploration and production sector	100	20	120
Consulting services for natural gas	84	10	94
Subtotal for phase one	802	85	887
Technical and administrative assistance for regulatory agencies	185	30	215
Subtotal for phase two	185	30	215
Contingencies	98	-	98
TOTAL	1,085	115	1,200

E. Management and implementation

- 2.29 The executing agency for this program would be the Office of the Deputy Minister of Mines and Energy, a branch of the Ministry of Public Works and Communications. The functions of this agency are established in Ministry Act 167 of 1991. As part of the process of carrying out its duties, the executing agency would set up a program executing unit (PEU) in charge of managing the program, headed by a coordinator with appropriate qualifications and experience for tasks of this type.
- 2.30 The PEU would handle all aspects of program planning, organization, coordination, monitoring and supervision, focusing specifically on matters involving invitations to submit bids, proposals for modifying terms of reference, control procedures for monitoring the progress of work, payment authorizations, reports and the coordination of consultants, government officials and agencies and organizations directly or indirectly involved in the program. Any and all costs incurred in connection with the operation of the PEU could be covered by local counterpart funding.
- 2.31 Procurements of goods and services and contracts awarded to consultants will be done in accordance with Bank and MIF procedures. The nature of the activities scheduled to be conducted as part of the first phase of the program requires that they be carried out under contracts with consulting firms.

F. Disbursements

- 2.32 Disbursements will be made in accordance with relevant Bank procedures. The executing agency may request that the Bank make direct payments for procurement of program-related goods and services and consulting service contracts. The disbursement period will be 18 months. However, funding for the second phase of program implementation would be contingent upon the enactment of legislation conferring appropriate authority on the agencies responsible for service regulation.
- 2.33 The executing agency will be required to furnish the Bank with an action plan for program implementation containing full particulars on contract awards for the retention of consulting services and other program activities, terms of reference and corresponding time tables prior to the first disbursement of grant funds.

G. Supervision

- 2.34 Once the program is under way, the executing agency will be required to furnish the Bank with semiannual progress reports as the basis for effective program monitoring containing the following information: i) information on the progress of scheduled program activities; ii) information on the progress of disbursements vis-à-vis the disbursement schedule and on expenditures charged to the local counterpart; iii) a summary of the recommendations formulated by consultants retained with program funds; iv) any proposals for changes or adjustments in the program which the executing agency feels should be submitted to the MIF, including changes in procurement schedules and items, and v) a recap of the activities scheduled over the course of the upcoming six-month period. The executing agency will also furnish the Bank with a copy of the final reports presented by consultants and of any and all relevant interim reports and other documents for an analysis of corresponding recommendations.
- 2.35 The executing agency will submit its final report within six months of completion of the program, recapping the various activities conducted, applications of MIF and local counterpart funds, the results, decisions taken as a result of the program and expected outcomes from these decisions. Furthermore, the technical cooperation agreement will establish the obligation of the executing agency to present program financial statements examined by independent auditors approved by the Bank in accordance with acceptable standards.

H. Feasibility and risks

- 2.36 The proposed operation is designed to bolster efforts to restructure Paraguay's energy sector through the framing and implementation of appropriate instruments establishing regulatory and institutional frameworks for the electric power and oil and

natural gas sectors, thereby laying the necessary groundwork for opening up these sectors to private sector investment.

- 2.37 The program would furnish the government with needed technical assistance for carrying out all activities associated with the development and implementation of new legislation and corresponding regulations. It would also shore up preliminary efforts to set up the new resulting institutional framework.
- 2.38 Despite the firm commitment on the part of executive department officials to make the proposed reforms, the energy sector restructuring program requires the enactment of a number of legal instruments by Congress. The recent passage by Congress of a new restructuring act for the telecommunications sector and the mounting of similar efforts in the water supply and sanitation sector indicate that prospects for moving ahead with the reform process in the energy sector are good.

### III. COMPLIANCE WITH PROJECT ELIGIBILITY CRITERIA

#### A. General project eligibility criteria

- 3.1 The financing to assist with reform efforts in the energy sector under the government reform program is consistent with the goal of creating a favorable climate for private investment. The proposal is also consistent with strategic Technical Cooperation Facility guidelines giving top priority to the allocation of MIF resources to projects that boost private investment in infrastructure.

#### B. Technical Cooperation Facility project eligibility criteria

- 3.2 The proposal is consistent with Technical Cooperation Facility criteria for the provision of grant funds under Article 3, section 2(c), of the Agreement Establishing the Multilateral Investment Fund, which provides that governments may receive nonreimbursable funding to finance advisory services needed for the establishment or strengthening of regulatory agencies.

### IV. COMPATIBILITY WITH THE BANK'S COUNTRY PROGRAM

- 4.1 By strengthening the government's ongoing modernization program, the proposed operation is consistent with the priorities agreed on by the country and the Bank during the latest programming mission. The program would also help to redefine the role of government in the Paraguayan economy by opening up new spheres of activity to the private sector.

- 4.2 The program is tied in with project PR-0030 (the Yacyretá transmission system) whose executing agency will also be ANDE. This project will basically finance construction of a 220-kV transmission line conveying power from the Yacyretá hydroelectric power plant to the Asunción metropolitan area, connecting this new generating facility with the rest of the power system. Both operations are part of the same strategy and are mutually complementary. The financing of high-priority investments will help keep pace with the rapid growth of demand and ensure that the quality of service remains adequate. This, in turn, will facilitate the introduction of reforms as part of an organized process. Furthermore, the endorsement of a rate recovery policy will also help create a favorable climate for private investment.

## V. AVAILABILITY OF MIF RESOURCES

### A. Financing mechanism

- 5.1 The project would be financed with grant funds in light of the following considerations: (a) the Donors Committee declared the country eligible for all forms of MIF financing on September 16, 1994; (b) section III of the country eligibility memorandum contains full particulars with respect to the country's compliance with eligibility criteria for securing a country grant; and (c) the proposed project should have a major catalytic effect on the stream of investments, as required by the provisions of Article 3, section (a), of the Agreement Establishing the Multilateral Investment Fund, in that its objective is to set the stage for opening up the energy sector to the private sector. The validity of these criteria was confirmed in the March 30, 1994, meeting of the Donors Committee (MIF/GN-23).

### B. Allocation of MIF resources

- 5.2 The allocation of MIF resources to this program is justified by the fact that it reinforces Bank assistance in support of efforts to restructure the Paraguayan energy sector. More specifically, the program would help reorganize the electric power sector, opening it up to private investment, facilitate efforts to implement a new policy in regard to oil and natural gas exploration and production activities which would help attract more private capital, and provide pave opportunities for tapping a new energy resource such as natural gas, whose development, if applicable, would also involve attracting private investors.

## VI. EVALUATION

- 6.1 The interim reports and final report would serve as the basis for program evaluation. The program executing agency and the beneficiary agree that these reports, together with any and all other reports produced in connection with its various activities, would supply all necessary data and other elements for an ex post evaluation of the program.

## RESULTADOS ESPERADOS

FOMIN - FACILIDAD I - PARAGUAY: REESTRUCTURACION DEL SECTOR ENERGIA		
<b>Objetivo General del Proyecto</b> Mejorar la eficiencia general del sector energético y promover la participación del sector privado.		
<b>Objetivo Específico del Proyecto</b> Introducir nueva regulación en el sector destinada a redefinir la participación del gobierno en el mismo, fortalecer su papel como regulador y definidor de políticas, y crear condiciones para la incorporación de intereses privados.		
Subprogramas	Actividades a ejecutar	Logros a alcanzar
Marco institucional y regulatorio del sector de energía eléctrica	Preparación de un Proyecto de Ley de Marco Regulatorio del Sector Eléctrico y propuesta de reorganización del sector eléctrico  Diseño de alternativas institucionales del sector eléctrico para cumplir con los objetivos de la política eléctrica  Propuestas de modificaciones en el esquema organizativo del sector, identificando las unidades de negocio en que pueda dividirse el actual sistema empresario de prestación del servicio público de electricidad realizado por ANDE  Definición de los requerimientos técnicos y administrativos de la entidad gubernamental que deba ejercer la función regulatoria prevista en la nueva legislación	Propuesta de Proyecto de Ley redactada en 4 meses  Propuesta en 4 meses  Recomendaciones a los 7 meses  Propuestas de normas a los 8 meses
Seminario sobre reorganización y regulación del servicio público de electricidad	Realizar un seminario en Paraguay dirigido a difundir a los diferentes sectores de la actividad pública y privada, las recientes experiencias de reorganización y privatización de los sistemas de prestación del servicio público de electricidad	Realización del seminario a los 5 meses
Nueva política del sector hidrocarburos	Preparación de un Programa de Promoción de la Actividad Privada tendiente a estimular la inversión privada en actividades de exploración y explotación  Apoyo para la reglamentación de la Ley de Hidrocarburos  Definición de los requerimientos técnicos y administrativos de la entidad gubernamental que ejerza la función regulatoria	Programa terminado a los 4 meses  Propuestas de Normas a los 9 meses  Propuesta terminada en los 8 meses
Gas natural y gas por redes	Servicios de consultoría para identificar las posibilidades de abastecimiento de gas natural, cuantificación de inversiones, análisis de competitividad del gas y recomendación de cursos de acción alternativos para la introducción del gas natural en Paraguay  Redacción de propuesta de Ley de Marco Regulatorio	Informe a los 6 meses  Propuesta a los 9 meses
Apoyo técnico y administrativo a los organismos reguladores	Puesta en funcionamiento de las entidades reguladoras  Diseño e implantación sistemas de información y equipos  Capacitación de recursos humanos	Concluida a los 12 meses Concluidos a los 18 meses  Concluida a los 18 meses

**PROGRAMA DE REESTRUCTURACION DEL SECTOR ENERGETICO DEL PARAGUAY**  
**PRESUPUESTO ESTIMATIVO**  
(en US\$)

ACTIVIDAD	FOMIN	LOCAL	TOTAL
<b>PRIMERA FASE</b>			
<b>MARCO REGULATORIO E INSTITUCIONAL SECTOR ELECTRICO</b>	580.000	10.000	590.000
Preparación Proyecto Ley Marco Regulatorio	250.000	5.000	255.000
Identificación Unidades de Negocio	200.000		200.000
Propuestas ente regulador y normas reglamentarias	130.000	5.000	135.000
<b>SEMINARIO REORGANIZACION SECTOR ELECTRICO</b>	38.000	13.000	51.000
<b>NUEVA POLITICA SECTOR HIDROCARBUROS</b>	100.000	15.000	115.000
Programa de Promoción de la Actividad Privada	73.000	11.000	84.000
Reglamentación Ley de Hidrocarburos	27.000	4.000	31.000
<b>DESARROLLO DEL GAS NATURAL</b>	84.000	6.000	90.000
Consultoría s/cursos de acción p/ desarrollo del gas natural	56.000		56.000
Propuesta de Ley de Marco Regulatorio	28.000	6.000	34.000
<b>SEGUNDA FASE</b>			
<b>APOYO A ORGANISMO REGULADORES</b>	185.000	8.000	193.000
Puesta en funcionamiento entidades reguladoras	120.000	8.000	128.000
Sistemas de información y equipos	37.000		37.000
Capacitación de recursos humanos	28.000		28.000
<b>UNIDAD EJECUTORA DEL PROYECTO</b>		63.000	63.000
<b>IMPREVISTOS</b>	98.000		98.000
<b>TOTAL PROYECTO</b>	<b>1.085.000</b>	<b>115.000</b>	<b>1.200.000</b>



PROPOSED RESOLUTION

PARAGUAY. NONREIMBURSABLE TECHNICAL COOPERATION FOR THE RESTRUCTURING  
OF THE ENERGY SECTOR IN PARAGUAY

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Multilateral Investment Fund, to enter into such agreements as may be necessary with the Republic of Paraguay and to take such additional measures as may be pertinent for the execution of the plan of operations referred to in Document MIF/AT- with respect to a technical cooperation for the energy sector restructuring program. .

2. That up to the amount of US\$1.085.000 is authorized for the purpose of this resolution, chargeable to resources of the Technical Cooperation Facility of the Multilateral Investment Fund.

3. That the above-mentioned sum is to be provided on a nonreimbursable basis.