

Paraguay

Country Partnership Framework

January 22, 2019

Chair Summary*

Executive Directors discussed the joint IBRD/IFC/MIGA Country Partnership Framework (CPF) for Paraguay for the period FY2019-23. Directors supported the overall CPF framework, which has been informed by the recent Systematic Country Diagnostic. They welcomed the shift towards governance and human capital development.

Despite the country's robust economic growth and major achievements in poverty reduction and shared prosperity in recent years, Directors noted the importance of making the development path of Paraguay more inclusive and sustainable. They appreciated the role that the WBG plays as a knowledge partner, which has translated into an increasing Reimbursable Advisory Service (RAS) portfolio. They inquired about the lessons learned to improve the effectiveness of the RAS program.

Directors welcomed Paraguay's renewed determination to fight corruption, improve governance and strengthen institutions. They emphasized the importance of continued efforts to support domestic resource mobilization and fiscal reform. They also inquired how the new CPF would address the Information and Communications Technology (ICT) agenda in the country and enhance sector strategies to support the shift of the country's economic development model.

Directors recognized the risks associated with the implementation of structural reforms, notably, political, fiduciary and governance challenges. They encouraged the Bank to strengthen capacity building activities and underlined the importance of continued close collaboration with the IMF and other development partners. They called for continued engagement with the private sector and encouraged greater intervention by IFC and MIGA.

*This Summary is not an approved record