

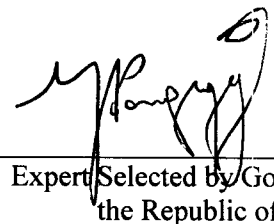
STATUTORY COMMITTEE REPORT

TO: The President, International Bank for Reconstruction and Development

Recommendation of the expert selected by the Republic of Paraguay as a member of the Committee under Section 4 (iii) of Article III of the Articles of Agreement on the proposal loan (Enhancing Fiscal Management, Social Protection and Financial Inclusion DPL) to the Republic of Paraguay.

The undersigned member of the Committee constituted under Section 7 of Article V of the Articles of Agreement of International Bank for Reconstruction and Development (the Bank) hereby submits this recommendation as part of the report pursuant to Section 4 (iii) of Article III of said Articles in respect of the proposal that the Bank grant to the Republic of Paraguay a loan in an amount of one hundred million Dollars (US\$100,000,000). The purpose of said loan is to support the Borrower's program of actions, objectives and policies designed to assist the Borrower's efforts to strengthen sustainability, equity, transparency and efficiency in fiscal management, to improve the targeting of social programs and to increase the access to financial services.

1. The member of the Committee has carefully studied the merits of the proposal to grant such a loan, and of the purpose to which the proceeds of the loan are to be applied.
2. The member of the Committee is of the opinion that the program in support of which the proceeds of such loan are to be applied comes within the purposes of the Bank as set forth in Article I of said Articles of Agreement, and that said program is designed to promote the development of the productive facilities and resources of the Republic of Paraguay and is in the interest of the Republic of Paraguay and of the members of the Bank as a whole.
3. Accordingly, the member of the Committee finds that said program merits financial assistance from the Bank, and hereby recommends said program for such assistance.



Expert Selected by Government for
the Republic of Paraguay

IGOR PANGRAZIO
Ambassador

11/26/14
Dated at Washington, D.C.