

STATUS OF PROJECTS IN EXECUTION – FY05
SOPE
REGION: LATIN AMERICA AND THE CARIBBEAN
COUNTRY: PARAGUAY

Operations Policy and Country Services
SEPTEMBER 23, 2005



Report on the Status of Projects in Execution - FY05
Region: Latin America and the Caribbean
Country: Paraguay

Introduction

The Status of Projects in Execution (SOPE) Report for FY05 provides information on all IBRD/IDA projects that were active on and beyond June 30, 2005. Thus it bridges the gap in information available to the public between the Project Appraisal Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. Now, in accordance with the Bank's revised disclosure policy, the SOPE Report is also available to the public. By publishing this improved report, we have addressed one of the main concerns we heard from the public during disclosure consultations – that the public has very little access to information on projects while they are being implemented. Readers familiar with past reports will note that projects that closed during the fiscal year are no longer included in the SOPE, since their Implementation Completion Reports are now also disclosed.

The FY05 SOPE introduces a new element: in order to disclose project-by-project comparisons of disbursement estimates and actual disbursements, the SOPE report contains a line chart¹ showing the original estimated disbursement schedule, the latest approved revised schedule (if any) and actual disbursements for investment operations and a table showing the loan/credit/grant amount and disbursements to date.

¹ Notes:

- Amounts for Projects in currencies other than U.S. dollars may not match exactly due to exchange rate fluctuations over the life of the project.
- Disbursement graphs are not included for Development Policy Loans, which provide quick-disbursing external financing to support policy and institutional reforms. For these loans, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed conditions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus may not include a graph.

Country: Paraguay

Project Name (ID): Natural Resources Management (P007918)

Country: Paraguay

Board Approval Date: 02/22/1994

Midterm Review Date: 12/03/1998

Closing Date: 12/31/2005

Loan/Credit/Grant Number: IBRD-37080

Sector(s): General agriculture, fishing, and forestry (28%), Other social services (28%), Roads and highways (25%), Micro and SME finance (12%), Central government administration (7%)

Theme(s): Biodiversity (P), Rural policies and institutions (P), Other rural development (P), Indigenous peoples (S), Land administration and management (S)

Project Development Objectives:

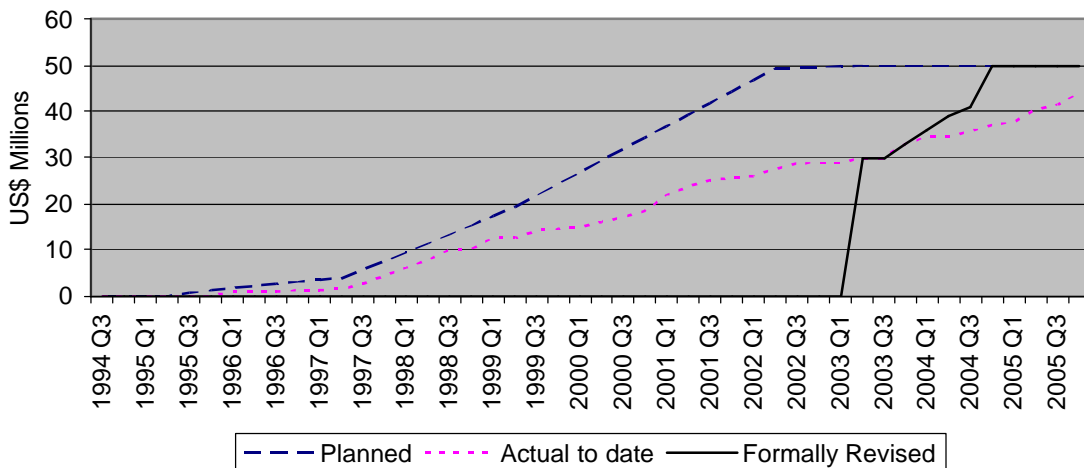
The objectives are to: (a) establish the institutional framework to resolve the major agricultural and natural resources problems in the Project Area; (b) obtain relevant information and implement a system of natural resources protection; and (c) assist the Small Farmer and Eligible Communities in the creation of sustainable and diversified agricultural production systems.

Progress toward achieving development objective(s):

Although budgetary constraints persist, the project continues to progress well. During fiscal year 2005, project activities focused on the transfer of experience to stakeholders, the consolidation of the activities in the expanded area, and carrying out the final evaluation of the project. Activities in the original, as well as the expanded, area are progressing satisfactorily thereby, allowing the consolidation and dissemination of the project’s natural resources management strategy as a basis for a national strategy of sustainable rural development. In addition, progress is being made in the second phase of the Community Rural Investments component, with 223 micro-projects being financed and close to 100 more expected to commence during fiscal year 2006.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-37080	Effective	50.00	44.02	5.98	0.00



Project Name (ID): Fourth Rural Water Supply and Sanitation (P039983)

Country: Paraguay

Board Approval Date: 08/28/1997

Midterm Review Date: 09/15/2001

Closing Date: 12/31/2005

Loan/Credit/Grant Number: IBRD-42220, IBRD-42230

Sector(s): Water supply (68%), Sewerage (22%), Central government administration (9%), Sub-national government administration (1%)

Theme(s): Rural policies and institutions (P), Rural services and infrastructure (P), Decentralization (P), Participation and civic engagement (P)

Project Development Objectives:

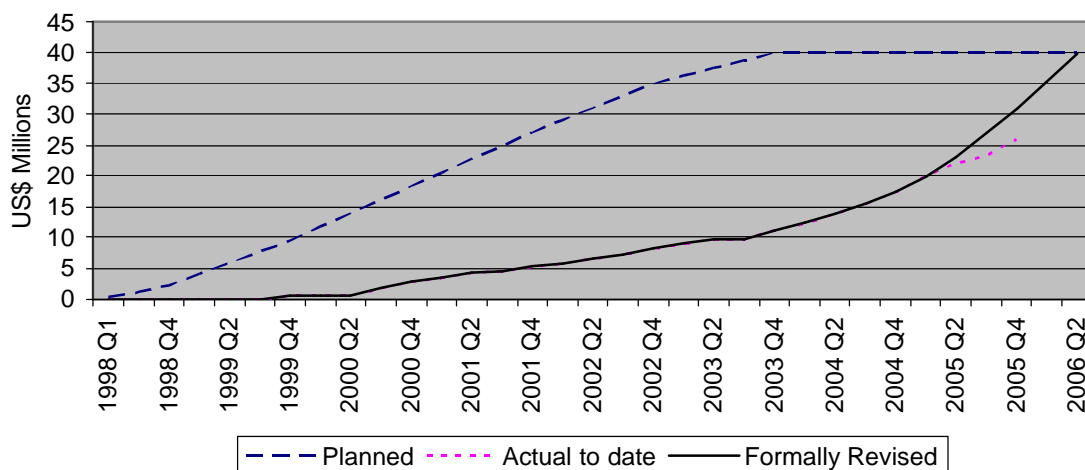
The objectives are to: (a) increase the access of rural communities to water supply and sanitation; and (b) establish SENASA (National Environment Sanitation Service) as an efficiently managed promoter of water supply and sanitation activities.

Progress toward achieving development objective(s):

The project continues to make good progress toward achievement of the objectives. By June 2005, 257 water supply systems in rural communities were completed and 64 systems are under construction and expected to begin operation by mid-August 2005, for a total of 321 systems (target of 330). Thirty-five indigenous communities in the El Chaco Region are benefiting from water systems and sanitation facilities and 36 systems are under construction. SENASA continues working towards becoming a more effective promoter rather than a direct provider of Rural Water Supply and Sanitation Services, with involvement of the private sector. As of June 2005, four systems are under operation by the local private sector and two more (to benefit 4,000 families), are expected to start service provision by October 2005. SENASA continues to promote and strengthen Associations of "Juntas de Saneamiento" (local water users committees).

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-42220	Effective	20.00	16.81	3.19	0.00
IBRD-42230	Effective	20.00	9.11	10.89	0.00



Project Name (ID): Programmatic Financial Sector Adjustment (P039994)

Country: Paraguay

Board Approval Date: 04/05/2005

Closing Date: 09/30/2006

Loan/Credit/Grant Number: IBRD-72880, JPN-27085, JPN-51360

Sector(s): Banking (53%), General finance (28%), Central government administration (13%), Law and justice (6%)

Theme(s): Standards and financial reporting (P), Regulation and competition policy (P), State enterprise/bank restructuring and privatization (P), Legal institutions for a market economy (P), Debt management and fiscal sustainability (S)

Project Development Objectives:

The objective is to strengthen the financial system, enhancing the Government's capacity to reduce vulnerabilities, thus improving economic growth prospects and increasing the flow of credit in the country.

Progress toward achieving development objective(s):

The project was not effective before the close of the reporting period.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-72880	Not Effective	15.00	0.00	15.00	0.00
JPN-27085	Closed	0.75	0.60	0.00	0.15
JPN-51360	Effective	0.68	0.52	0.16	0.00

Project Name (ID): Pilot Community Development (P069269)

Country: Paraguay

Board Approval Date: 03/21/2002

Closing Date: 12/31/2006

Loan/Credit/Grant Number: IBRD-71090, JPN-26317

Sector(s): Central government administration (25%), General agriculture, fishing, and forestry (25%), General industry and trade (25%), Other social services (25%)

Theme(s): Participation and civic engagement (P), Improving labor markets (P), Poverty strategy, analysis, and monitoring (S), Rural non-farm income generation (S), Rural services and infrastructure (S)

Project Development Objectives:

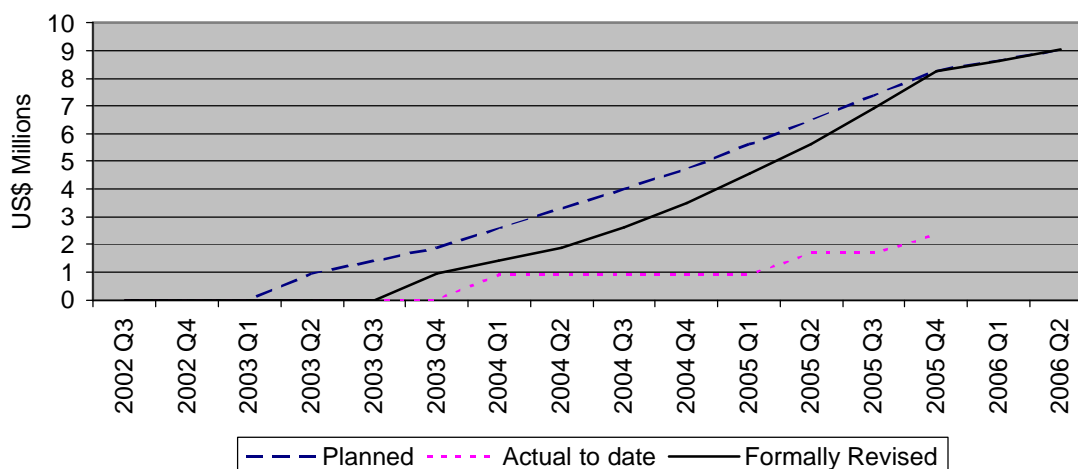
The objective is to contribute to poverty reduction among poor urban and rural households in the Itapua, Misiones and Neembucu Departments.

Progress toward achieving development objective(s):

By the end of fiscal year 2005, 85 subprojects are under implementation, benefiting more than 1,000 families (almost 6,000 direct beneficiaries), with an average investment per family of US\$1,528. So far, 70 percent of the subprojects have been for rural groups. Out of all project beneficiaries, 38 percent are women, 12 percent youth and 12 percent indigenous peoples (only in Itapúa). All Local (44) and Departmental (3) Development Committees are operating. Strengthening of Departmental Development Committees and Local Development Committees as well as local governments and beneficiary groups has progressed. Training to these committees has continued. However, institutional strengthening activities are behind schedule due to the initial emphasis on advancing with the implementation of community sub-projects.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71090	Effective	9.00	2.34	6.66	0.00
JPN-26317	Closed	0.24	0.24	0.00	0.00



Project Name (ID): Education Reform (P073526)

Country: Paraguay

Board Approval Date: 07/31/2003

Closing Date: 06/30/2007

Loan/Credit/Grant Number: IBRD-71900

Sector(s): Secondary education (60%), Central government administration (20%), Sub-national government administration (10%), Other social services (5%), Tertiary education (5%)

Theme(s): Education for the knowledge economy (P), Education for all (P), Access to urban services and housing (S), Rural services and infrastructure (S), Participation and civic engagement (S)

Project Development Objectives:

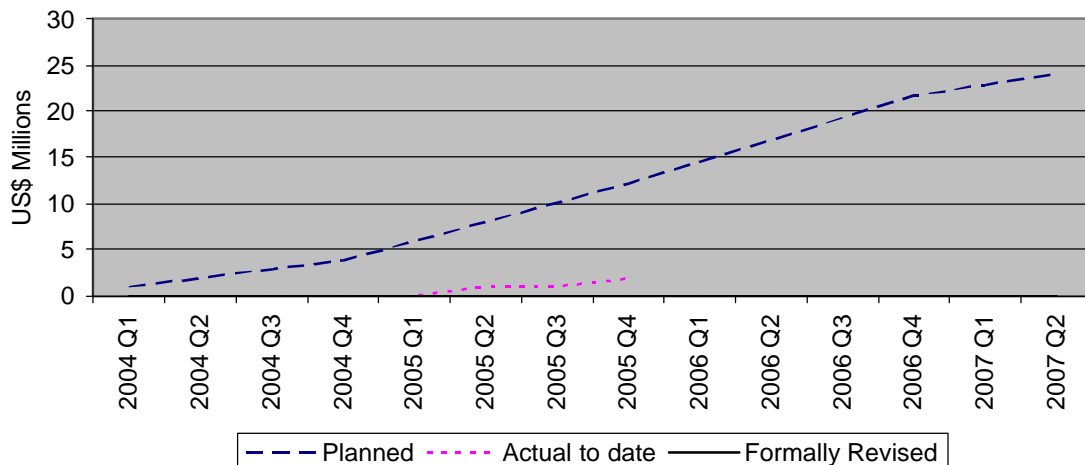
The objectives are to improve management and efficiency of the education system and educational outcomes and equity in opportunity at the secondary education level.

Progress toward achieving development objective(s):

Project implementation was delayed one year for the approval of this project by Parliament, yet political and popular support for the education reform continues to be strong. Fifty education leaders are requesting master's programs in key areas, and another fifty will be selected soon, which will create a strong cohort of education leaders strategically placed across the country. On the issue of equitable access, the scholarship program has begun and about 2,800 poor students have received cash transfers to attend secondary school. Strict eligibility criteria were applied and the process has been transparent and highly publicized. Steps have already been taken to initiate the process of redesigning the management system in the Ministry of Education, with active participation from key stakeholders. The design of accreditation and certification systems is also underway, and regular consultations are made with teacher training institutes (for accreditation) and teacher unions as part of the process.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71900	Effective	24.00	1.85	22.15	0.00



Project Name (ID): Financial Sector Technical Assistance (P080961)

Country: Paraguay

Board Approval Date: 04/05/2005

Closing Date: 06/30/2010

Loan/Credit/Grant Number: IBRD-72870

Sector(s): Banking (60%), Payment systems, securities clearance, and settlement (40%)

Theme(s): State enterprise/bank restructuring and privatization (P), Regulation and competition policy (P), Standards and financial reporting (S), Legal institutions for a market economy (S)

Project Development Objectives:

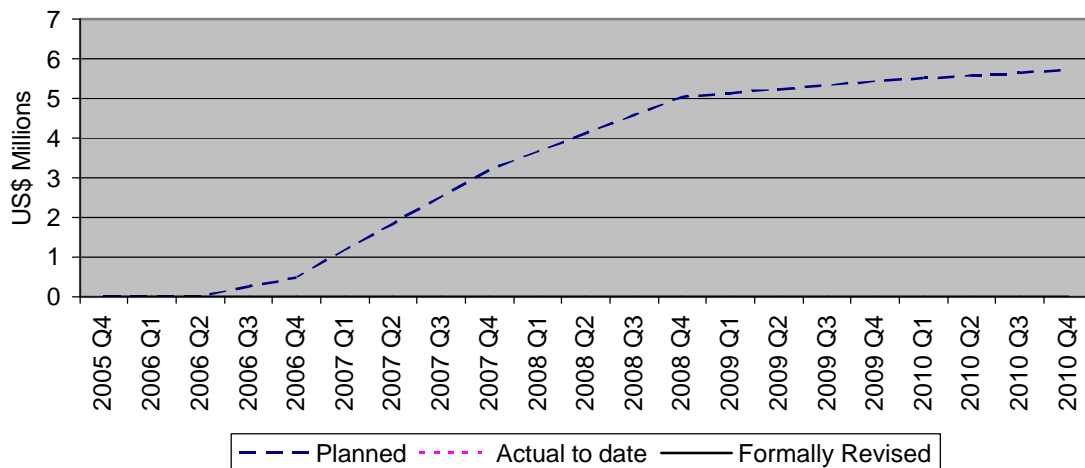
The objective is to assist with the modernization of the financial system, modernize its payments and settlements system, and strengthen the government's capacity to encourage safe and sound financial intermediation, manage weaknesses and stresses in the financial system, and prevent crisis contagion effects.

Progress toward achieving development objective(s):

The project was not effective before the close of the reporting period.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-72870	Not Effective	5.70	0.00	5.70	0.00



Project Name (ID): Modernization of the Ministry of Finance (P087036)

Country: Paraguay

Board Approval Date: 04/05/2005

Closing Date: 06/30/2009

Loan/Credit/Grant Number: IBRD-72860, JPN-53141

Sector(s): Central government administration (98%), Law and justice (2%)

Theme(s): Public expenditure, financial management, and procurement (P), Debt management and fiscal sustainability (P), Administrative and civil service reform (S), Participation and civic engagement (S), Tax policy and administration (S)

Project Development Objectives:

The objective is to improve fiscal sustainability and quality of public expenditures.

Progress toward achieving development objective(s):

The project was not effective before the close of the reporting period.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-72860	Not Effective	7.50	0.00	7.50	0.00
JPN-53141	Effective	0.80	0.61	0.19	0.00

