

Approach Paper

Paraguay

2014-2018

Country Program Evaluation

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***APPROACH PAPER
COUNTRY PROGRAM EVALUATION:
PARAGUAY 2014-2018***

Office of Evaluation and Oversight (OVE)

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ABBREVIATIONS

AFD	Agencia Financiera de Desarrollo [Development Finance Agency]
ASR	Annual supervision report
CAF	Development Bank of Latin America
CELADE	Latin American and Caribbean Demographic Centre
CPE	Country program evaluation
DGEEC	Dirección General de Estadística, Encuestas y Censos [Bureau of Statistics, Surveys, and the Census]
EIB	European Investment Bank
FONACIDE	Fondo Nacional de Inversión Pública y Desarrollo [National Fund for Public Investment and Development]
FSO	Fund for Special Operations
GPS	General Perception Survey
IIC	Inter-American Investment Corporation
IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
OMJ	Opportunities for the Majority Sector
OPIC	Overseas Private Investment Corporation
OVE	Office of Evaluation and Oversight
PCR	Project completion report
PMR	Progress monitoring report
SCF	Structured and Corporate Financing Department
SMEs	Small and medium-sized enterprises
SPD	Office of Strategic Planning and Development Effectiveness
TC	Technical cooperation (operation)
XSR	Expanded supervision report

I. INTRODUCTION

- 1.1 **As part of its 2018 work plan, the Office of Evaluation and Oversight (OVE) of the Inter-American Development Bank (IDB or the Bank) is preparing the Paraguay country program evaluation (CPE) for the 2014-2018 period, to provide input for the preparation of the IDB Group's next country strategy with Paraguay.** CPEs seek to “provide information on Bank performance at the country level that is credible and useful, and that enables the incorporation of lessons and recommendations that can be used to improve the development effectiveness of the Bank’s overall strategy and program.” Since IDB Invest took over the non-sovereign guaranteed activities of the entire IDB Group, CPEs also cover its work.
- 1.2 **This will be the fourth time that OVE provides an independent look at the Bank’s program with Paraguay.** OVE’s first report (document [RE-294](#), June 2004) covered the 1991-2002 period, which was marked by democratic transition and the prolonged financial crisis the country experienced from 1995 to 2002. The second evaluation (document [RE-356](#), August 2009) covered the 2003-2008 period, which was characterized by major reforms that helped Paraguay emerge from the crisis and embark on a period of sustained economic growth, based on firm fiscal discipline and strongly driven by the external sector. The most recent evaluation (document [RE-452-3](#), February 2014) covered the 2009-2013 period, which saw an intensification of the agricultural export model and showed early signs of new opportunities, challenges, and vulnerabilities for the country’s sustainable development. Currently, Paraguay is transitioning toward a more developed economy,¹ which offers a valuable opportunity for the Bank to reevaluate its role as the country’s main development partner.
- 1.3 **This approach paper spells out the scope and content proposed for the program evaluation for the 2014-2018 period.** This evaluation will continue to provide the accountability typical of previous OVE evaluations, but will focus more heavily on how the relationship between the Bank and Paraguay has evolved over time. Below is a brief description of the most important aspects of the country context during the evaluation period and the lines of action of the Bank’s strategy with Paraguay, for purposes of framing the key questions to be addressed in the CPE and proposing a working methodology for the evaluation.

II. CONTEXT FOR THE COUNTRY PROGRAM 2014-2018

- 2.1 **Paraguay is a landlocked and still predominantly agricultural country that is nevertheless experiencing accelerated growth.** A comparison of Paraguay’s per capita gross domestic product with the Latin American average over the last few decades provides two key insights (Figure 2.1). First, the gap between Paraguay and the region is still substantial; Paraguay’s per capita GDP, estimated at US\$4,140 at the end of 2017,² remains the fifth lowest in the region. Second, this gap is narrowing, owing to the country’s growth rate over the last 15 years, which has been

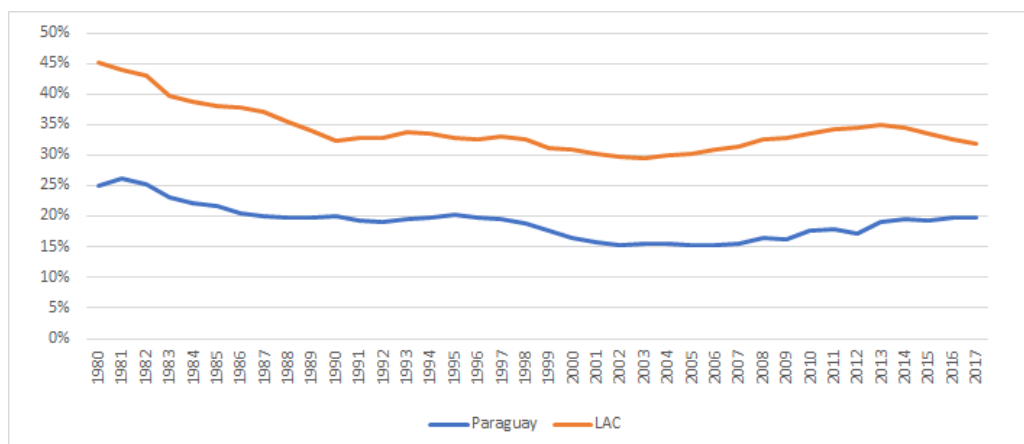
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¹ Since 2015, Paraguay has been classified as an upper middle-income economy. It has also been issuing bonds since 2013 to finance infrastructure projects.

² In terms of purchasing power parity, this amounts to US\$9,785.

relatively high as compared not only with its historical average but also with the regional average (Rojas-Suarez, 2018).³

Figure 2.1. Per capita GDP in relation to developed economies
Purchasing power parity, international U.S. dollars (2011=100)



Source: Prepared by the author based on International Monetary Fund World Economic Outlook data (April 2018).

- 2.2 **In the period under analysis for this CPE, Paraguay's economy continued to expand, outperforming Latin America and the Caribbean as a whole, despite a recent slowdown.** In the 2014-2017 period, Paraguay's economy grew at an average rate of 3.9%, compared with a 1.7% average for the region.⁴ Although this rate is appreciably lower than in the previous decade—in which Paraguay grew 5% per year as compared to 3.9% for the region—it is still noteworthy in light of the sharp drop in commodity prices.
- 2.3 **This improved economic performance was made possible by the series of reforms adopted starting in 2003, which enabled Paraguay to capitalize on the more favorable external market conditions of the time (IMF, 2016).⁵** In 2003-2004, after decades of stagnation marked by repeated economic and financial crises, major economic and financial reforms were introduced. These reforms were largely, albeit gradually, implemented and respected. They included a sweeping public finance overhaul, including passage of a fiscal responsibility law and adoption of an inflation-targeting regime by an independent Central Bank. Over time, the country has matured in terms of pursuing macroeconomic policies, which are generally managed prudently and used to counteract the effects of external volatility.⁶ The inflation-targeting regime entails a floating exchange rate system, in

³ Rojas-Suarez (2018). "Paraguay: Is good macro policy enough to ensure adequate resilience to adverse external shock? How does it compare to other emerging markets?" Center for Global Development Working Paper 477.

⁴ All estimates for 2017 are from the International Monetary Fund (2017b).

⁵ International Monetary Fund (2016). Paraguay: Staff Report for the 2016 Article IV Consultation.

⁶ Central Bank of Paraguay (2016). *Paraguay: más allá de la estabilidad macroeconómica. Logros y desafíos*.

which the monetary authority intervenes solely to dampen market volatility. The annual inflation rate has been kept in check, at about 4%. The government deficit has averaged less than 1% of GDP from 2012 to 2017, and public sector debt⁷ was estimated at 20.6% of GDP at the end of 2017.

- 2.4 **The period was also characterized by favorable conditions for the traditional export sectors: agriculture and electricity.** External demand conditions for Paraguay's chief agricultural commodities (soybeans, grains, and meat) were favorable, and power exports grew steadily. Together, these two sectors account for 35% of GDP. More recently, a decline in export prices has been offset by positive results in terms of the electricity supply⁸ and agricultural output (owing to a good soybean harvest), along with newly rising consumption and investment (both public and private) and recovering maquiladora production.
- 2.5 **The economic growth of recent years has led to a slight improvement in poverty indicators, but there is still room for improvement in the social sectors (IDB, 2017).**⁹ For almost 15 years, successive administrations have implemented a number of noncontributory social programs in an effort to alleviate social problems. The unemployment rate is still hovering around 6%, while the rate of underemployment is close to 20%, and a very high proportion of workers (nearly 70%) work in the country's informal sector. The poverty rate averaged 27.3% from 2014 to 2017; the rate of extreme poverty, which is still predominantly in rural areas, averaged 5.3%.¹⁰ The Gini coefficient remained virtually constant during the period, at around 0.48.¹¹
- 2.6 **Paraguay still has significant shortcomings in its education and health sectors.** The quality and technical skills of Paraguay's workforce are lagging further behind with respect to its peers. Considerable progress has been made in terms of coverage and years of schooling, but educational quality remains low—the World Economic Forum (2016) has Paraguay among the lowest-ranked countries in terms of several education quality metrics. Weaknesses are significant in preschool enrollment and, in particular, in workforce training and development programs. Similarly, despite progress in the area of health, maternal and infant mortality rates are still substantially higher than in Latin America and the Caribbean as a whole¹²

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⁷ Includes the Central Bank.

⁸ Both of the country's hydropower plants generated record amounts in 2016.

⁹ IDB (2017). *Paraguay – Desafíos de Desarrollo del País*.

¹⁰ The poverty rate eased from 27.2% in 2014 to 26.4% in 2017 (20.7% to 20.3% in urban areas and 37% to 36.2% in rural areas), and extreme poverty dropped from 5.5% to 4.4% (2% to 1.6% in urban areas and 10.7% to 9% in rural areas). Bureau of Statistics, Surveys, and the Census (DGEEC) 2018. *Principales Resultados de Pobreza y Distribución del Ingreso*.
<http://www.dgeec.gov.py/Publicaciones/Biblioteca/pobreza/Boletin%20de%20pobreza%202017.pdf>

¹¹ World Bank, World Development Indicators.

¹² The average infant mortality rate in Latin America and the Caribbean (2010-2015) was 25.4 per 1,000 live births, compared to 30.8 per 1,000 in Paraguay. The difference is even larger for maternal mortality, with the regional average at 57.9 per 100,000 live births (2016), compared to 81.8 per 100,000 live births in Paraguay. Source: Economic Commission for Latin America and the Caribbean.
<https://www.cepal.org/Celade/publica/bol62/BD6206.html>

and in countries with a similar income level. The health system is fragmented and lacks the capillarity to meet the basic needs of those whose needs are the greatest.¹³

- 2.7 **Paraguay continues to have weak institutional capacity.** According to the IDB study “*Paraguay: Rutas para el Desarrollo*,”¹⁴ the country faces many barriers to improving the institutional framework, primarily the poor quality of public services, intragovernmental coordination failures, a fragile justice system, limited institutional capacity for transparency and accountability, deficient country information systems, and undertrained staff. Additionally, Paraguay is having difficulty raising public expenditure efficiency, and the level of mistrust in the public sector is significant.
- 2.8 **Despite the above challenges, Paraguay has significant development opportunities.** The country has abundant human and natural resources, among them highly strategic resources such as aquifer, mineral, and energy resources. At the same time, as it is undergoing a demographic transition, Paraguay is experiencing the “demographic dividend” resulting from having a growing young, working-age population.¹⁵ As regards development resources, in 2012 Paraguay created the Fondo Nacional de Inversión Pública y Desarrollo [National Fund for Public Investment and Development] (FONACIDE)—using extra resources from the Itaipú hydropower plant—with the aim of increasing investment in human and physical capital.¹⁶ In 2013 Paraguay took its first steps toward tapping financial capital markets by floating a 10-year sovereign bond to finance investment projects. Since then, the country has issued another four bonds for a total of US\$2.8 billion, and Paraguay’s debt has become more competitive.¹⁷ Lastly, also in 2013, Paraguay passed its first Public-Private Partnership Act to increase the flow of private investment to infrastructure projects. Although public-private partnerships are still very new, the country is moving in this direction; in 2016 Paraguay began to review the corresponding legal framework and carried out the first infrastructure project using this type of arrangement.¹⁸
- 2.9 **In late 2014, the Paraguayan government approved the 2030 National Development Plan to take advantage of these opportunities and operate more**

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¹³ Alum, J. and M. de Bejaramo (2011). *Sistema de Salud en Paraguay*, Revista de Salud Pública del Paraguay, vol. 1(1): 13-25.

¹⁴ Almeida, E., F. Bastos, A. Quijada, and M. C. Acevedo (2018). *Paraguay: Rutas para el Desarrollo*, IDB.

¹⁵ Currently one fourth of the total population of Latin America is young, with some 158.5 million people between the ages of 15 and 29 (Latin American and Caribbean Demographic Centre (CELADE), 2013). In Paraguay the percentage is even higher: 29%, or 1,955,914 young people (CELADE, 2015). http://paraguay.unfpa.org/sites/default/files/pub-pdf/libro%20Cuenta%20regresiva%20web_1.pdf.

¹⁶ FONACIDE is a development fund established by Law 4,758/2012 that seeks to rationally and efficiently allocate the revenue Paraguay receives from Brazil as compensation for surplus power generated by the binational Itaipú hydropower plant. This fund is to reflect long-term development policy priorities, such as education, infrastructure investment, health, and private sector credit.

¹⁷ Its presence in international markets has been beneficial, and Paraguay has been steadily improving its credit rating in recent years, from BB- in 2013 to a current “stable” BB (Fitch Ratings).

¹⁸ The first concession contract under the Public-private Partnership Act, for the expansion of Routes 2 and 7 (for US\$520 million), was put out to bid in 2016 and signed in 2017. <http://www.stp.gov.py/v1/inician-obras-de-mejoramiento-de-las-rutas-2-y-7/>.

strategically.¹⁹ The plan, developed in consultation with more than 2,000 key stakeholders over the course of a year, has three strategic pillars: (i) poverty reduction and social development; (ii) inclusive economic growth; and (iii) Paraguay's inclusion in global markets. Each pillar is addressed via four crosscutting approaches (equal opportunities, efficient and transparent public management, land-use planning and development, and environmental sustainability), resulting in 12 strategies that will guide public policy with a view to building the Paraguay of 2030.²⁰ The strategies outlined in the plan indicate that the country's main challenge is to enhance its prospects for economic growth, while seeking more equitable income distribution.

III. IDB COUNTRY STRATEGY WITH PARAGUAY 2014-2018

- 3.1 **The country strategy document for 2014-2018, approved in May 2014, acknowledges many of the recommendations of the previous CPE²¹ and was intended to be aligned with the Government Plan and the National Development Plan (described in the previous section).** The strategy was designed in a context of high growth rates and the consolidation of a relatively undiversified agricultural exports model. According to the strategy document, “[g]rowth has not been very inclusive: employment generation has been low, and there has been little progress in reducing poverty [...] and extreme poverty [...].” To assist the country, the Bank assigned priority to interventions in the following sectors: (i) transportation and connectivity, (ii) water and sanitation, (iii) energy, (iv) productive development, (v) the financial sector, and (vi) public management. In addition to these priority areas, the strategy includes two crosscutting elements: “support for FONACIDE,” to leverage the use of government resources in education and health, and “the inclusion of gender considerations and indigenous communities in Bank programs and initiatives.” Table 3.1 lists the strategic objectives outlined in the strategy, grouped by area of intervention.

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¹⁹ This is a requirement, set forth in the Constitution of 1992, although this is the first such plan to be approved.

²⁰ *Plan Nacional de Desarrollo Paraguay 2030.*

²¹ See Annex I for a list of the previous CPE's recommendations and Management's response.

Table 3.1 Strategic objectives under the country strategy

Area of intervention	Strategic objective
Transportation and connectivity	Improve transportation infrastructure
	Improve the level of road safety
Water and sanitation	Increase the coverage of water and sewerage (including wastewater treatment) services in the Asunción Metropolitan Area and in rural areas
Energy	Ensure the sustainability of power supply for the public and for the productive sector
	Boost domestic production of biofuels
Productive development	Enhance the productivity and competitiveness of firms
	Guarantee the legal certainty of land ownership
	Increase the supply of agricultural public goods and services
Financial sector	Promote investment financing through the financial system
	Foster greater financial inclusion
Public management	Consolidate fiscal sustainability
	Reduce levels of violence and crime
	Improve the effectiveness, transparency, and integrity of public entities
Crosscutting areas	Improve students' performance in language and communication
	Expand the coverage of upper secondary education
	Reduce maternal and neonatal mortality

Source: IDB country strategy with Paraguay, 2014-2018; Annex I (document [GN-2769](#)).

3.2 The Bank has traditionally been Paraguay's main development partner.²² The IDB accounts for 48% of the country's debt with bilateral and multilateral institutions.²³ During the period under analysis, the Bank approved a total of US\$1.297 billion in sovereign lending (20 loans), more than anticipated in the country strategy;²⁴ US\$114 million in non-sovereign guaranteed lending (16 loans); and US\$153.5 million in private sector guarantees (five guarantees).²⁵ In addition, a total of US\$20.6 million was approved for technical assistance (54 technical-cooperation operations).²⁶ Among the sovereign guaranteed loans approved were

²² According to the CPE Paraguay 2009-2013 and the country strategy with Paraguay for 2014-2018.

²³ The bilateral and multilateral debt has grown in nominal terms, from US\$1,705 in 2005 to US\$2,671 in 2017, but has declined as a percentage of total government debt, from 73% to 37%, in the same period. This is due to the diversification of financing sources, especially beginning in 2013, when Paraguay floated its first sovereign bond on international markets.

²⁴ The tentative sovereign guaranteed lending scenario was US\$1 billion, based on the premise of significant progress with respect to execution levels.

²⁵ These figures do not include Trade Finance Facilitation Program operations.

²⁶ These figures do not include Multilateral Investment Fund operations.

two policy-based loans for a total of US\$400 million.²⁷ Table 3.2 displays the total number of public sector operations and the amounts approved by area of intervention, as set out in the country strategy.

Table 3.2 Sovereign guaranteed portfolio approved in 2014-2018, by area of intervention

Area of intervention	Technical-cooperation operations		Loans	
	Number of approvals	Amount approved in US\$ million	Number of approvals	Amount approved in US\$ million
Transportation and connectivity	4	2.1	5	517
Energy	1	0.4	0	0
Water and sanitation	9	4.8	2	150
Productive development	4	1.5	5	250
Financial sector	4	0.3	3	90
Public management	18	5.8	2	220
Crosscutting area	11	4.2	3	70
Other	3	1.5		
Total	54	20.6	20	1,297

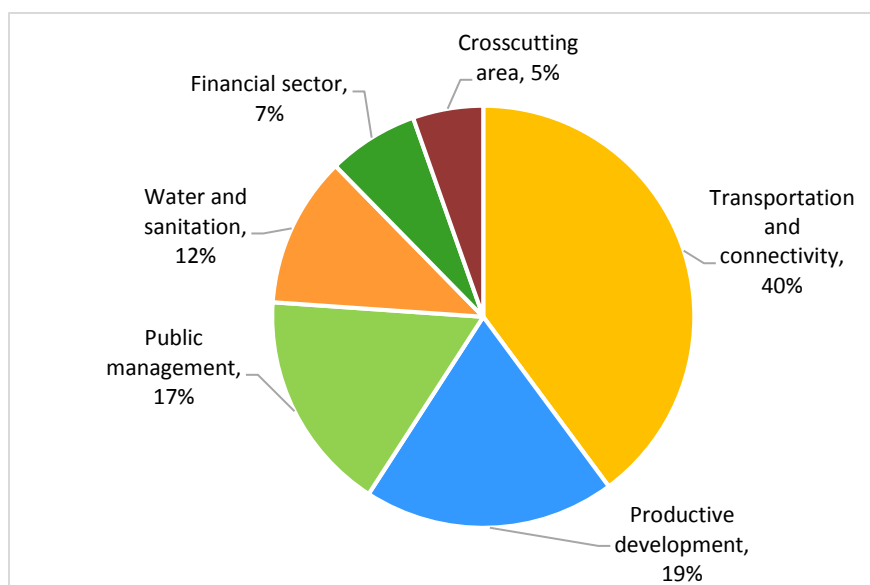
Note: Environmental projects were included under water and sanitation. The crosscutting area includes social sector and housing projects.

Source: OVE.

- 3.3 The Bank is involved in practically every sector.** However, its loan portfolio has historically been concentrated in the infrastructure sector (52% of IDB approvals from 2014 to 2017), particularly in transportation, followed by operations relating to productive development (19%) and public management (17%) (Figure 3.1).

²⁷ Operations PR-L1144 and PR-L1101. Another policy-based loan, for US\$200 million, is being prepared for 2018 (operation PR-L1151).

Figure 3.1 Distribution of IDB loans approved from 2014 to 2017, by area of intervention



Source: OVE.

- 3.4 **The same can be said of the legacy portfolio.** The legacy public sector portfolio, which includes all operations approved prior to 2014 that were no more than 30% disbursed in the previous period, has a total of nine loans:²⁸ four for infrastructure (two in transportation, one in energy, and one in water and sanitation); two for productive development, two in social areas, and one for public management. In addition to these, there are two private-sector operations that carried over from the previous period.

IV. EVALUATION DIMENSIONS AND METHODOLOGY

- 4.1 **The current CPE will evaluate the Bank's program with Paraguay during the 2014-2018 period.** All operations approved during the period will be analyzed, along with other previously approved loans whose proceeds remained at least 70% undisbursed after 2014. Additionally, in order to assess the Bank's effectiveness in the country, the CPE will analyze the results of operations completed during the period.²⁹ Public sector operations include sovereign guaranteed loans, technical-cooperation operations, and investment grant operations. On the private sector side, the CPE will include an analysis of Structured and Corporate Financing Department, Opportunities for the Majority Sector, and IDB Invest operations, consistent with OVE's mandate.³⁰ The complete list of operations to be analyzed in this CPE,

²⁸ Reimbursable technical-cooperation operation PR-L1048 is not included.

²⁹ For private sector projects, the closeout year is the year in which the operation is ready to be evaluated according to private sector standards.

³⁰ Multilateral Investment Fund operations will be covered by the analysis only if they are related to other Bank operations.

including the legacy portfolio, loans in the pipeline, and loans closed out after 2014, organized by area of intervention, can be found in Annex II.

- 4.2 **Following the format of previous CPEs, and consistent with the Protocol for Country Program Evaluation (document [RE-348-3](#)), the criteria to be used will be relevance, implementation, effectiveness, and sustainability.** The analysis of relevance measures “the degree to which the design and objectives of the Bank strategy and program of assistance were consistent with the needs of the country and with the government’s development plans and priorities,” and will look at all operations in the portfolio. The analysis of program implementation examines the characteristics of program execution, looking at efficiency and at the technical support provided by the Bank. To the extent possible, the analysis of implementation will be complemented by the identification of good practices to strengthen the design, execution, monitoring, and evaluation of investment projects. The analysis of effectiveness seeks to measure the success of projects completed during the period. These analyses will focus primarily on operations that are further along in their implementation. Lastly, sustainability refers to the likelihood that actual and anticipated results will be resilient to risks beyond the program period. The evaluation questions that the CPE will seek to answer are spelled out in the Protocol for Country Program Evaluation (document [RE-348-3](#), paragraph 19 and Annex I) approved by the Bank’s Board of Executive Directors. Table 4.1 lists the main evaluation questions.
- 4.3 **The evaluation will follow the methodological guidelines set out in the Protocol for Country Program Evaluation (document [RE-348-3](#)). The criteria for analyzing the evaluation questions listed in Table 4.1 are described in Annex III, along with the information sources to be used.** The main information sources are the Bank’s systems, monitoring and results reports (PMRs, PCRs, ASRs, and XSRs), interviews with key individuals within the Paraguayan government and executing agencies, Bank sector specialists, international cooperation agencies—particularly the Development Bank of Latin America (CAF), the Japan International Cooperation Agency (JICA), and the World Bank, and IDB project beneficiaries, as well as members of academia and civil society who are familiar with Paraguay’s development challenges. All the Bank’s internal oversight and evaluation documents will be used as information sources, albeit subject to validation by OVE. OVE will supplement the qualitative analysis of interviews and document review with statistical analyses of the Bank’s administrative databases. It will also attempt to hold focus groups to glean additional information and to encourage discussion of the country’s main medium-term challenges and the role of the Bank as its development partner.

Table 4.1 Evaluation questions

Criteria	Evaluation questions
Relevance	What is the Bank's role in the country, and how has it evolved over time?
	How consistent were the country strategy's strategic objectives with the government's priorities, Paraguay's development priorities, and the IDB Group's mandate?
	How consistent was the program implemented by the Bank in Paraguay with the Bank's country strategy?
Implementation	Have the preparation and execution periods and costs for operations in Paraguay been reasonable?
	To what extent were the Bank's operations designed to be consistent with the country's delivery capacity and constraints?
	What have been the main bottlenecks in project implementation?
Effectiveness	Were the strategic objectives met?
	How effective was the Bank's program, and to what extent did it serve to accomplish the strategic objectives?
Sustainability	What is the likelihood that the Bank's interventions will be sustainable in the medium and long term?
	To what extent did the Bank anticipate sustainability challenges?

Source: OVE.

V. TEAM AND TIMELINE

- 5.1 **The country program evaluation will be performed by a team consisting of Anna Crespo, Juan Manuel Puerta, Alejandro Soriano, Miguel Soldano, Thomas Reichmann, María Elena Corrales, Galia Rabchinsky, and Nadia Ramírez.** The evaluation will necessitate ongoing dialogue with the Bank's Management, especially with its Country Office in Paraguay. It will therefore involve two missions to the country: one identification mission and a second mission for project analysis. The main tasks will be to (i) identify the key facets of the Bank-country relationship, (ii) gather data and validate document analyses, and (iii) visit specific projects to speak with executing agencies and beneficiaries.
- 5.2 **Lastly, according to the Protocol for Country Program Evaluation (document [RE-348-3](#)), "[t]he results of a CPE should be provided at a time in which the government is willing to make strategic decisions about the use of external assistance."** According to the election calendar, Paraguay's new government will take office on 15 August 2018. To maximize the use and impact of the CPE, OVE will attempt to align the required consultations with the new Government of Paraguay with the scheduled date for presentation of the new country strategy for 2019-2023 to the Board of Executive Directors of the Bank. OVE will also offer the new authorities in Paraguay the possibility of holding a working meeting on the CPE's findings and recommendations. The suggested timeline is therefore as follows:

Table 5.1 Timeline of activities

Activity	Date
Identification mission	9-13 April 2018
Approach paper	June 2018
Evaluation mission	2-6 July 2018
First draft for OVE internal discussion	August 2018
Draft shared and presented to Management. Draft forwarded to the Government of Paraguay for its consideration and a possible working session (if requested by the authorities)	September 2018
Presentation to the Programming Committee of the Board	November 2018

Source: OVE.

RECOMMENDATIONS FROM THE PREVIOUS CPE AND MANAGEMENT'S RESPONSE

Recommendation Country Program Evaluation: Paraguay 2009-2013 (document RE-452-3)	Management Response Comments from Management (document RE-452-2)
1. Support the country to enable it to leverage its investments in infrastructure with the private sector and bilateral and multilateral actors. To achieve this, the following is proposed: (i) increase coordination between the Bank's private sector windows; (ii) use the Bank's leadership to generate a forum for dialogue with the private sector as a way of facilitating the generation of projects and articulating a private sector action strategy (similar to the experience with the Civil Society Consulting Groups); (iii) support the country in the development of an appropriate legal framework to attract private investment in infrastructure areas; and (iv) use the Bank's leadership to leverage its own projects with cofinancing from bilateral and multilateral actors.	Agree. The Bank supported the drafting of the public-private partnerships bill (through a MIF operation), which was approved by Congress in December 2013 and provides an effective legal framework for attracting private investments in infrastructure, making it possible for the government to negotiate such investments directly with the private sector. This was done in regular consultation with the Private Sector Consulting Group, which will be empowered, as OVE suggests, to create a forum for dialogue for the purpose of facilitating the generation of projects. Coordination between the private sector windows is increasing, as is coordination with the public sector windows. The Bank is therefore well positioned to promote public-private partnerships in a coordinated manner. As to financing by bilateral and multilateral actors, the Bank will continue to leverage projects, as it has done in the past with CAF, EIB, JICA, OPIC, and others, and in turn will try to channel grants, as it did in the past with Spanish Cooperation.
2. Strategically use concessional instruments (technical cooperation, FSO) as a way to deepen the dialogue in those agendas that tend to be relegated because of the dynamics of programming in Paraguay. In particular, it is important to help generate a forum for broader collaboration in the social sectors, the building of institutional frameworks, and the expansion of the data and statistical base necessary for better programming and evaluation of the country's development strategies. It is also necessary to continue supporting the reforms initiated in the country (e.g. reform of first-tier banks and institutional structures of the Development Finance Agency (AFD)).	Agree. As this strategy becomes more focused, concessional resources may be concentrated, to the extent possible, on relevant areas according to the government's priorities. It is worth noting that a problem of scale often arises, given that the blend covers resources that may be equivalent to half the annual program. Thus, for example, if an infrastructure program is presented that absorbs a large proportion of the entire lending program, the concessional resources are then allocated to that area. As to the need to continue supporting reforms and the AFD, we fully agree with the suggestion, as reflected in the objectives of the strategy.
3. Support the country in the effective use of FONACIDE, tapping into cofinancing opportunities. The Bank could become a strategic partner for the country in the selection, implementation, and evaluation of projects to be financed by FONACIDE, thereby increasing the opportunities for cofinancing. If necessary, the Bank can also support the country in legal reform to ensure greater effectiveness. To this end, the following is suggested: (i) support the process of selection and prioritizing investment projects; (ii) continue to promote the development of local capacity for the preparation, management, monitoring, and evaluation of investment projects; (iii) cofinance social investments with FONACIDE, providing not only resources but	Agree. One of the Bank's objectives is to act as a catalyst, especially in the social sector through technical support it can provide to FONACIDE. The management, targeting, and efficient operation of FONACIDE will first be supported through a technical cooperation operation, after which support for its investments is also expected to be provided through cofinancing. Management is in full agreement with the items mentioned.

Recommendation Country Program Evaluation: Paraguay 2009-2013 (document RE-452-3)	Management Response Comments from Management (document RE-452-2)
value added at the sector level and in execution and fiduciary areas.	
4. Strengthen natural resource management capacity. Given the crucial role that natural resources play in Paraguay's development, the Bank can add value by maintaining a line of action and forums for dialogue with the government for the implementation of effective environmental policies and a strategy to manage natural resources. Such a dialogue should encourage the strengthening of the various competent authorities' (e.g. Department of the Environment, Ministry of Public Works and Communications) natural resource management and planning capacity.	Agree. The Bank has maintained a consistent line of action regarding the importance of strengthening natural resource management. Both for the reasons given by OVE and in relation to the implementation of safeguards in Bank projects, we agree with the spirit of OVE's suggestion. Accordingly, the topic will be dealt with as a cross-cutting element in the strategy, in order to support—through projects and technical cooperation operations—competent authorities that associate themselves with the Bank's initiatives. It is worth recalling that, under the programming cycle that is ending, the Bank approved a loan operation to finance the institutional strengthening of the Department of the Environment, which was then not signed by the government.
5. Use the experience of other countries with legislative ratification to mitigate the impact that such ratification has on the Bank's portfolio in Paraguay. Paraguay is only one of eight Bank member countries that require legislative ratification. The Bank could consolidate the lessons learned in these countries with a view to developing mitigation strategies that would apply in Paraguay. Insofar as possible, within the limits imposed by the Agreement Establishing the Bank, the Bank could also promote forums for dialogue with the Congress of Paraguay, providing information on operations in order to streamline the ratification process.	Agree. The Bank will review the experiences of these countries with a view to developing a mitigation policy that applies to Paraguay.

Source: OVE.

LIST OF PROJECTS AND TECHNICAL COOPERATION OPERATIONS

TABLE II. 1 List of projects and technical cooperation (TC) operations to be analyzed for the evaluation

Pillar	Operation number	Operation	Year approved	Type	Original amount approved (US\$)	Current amount (US\$)	Disbursed (US\$)**	Status
Transportation and connectivity	PR-L1044	Downtown Redevelopment, Modernization of Metropolitan Public Transport, and Government Offices	2010	Loan	125,000,000	125,000,000	28,774,272	Active
	PR-L1075	Program for Paving of Integration Corridors and Road Rehabilitation and Maintenance Phase II	2013	Loan	122,000,000	122,000,000	63,656,837	Active
	PR-L1080	San Juan Nepomuceno-Route 6 Junction Segment Improvement Project	2014	Loan	105,000,000	105,000,000	15,971,662	Active
	PR-L1084	Rural Road Improvement Program	2014	Loan	100,000,000	100,000,000	15,205,746	Active
	PR-L1092	Rural Road Improvement Program II	2015	Loan	62,000,000	62,000,000		Active
	PR-L1105	Road Corridors Improvement and Maintenance Program	2016	Loan	90,000,000	90,000,000		Active
	PR-L1145	Upgrade and Maintenance Project for National Route 9 and Access Roads	2017	Loan	160,000,000	160,000,000		Active
	PR-T1172	Design for the Integrated Road Network of Paraguay and Development of Comparative Studies	2014	TC	700,000	684,412	684,412	Completed
	PR-T1174	Support for the Preparation of Studies for Programs PR-L1084 and PR-L1044	2014	TC	366,000	365,332	365,332	Completed
	PR-T1240	Support for the Road Maintenance Strategy of the Ministry of Public Works and Communications	2017	TC	500,000	500,000	109,611	Active
	PR-T1183	Fostering Cross Border Integration between Paraguay and Brazil	2016	TC	560,000	560,000	218,829	Active
	PR-T1252	Support for Territorial Connectivity between Paraguay and Brazil	2018	TC	500,000	500,000		Pipeline
Energy	PR-L1058	National Electricity Administration, Multiphase Power Transmission Program Phase II	2012	Loan	50,000,000	50,000,000	35,693,530	Active
	PR-L1146	Promoting Private Sector Investments in Energy Efficiency in the Industrial Sector in Paraguay	2018	Loan	20,000,000	20,000,000		Pipeline
	PR-L1156	Rehabilitation and Modernization of the Acaray Hydropower Plant	2018	Loan	100,000,000	100,000,000		Pipeline

Pillar	Operation number	Operation	Year approved	Type	Original amount approved (US\$)	Current amount (US\$)	Disbursed (US\$)**	Status
	PR-T1223	Support for the Sustainable Energy for Development Program	2016	TC	350,000	350,000	84,095	Active
	PR-T1257	Support for the development of enabling institutional, policy and regulatory environments for energy efficiency	2018	TC	700,000	700,000		Pipeline
Water and sanitation	PR-L1060	Water and Sanitation Program for the Chaco Region and Intermediate Cities in the Eastern Region of Paraguay	2011	Loan	20,000,000	20,000,000	5,602,377	Active
	PR-L1029	Comprehensive Sanitation Program for the Bay and Metropolitan Area of Asunción	2014	Loan	110,000,000	110,000,000	12,412,696	Active
	PR-L1094	Water and Sanitation System Construction Project for Small Cities and Rural and Indigenous Communities in Paraguay	2015	Loan	40,000,000	40,000,000		Active
	PR-L1155	Project for the Improvement of the National Early Warning System for Hydrometeorological Events	2018	Loan	10,000,000	10,000,000		Pipeline
	PR-T1162	Comprehensive Sanitation Plan for Ypacaraí Lake	2014	TC	900,000	900,000	900,000	Completed
	PR-T1175	Sanitary Assistance for Flooding in Presidente Hayes and Asunción	2014	TC	200,000	200,000	200,000	Completed
	PR-T1199	Project to evaluate the effectiveness of measures to reduce water losses	2015	TC	500,000	500,000	467,646	Active
	PR-T1207	Study of Water Resources and Climate Vulnerability of the Patiño Aquifer	2016	TC	900,000	900,000	442,175	Active
	PR-T1208	Support for Review and Resizing of the Bella Vista Wastewater Treatment Plant	2016	TC	400,000	397,903	397,903	Completed
	PR-T1224	Promotion of Behavior Change and Strengthening of the Water and Sanitation Sector in Paraguay	2016	TC	750,000	750,000	203,041	Active
	PR-T1227	Support for preparation of a water and sanitation project for the districts of Ciudad del Este, Presidente Franco, Hernandarias, and Minga Guazú of the Department of Alto Paraná	2016	TC	750,000	750,000	538,013	Active
	PR-T1205	Humanitarian Assistance for Flooding in Concepción, San Pedro, Ñembucú, and other municipios	2016	TC	200,000	200,000	200,000	Completed
	PR-T1216	Priority Actions for Upgrading the National Early Warning System	2016	TC	200,000	200,000	152,770	Active

Pillar	Operation number	Operation	Year approved	Type	Original amount approved (US\$)	Current amount (US\$)	Disbursed (US\$)**	Status
Productive development	PR-L1050	National Tourism Program	2010	Loan	10,000,000	10,000,000	6,030,616	Active
	PR-L1069	Investment Promotion Program	2013	Loan	10,000,000	10,000,000	5,333,544	Active
	PR-L1070	Paraguayan Business Innovation Project	2015	Loan	10,000,000	10,000,000		Active
	PR-L1139	Support for Business Development Services to Paraguayan Exporting Companies	2016	Loan	10,000,000	10,000,000		Active
	PR-L1144	Productive Paraguay: Transparency and Financing	2017	Loan	200,000,000	200,000,000		Active
	PR-L1147	Project to Implement the Census and Agricultural Surveys System	2017	Loan	15,000,000	15,000,000		Active
	PR-L1148	Project to Improve and Expand Animal Health Services in Paraguay	2018	Loan	15,000,000	15,000,000		Active
	PR-T1222	Support for Preparation of a Development Plan for Sustainable River Tourism in the Border Region	2016	TC	350,000	350,000	137,280	Active
	PR-T1221	Social Innovation Platforms to Address Development Challenges in Paraguay	2016	TC	360,000	360,000	212,632	Active
	PR-T1225	Strengthening and Scaling-up the Capabilities of the National Innovation System: Focus on the National Funding Agency and Government-funded Research Institutes	2016	TC	520,000	520,000	86,030	Active
	PR-T1203	Support for the Animal Health Service of Paraguay	2017	TC	300,000	300,000	230,568	Active
	PR-T1260	Improving intellectual property management in Paraguay: Intellectual property digitization and implementation of a paperless system	2018	TC	780,000	780,000		Pipeline
Financial sector	PR-L1081	Financing Program for Paraguayan Small and Medium-Sized Enterprises	2014	Loan	30,000,000	30,000,000	11,820,043	Active
	PR-L1095	First Program: Project to Improve and Expand Productive Sector Lending Products in Paraguay	2015	Loan	30,000,000	30,000,000		Active
	PR-L1140	Project for the Development of the Housing Finance Market in Paraguay	2016	Loan	30,000,000	30,000,000		Active
	PR-L1150	Fiscal investments for sustainable development	2018	Loan	20,000,000	20,000,000		Pipeline

Pillar	Operation number	Operation	Year approved	Type	Original amount approved (US\$)	Current amount (US\$)	Disbursed (US\$)**	Status
	PR-T1194	Support for the institutional strengthening of the Development Finance Agency	2016	TC	270,000	270,000	260,000	Active
	PR-T1226	Financial products for housing market development	2016	TC	15,000	14,487	14,487	Completed
	PR-T1246	Development of the Local Public Securities Market	2017	TC	14,985	12,856	12,856	Completed
	PR-T1247	Financial Products for the Promotion of New Housing Construction	2017	TC	15,930	15,930	15,930	Completed
	PR-T1249	Support to Structure and Implement an Energy Efficiency Financing Strategy for SMEs with AFD	2018	TC	2,300,000	2,300,000		Pipeline
Public management	PR-L1062	Third Individual Operation under the Expanded CCLIP to Provide Financing to Agencia Financiera de Desarrollo (AFD)	2011	Loan	50,000,000	49,950,000	49,950,000	Exited
	PR-L1086	Scholarship Program	2015	Loan	20,000,000	20,000,000	10,791,690	Active
	PR-L1101	Public Investment Management Program	2015	Loan	200,000,000	200,000,000	200,000,000	Completed
	PR-L1153	Digital Agenda Support Program	2018	Loan	150,000,000	150,000,000		Pipeline
	PR-L1151	Public Finance for Sustainable Development	2018	Loan	200,000,000	200,000,000		Pipeline
	PR-T1173	Program to Strengthen the Pension System in Paraguay	2014	TC	602,073	602,073	363,112	Active
	PR-T1163	Program for the Improvement of Project Execution	2014	TC	700,000	688,722	688,722	Completed
	PR-T1170	Exchange of experiences for the National Public Investment System	2014	TC	19,930	16,908	16,908	Completed
	PR-T1176	Exchange of experiences for the National Public Investment System (Public-private partnerships)	2014	TC	17,640	15,479	15,479	Completed
	PR-T1157	Strengthening the Functions of the Center of Government	2014	TC	500,000	493,008	493,008	Completed
	PR-T1169	Strengthening of Project Management and Evaluation at SENAVITAT	2015	TC	310,000	310,000	180,874	Active
	PR-T1186	Program of Specialization for Public Servants (II)	2015	TC	1,300,000	1,300,000	1,003,447	Active
	PR-T1187	Strengthening the Functions of the Center of Government II	2015	TC	100,000	99,477	99,477	Completed
	PR-T1198	Improvement of civil registry efficiency and access in Paraguay	2015	TC	450,000	450,000	278,166	Active
	PR-T1218	Support for Social Reintegration of At-risk Youth	2016	TC	250,000	250,000	115,956	Active

Pillar	Operation number	Operation	Year approved	Type	Original amount approved (US\$)	Current amount (US\$)	Disbursed (US\$)**	Status
	PR-T1219	Support for the Paraguayan Penitentiary Reform Plan	2016	TC	250,000	250,000	39,969	Active
	PR-T1231	Support for strengthening oversight and transparency of State-owned enterprises	2016	TC	270,000	270,000	11,232	Active
	PR-T1236	Sharing Experiences on the Implementation and Use of the National Public Investment Plan	2016	TC	11,568	8,457	8,457	Completed
	PR-T1244	Knowledge Exchange on Electronic Invoicing and Fiscal Risk	2017	TC	12,000	5,316	5,316	Active
	PR-T1239	Support the process for the simplification of procedures offered to citizens	2017	TC	200,000	200,000	13,568	Active
	PR-T1242	Support for the Transparency Strategy of Paraguay	2017	TC	350,000	350,000		Active
	PR-T1238	Support for Macroeconomic Policy	2017	TC	250,000	250,000	153,869	Active
	PR-T1256	Support Program for the Improvement of Fiscal Management	2018	TC	200,000	200,000		Active
	PR-T1253	Support for the Implementation of Debt Management	2018	TC	300,000	300,000		Pipeline
	PR-T1179	Strengthening of the Public Procurement Information System	2018	TC	400,000	400,000		Pipeline
	PR-T1255	Support for Paraguay's Digital Agenda	2018	TC	500,000	500,000		Pipeline
	PR-T1254	Support for Strengthening the Office of the Comptroller General	2018	TC	470,000	470,000		Pipeline
	PR-T1261	Support for the Government Transition and Institutionalization of the Center of Government	2018	TC	370,000	370,000		Pipeline
Crosscutting area	PR-L1066	Program to Support Job Placement	2011	Loan	5,000,000	5,000,000	1,783,047	Active
	PR-L1051	Early Childhood Development Program	2012	Loan	27,000,000	27,000,000	5,834,074	Active
	PR-L1077	Integrated Citizen Security Management Program	2014	Loan	20,000,000	20,000,000	-	Active
	PR-L1082	Improvement of Housing and Habitat	2015	Loan	30,000,000	30,000,000	3,987,651	Active
	PR-L1097	Project to Support Extended School Days and Improved Transportation Conditions for Students Attending Rural Official Schools	2016	Loan	20,000,000	20,000,000		Active
	PR-L1152	Rehabilitation and housing program in the Bañado Sur area of Asunción (Tacumbú neighborhood)	2018	Loan	80,000,000	80,000,000		Pipeline

Pillar	Operation number	Operation	Year approved	Type	Original amount approved (US\$)	Current amount (US\$)	Disbursed (US\$)**	Status
	PR-T1159	Development of Integrated Social Policies for Youth	2014	TC	500,000	498,158	498,158	Completed
	PR-T1158	Support for Network Integration Services with Emphasis on Obstetric and Neonatal Care	2014	TC	400,000	397,714	397,714	Completed
	PR-T1197	Technical mission to Mexico to support Labor Information System	2015	TC	19,640	17,499	17,499	Completed
	PR-T1196	Support for the Creation of a <i>Ciudad Mujer</i> (Women's City) Program in Paraguay	2015	TC	646,000	646,000	513,847	Active
	PR-T1185	Support for the Scholarship Program	2015	TC	266,000	256,329	256,329	Completed
	PR-T1180	Public-private Partnerships for Educational Innovation in Paraguay	2015	TC	500,000	500,000	500,000	Completed
	PR-T1182	Preschool Radio Science	2015	TC	700,000	700,000	581,883	Active
	PR-T1193	Experience sharing between Paraguay and Ecuador to strengthen evaluation of educational quality	2015	TC	10,360	10,071	10,071	Completed
	PR-T1195	Public-private Partnerships for Educational Innovation in Paraguay	2015	TC	500,000	499,908	499,908	Completed
	PR-T1230	Labor Markets and Social Security Analysis	2017	TC	180,000	180,000	11,754	Active
	PR-T1243	Strengthening Urban Resilience in Riverside Asunción	2018	TC	450,000	450,000		Active
	PR-T1251	Support for Design and Execution of the Bañado Sur Rehabilitation Program	2018	TC	500,000	500,000		Pipeline
Other	PR-T1245	Support for development of 21 st century skills by learning coding	2018	TC	850,000	850,000		Pipeline
	PR-T1206	Action Plan for Group C and D Countries	2016	TC	503,777	479,125	479,125	Completed
	PR-T1241	Action Plan for Group C and D Countries	2017	TC	502,111	438,822	403,273	Active
	PR-T1259	Action Plan for Group C and D Countries	2018	TC	501,384	501,384	69,174	Active

* Private sector includes operations approved under the SCF, OMJ, and IIC windows and information as to current amount, disbursements, and status is not public.

** Amount disbursed as of 8 June 2018.

Source: OVE.

TABLE II.2 List of IDB projects completed during the period

Operation number	Operation	Year approved	Type	Original amount (US\$) approved	Current amount (US\$)	Disbursed (US\$)*	Status
PR-L1001	Modernization of Agricultural Support Management	2006	Loan	31,500,000	31,500,000	31,500,000	Completed
PR-L1017	Escuela Viva II Program	2007	Loan	45,000,000	44,585,882	26,585,882	Completed
PR-L1010	National Electricity Administration Multiphase Power Transmission Program - Phase I	2006	Loan	69,500,000	67,216,460	67,216,460	Completed
PR-L1011	Program for Institutional Strengthening of the National Credit Union Administration (INCOOP)	2006	Loan	3,600,000	2,069,516	2,069,516	Completed
PR-L1062	Third Individual Operation under the Expanded CCLIP to Provide Financing to Agencia Financiera de Desarrollo (AFD)	2011	Loan	50,000,000	49,950,000	49,950,000	Completed
PR0125	Social Investment Program II	2002	Loan	28,400,000	21,930,009	21,930,009	Completed
PR0146	Program to Strengthen the Justice System	2006	Loan	6,305,000	2,193,439	2,193,439	Completed
PR-L1049	Program to Develop the National Statistical System through the 2012 Population and Housing Census	2011	Loan	12,500,000	11,113,217	11,113,217	Completed
PR-L1101	Public Investment Management Program	2015	Loan	200,000,000	200,000,000	200,000,000	Completed
PR-L1008	Program of Support for the Civil Service	2006	Loan	4,200,000	4,061,444	4,061,444	Completed
PR-L1018	Program to Support Paraguayan Exports	2007	Loan	10,000,000	9,884,467	9,884,467	Completed
PR-L1007	Paving of Integration Corridors and Road Rehabilitation and Maintenance (Phase I)	2006	Loan	134,000,000	133,830,624	133,830,624	Completed

* Amount disbursed as of 8 June 2018.

Source: OVE.

EVALUATION MATRIX

Dimensions	Evaluation questions	Measurement criteria	Indicators	Information sources
Relevance	1. What is the Bank's role in the country and how has it evolved over time?	a. Bank disbursements as a percentage of public investment and of GDP have remained constant.	i. Bank disbursements as a percentage of public investment ii. Bank disbursements as a percentage of GDP	Bank systems and national accounts
		b. Financing amounts approved by the Bank were greater than those approved by other multilateral organizations.	i. Amount of financing approved by the Bank during the strategy period ii. Amount of financing approved by other multilateral institutions	Bank systems and information on approvals of other donors
		c. The perception among clients and stakeholders in the country is that the Bank's contribution is positive and greater than that of other multilateral organizations.	i. Indicator of perceptions regarding the Bank's contribution in the country, from the General Perception Survey (GPS) of the Office of Strategic Planning and Development Effectiveness (SPD) ii. Indicator of perceptions regarding the Bank's contribution in the country, from SPD's GPS	SPD's GPS
		d. The toolkit used by the Bank was appropriate in that it was comparable to the toolkit used in other countries of the region with a similar level of development and to that used by other multilaterals in Paraguay.	i. Analysis of toolkit used by the Bank in comparison with other countries and with other multilaterals in Paraguay	Bank systems; reports from the World Bank, JICA, CAF, etc.; interviews
	2. How consistent were the country strategy's strategic objectives with the government's priorities, Paraguay's development priorities, and the IDB Group's mandate?	a. The strategic objectives laid out in the country strategy are consistent with Paraguay's development priorities, in that they can be mapped to the pillars of the National Development Plan.	i. Priority areas of the country strategy ii. Most significant development challenges according to the 2030 National Development Plan	Country strategy, programming documents, 2030 National Development Plan, diagnostic studies done by the World Bank and IDB, SPD's GPS, documents from other institutions, and interviews with the IDB team and with government representatives

Dimensions	Evaluation questions	Measurement criteria	Indicators	Information sources
		b. The strategic objectives laid out in the country strategy are consistent with Paraguay's development priorities, in that they can be mapped to the areas addressed by government action plans.	i. Priority areas of the country strategy ii. Objectives of the 2014-2016 and 2016-2018 government action plans	Country strategy, programming documents, government action plans, diagnostic studies done by the World Bank and IDB, SPD's GPS, documents from other institutions, and interviews with the IDB team and with government representatives
		c. The strategic objectives laid out in the country strategy are consistent with the Bank's mandate, in that they can be mapped to the Bank's priority areas.	i. Priority areas of the country strategy ii. Development challenges plus priority areas for the Bank according to its institutional strategy	Country strategy, programming documents, diagnostic studies done by the World Bank and IDB, SPD's GPS, documents from other institutions, and interviews with the IDB team and with government representatives
	3. How consistent was the program implemented by the IDB in Paraguay with the Bank's country strategy?	a. The program implemented by the Bank was consistent with the strategy in that the priority areas/strategic objectives of the country strategy and the areas of the program implemented by the Bank match and in that it is highly plausible that the components of the approved projects and technical cooperation operations will contribute to the strategic objectives.	i. Priority areas of the country strategy ii. Priority objectives of the country strategy iii. Areas and sectors of the program implemented by the Bank iv. Components of projects approved by the Bank v. Components of technical cooperation operations approved by the Bank	Loan and technical cooperation documents, country strategy, sector notes, and interviews with the IDB team and with government representatives
Implementation	1. Have the preparation and execution periods and costs for operations in Paraguay been reasonable?	a. The preparation and execution periods and costs for operations in Paraguay are reasonable in that the time and costs involved in preparing and implementing projects have remained constant or decreased in comparison with the previous strategy and as compared with other countries.	i. Preparation time for loan operations ii. Execution time for loan operations iii. Cost in US\$ per million approved iv. Cost in US\$ per million executed	Bank systems

Dimensions	Evaluation questions	Measurement criteria	Indicators	Information sources
	2. To what extent were the Bank's operations designed to be consistent with the country's delivery capacity and constraints?	a. The Bank's operations were designed so as to be consistent with the country's delivery capacity and constraints in that the execution problems identified in the PMRs and PCRs are unrelated to issues having to do with the country's delivery capacity.	i. Percentage of projects on alert status or identified as problem projects ii. Percentage of projects on alert status or identified as problem projects due to problems with the executing agency's delivery capacity	PMR, PCR, semiannual reports from executing agencies and interviews with IDB team members involved in project implementation; executing agencies
	3. What have been the main bottlenecks in project implementation?		i. Analysis of main implementation bottlenecks reported in PMRs and PCRs ii. Distribution of problems	PMRs and PCRs and interviews with IDB team members involved in project implementation and with executing agencies
Effectiveness	1. Were the strategic objectives met?	a. The strategic objectives were met in that the results indicators in the Bank's country strategy with Paraguay improved.	i. Results indicators from the strategy	National and international databases
	2. How effective was the Bank's program, and to what extent did it serve to accomplish the strategic objectives?	a. The Bank's program was effective in that the projects' output and outcome targets were met. b. The program served to accomplish the strategic objectives in that it is highly plausible that the results of the projects/technical cooperation operations helped to achieve the priority objectives set out in the country strategy with Paraguay.	i. Project output and outcome indicators	PCR, PMR, semiannual reports, and government reports and data
Sustainability	1. What is the likelihood that the Bank's interventions will be sustainable in the medium and long term?	a. Infrastructure financing projects are sustainable in that they include maintenance and service management plans.	i. Percentage of infrastructure projects with maintenance and service management plans and agreements	Review of loan documents, PCR, PMR, and interviews
		b. Current expenditure financing projects are sustainable in that they include public expenditure substitution mechanisms (including for the financing of execution units).	i. Percentage of current expenditure financing projects with public expenditure substitution mechanisms (including for the financing of execution units)	Review of loan documents, PCR, PMR, and interviews

Dimensions	Evaluation questions	Measurement criteria	Indicators	Information sources
	2. To what extent did the Bank anticipate sustainability challenges?	a. The Bank anticipated sustainability challenges in that no completed project had unanticipated sustainability issues.	i. Number of projects with sustainability issues that lacked mitigation components	PMR, PCR, technical cooperation monitoring/results reports; risk matrix and interviews with IDB team and counterparts

Source: OVE.