July 24, 2019

OFFICIAL DOCUMENTS

Mr. Leonardo Alfonzo
Director
Instituto Desarrollo
Guido Spano, 2575
Asunción
Paraguay

Dear Mr. Alfonzo:

Re: TFSCB Grant No. TF0B0792
Improving Administrative Records for SDGs Implementation and evidence-based policymaking in Paraguay Project
Letter Agreement

In response to the request for financial assistance made on behalf of Instituto Desarrollo ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided by various donors ("Donors") under the Multi-Donor Trust Fund for Statistical Capacity Building III Parallel Trust Fund TF072825 , proposes to extend to the Recipient for the benefit of the Republic of Paraguay ("Member Country") a grant in an amount not to exceed three hundred fifty thousand United States Dollars (USD 350,000.00) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.
Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date this Agreement and returning it to the Bank.

Very truly yours,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By
Jesko S. Hentschel
Country Director
Argentina, Paraguay and Uruguay

AGREED:
INSTITUTO DESARROLLO

By
Authorized Representative
Name Leonardo Alfonzo
Title Director General
Date 3 0 JUL 2019

ENDORSED:
REPUBLIC OF PARAGUAY

By
Authorized Representative
Name Benigno López
Title Minister of Finance
Date 0 2 AGO 2019

Enclosures:

(1) "International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds" dated February 25, 2019

(2) Disbursement and Financial Information Letter of the same date as this Agreement, together with the “Disbursement Guidelines for Investment Project Financing”, dated February 2017
Mr. Leonardo Alfonzo

Copy:

H.E. Benigno López
Minister of Finance
Ministerio de Hacienda
Sede Central: Chile 252
Asunción 1220
Paraguay
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions (as defined in Section 1.02 below) constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Section:

(a) "Anti-Corruption Guidelines" means, for purposes of paragraph 2 of the Appendix to the Standard Conditions, the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006, and revised in January 2011, and as of July 1, 2016.

(b) "AR" means administrative records.

(c) "Category" means a category set forth in the table in Section 3.01 of this Agreement.

(d) "Environmental and Social Commitment Plan" or the acronym "ESCP" means the Recipient’s environmental and social commitment plan, acceptable to the Bank, dated May 31, 2019, which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Project, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any documents prepared or to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the Bank.


(f) "MES" means Ministerio de Educación y Ciencias, the Member Country’s Ministry of Education and Sciences, or any successor thereto acceptable to the Bank.

(g) "MHSW" means Ministerio de Salud Pública y Bienestar Social, the Member Country’s Ministry of Public Health and Social Welfare, or any successor thereto acceptable to the Bank.
(h) "Procurement Regulations" means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017 and August 2018.

(i) "SDGs" means the United Nations Sustainable Development Goals listed in Paragraph 54 of the United Nations General Assembly Resolution A/RES/70/1 of 25 September 2015 that are part of Resolution 70/1 of the United Nations General Assembly "Transforming our World: the 2030 Agenda for Sustainable Development".

(j) "Selected SDGs" means the United Nations Sustainable Development Goals 2, 3, 4 and 10 (Zero Hunger, Good Health and Wellbeing, Quality Education, and Reduced Inequality).


**Article II**

**Project Execution**

2.01. *Project Objectives and Description.* The objective of the Project is to assist the Member Country to improve the quality in the production and use of administrative records for evidence-based policymaking aiming to support the Selected SDGs.

The Project consists of the following parts:

**Part I - Foundations for Quality Administrative Records (AR) for Selected SDGs**

(1) Conduct quality and completeness assessments of all administrative records used by the MHSW and the MES in reporting Selected SDGs outcomes and monitoring timely delivery of Selected SDGs outputs financed by the Member Country’s national budget aligned to the government monitoring system.

The assessment on quality of AR for Selected SDGs will use established international methodologies as agreed with the Member Country and the World Bank.

(2) Assess and propose improvements in the Member Country’s regulation of the production and use of Selected SDGs-related administrative records at the MHSW and the MES at international quality standards, such as, *inter alia*, quality audits of their AR, methods of organization of their information to facilitate data collection and anonymization.

(3) Build capacity on good practices for collecting Selected SDGs-related administrative records among public officials at the MHSW and the MES, through formal training, on-the-job training, and coaching on quality assurance principles and good practices in AR to key staff, namely in the statistics, planning, and monitoring and evaluation units of MHSW and MES, aiming at building human capital to improve AR for Selected SDGs in the Member Country.

**Part II - Training for Effective Use of AR for Selected SDGs**

(1) Build capacity for evidence-based policymaking among high-level policymakers of the Member Country in health and education-related areas, with emphasis on the timely use of administrative records. Training modules on evidence-based policymaking for achieving Selected SDGs and effective monitoring of Selected SDGs will be delivered to high-level health and education policy makers of the Member Country and will include evidence-based determinants of improved outcomes.
in Selected SDGs-related areas and will communicate the importance of AR to monitor and evaluate progress on Selected SDGs outcomes and process.

(2) Conduct training to health and education-related policy analysts of the Member Country on modern statistical and machine learning tools for analyzing large and complex AR databases for monitoring and filling the data gaps for Selected SDGs. Training will include topics such as, *inter alia*: (a) open source data science tools such as R and Python for database management and Statistical modeling; (b) modern causal inferential methods, including regression discontinuity, matching techniques and other impact evaluation methods; (c) introduction to machine learning and image processing, and (d) other selected topics in statistics and machine learning. Training will be conducted with experts as agreed with the Member Country and the World Bank.

**Part III - Open AR for Selected SDGs toward Knowledge Sharing**

(1) Build capacity among AR-producers of the Member Country for adequately disseminating health and education-related administrative records among the public, media, and academic community, in compliance with relevant laws, rules and regulations. The capacity building aims at generating more active and user-friendly data dissemination strategies, and will include areas such as, *inter alia*, the publication of metadata to describe information, normalization of basic vocabulary of reference and sub-national disaggregation of geographical territories. Emphasis will also be given in training on timely distribution of information and data transparency to the media.

(2) Develop a virtual community of policymakers from developing countries in the region, and in other regions, for exchanging lessons learned and good practices in the production and use of Selected SDGs-related AR.

**Part IV – Project Management and operational support**

Provide general support to ID for project management, implementation, and operational support including, *inter alia*, holding of meetings and conferences and financial audits.

2.02. **Project Execution Generally.** The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project in close coordination and cooperation with the MHSW and the MES in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; and (c) this Article II.

2.03. **Environmental and Social Standards.**

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.

2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. The Recipient shall promptly notify the Bank of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the Environmental and Social Standards.
4. The Recipient shall maintain, publicize and operate a grievance mechanism, in form and substance satisfactory to the Bank, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Bank.

2.04. **Project Monitoring, Reporting and Evaluation.** The Recipient shall ensure that each Project Report is furnished to the Bank not later than one month after each calendar semester, covering the calendar semester.

**Article III**

**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Operating Costs, Training and Workshops, consulting services (including travel) and goods under the Project</td>
<td>350,000.00</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>350,000.00</strong></td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this paragraph, the terms:

(i) “Training and Workshops” means the reasonable costs (excluding consulting services), as shall have been approved by the World Bank, associated with the preparation and carrying out of seminars and training conducted under the Project, including, *inter alia*, the reasonable travel costs (e.g. accommodations, transportation costs and *per diem*) of trainees and trainers (if applicable), catering, rental of training facilities and equipment, as well as reproduction of training material and other costs directly related to training course preparation an implementation; and

(ii) “Operating Costs” means the reasonable costs, as shall have been approved by the World Bank, for the incremental expenses (which would not exist absent the Project) incurred on account of Project implementation, consisting of vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office and office equipment maintenance, utilities, document duplication/printing, consumables, translation, travel costs and *per diem* for Project staff for travel linked to the implementation of the Project, and salaries of contractual staff for the Project (but
excluding consulting services and salaries of officials of the Recipient’s or Member Country’s civil service).

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed USD 35,000 equivalent may be made for payments made prior to this date but on or after January 16, 2019, for Eligible Expenditures.

3.03. **Withdrawal Period.** The Closing Date is June 30, 2020.

**Article IV**

**Recipient’s Representative; Addresses**

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Director.

4.02. **Recipient’s Address.** For purposes of Section 7.01 of the Standard Conditions: (a) the Recipient’s Address is:

Instituto Desarrollo
Guido Spano, 2575
Asunción
Paraguay and

(b) the Recipient’s Electronic Address is:

Facsimile: (+595-21) 6712182
E-mail: lalfonzo@desarrollo.edu.py

4.03. **Bank’s Address.** For purposes of Section 7.01 of the Standard Conditions: (a) the Bank’s address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Bank’s Electronic Address is:

Facsimile: 1-202-477-6391
E-mail: bkhaltarkhuu@worldbank.org