Loan Agreement

(Market Access for Agricultural Products Project)

between

REPUBLIC OF PARAGUAY

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF PARAGUAY ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower the amount of one hundred million Dollars (USD 100,000,000), as such amount may be converted from time to time through a Currency Conversion ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.

2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.

2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. The interest rate is the Reference Rate plus the Fixed Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.

2.06. The Payment Dates are May 15 and November 15 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower, through MAG, shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Conditions of Effectiveness consist of the following:
(a) That the Borrower has prepared and adopted the Operational Manual in a manner satisfactory to the Bank.

(b) That the PMU has been established and staffed as provided under Section I.A.1(a) and (b) of Schedule 2 to this Agreement and in a manner satisfactory to the Bank.

(c) That the DEAg Technical Unit has been established and staffed as provided under Section I.A.1(c) of Schedule 2 to this Agreement and in a manner satisfactory to the Bank.

4.02. The Effectiveness Deadline is the date one hundred and eighty days (180) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower’s Representative is its Minister of Finance.

5.02. For purposes of Section 10.01 of the General Conditions:

(a) the Borrower’s address is:

Ministry of Finance  
(Ministerio de Hacienda)  
Chile 128  
Asunci6n, Paraguay;

With a copy to:  
State Sub-secretariat of Financial Management of the Ministry of Finance  
(Subsecretaria de Estado de Administración Financiera del Ministerio de Hacienda)

(b) the Borrower’s Electronic Address is:

Facsimile: 59521-448-283  
E-mail: secretaria_general@hacienda.gov.py

With a copy to:  
Facsimile: 59521-493-641

5.03. For purposes of Section 10.01 of the General 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:

Telex: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391
E-mail: jschwartz3@worldbank.org

AGREED as of the Signature Date.

REPUBLIC OF PARAGUAY

By

[Signature]

Authorized Representative

Name: Benigno M. López B.

Title: Ministro de Hacienda

Date: 14 de abril del 2020

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

[Signature]

Authorized Representative

Jordan Schwartz

Name: Jordan Schwartz

Title: Country Director

Date: 13-Apr-2020
SCHEDULE 1

Project Description

The objective of the Project is to enhance access to markets by Agricultural Producer Organizations and Indigenous Communities in selected parts of the Borrower's territory.

The Project consists of the following parts:

Part 1: Capacity Building and Institutional Strengthening

1. Carrying out of capacity building activities to address critical factors to facilitate effective access to markets and sustainable integration with formal and lucrative value chains, and to support the preparation of Investment Subproject proposals, all through, inter alia: (a) the carrying out of studies and analysis in support of value chains, the identification of promising business and recommended technologies and practices; (b) the carrying out of workshops, training courses and the dissemination of Project information aimed at increasing knowledge of Agricultural Producer Organizations and Indigenous Communities on business opportunities and modern practices, and promoting their technical and managerial capacities; (c) the preparation of education material; (d) the provision of Scholarships; (e) the provision of support for the Project's communication strategy and the carrying out of Project dissemination campaigns; and (f) the provision of technical assistance to Agricultural Producer Organizations and Indigenous Communities to, inter alia, identify possible competitiveness and market opportunities, value chains and business opportunities, and to formulate Investment Subproject proposals for establishing Productive Alliances.

2. Institutional strengthening of MAG and INDI through, inter alia: (a) the carrying out of capacity building activities, studies and diagnosis and the provision of technical assistance to address key bottlenecks for the development of selected value chains, including, inter alia, the carrying out of studies to identify constraints for expanding financial services to the agricultural sector, and to propose solutions for improving policy and regulatory framework reforms; (b) the provision of support for the development and dissemination of new agricultural technologies and practices to increase competitiveness and enhance resiliency to climate change; (c) the improvement, rehabilitation and/or construction of facilities and the acquisition of equipment and vehicles necessary for effective Project implementation and institutional development; (d) the design and/or establishment and/or operation and/or improvement of supervision, monitoring, integrated management, agrometeorological and information systems, including, inter alia, the design and establishment of a system to improve interconnectivity among MAG’s departments and decentralized agencies to enhance sharing of information and support planning and decision making; (e) the provision of support for improving productive inclusion opportunities for Indigenous Communities (including, inter alia, the provision of support for land tenure regularization); (f) the provision of Scholarships; and (g) the promotion of the coordination and the provision of support for the carrying out of joint activities with agencies of the agricultural sector related to Project implementation.
Part 2: Enhancing Market Access through Productive Alliances

Provision of support for enhancing market access through promoting the development of Productive Alliances through, *inter alia*: (a) the carrying out of activities for the stimulation of access to financial services; and (b) (i) the provision of Matching Grants; and/or (ii) the acquisition of goods, the carrying out of works and the provision of services to support the implementation of Investment Subprojects.

Part 3: Project Coordination, Management and Monitoring and Evaluation

Provision of support to MAG for Project coordination, management, monitoring, evaluation and communication, including, *inter alia*: (a) the provision of support for inter-institutional coordination and Project administrative and fiduciary management; (b) the carrying out of: (i) Project internal controls; (ii) Project audits; (iii) Investment Subprojects semi-annual audits; and (iv) environmental and social risk management activities; (c) the design and operationalization of a computerized management and monitoring information system for Investment Subprojects; (d) the establishment and operation of a Technical Review Committee; (e) the implementation of a citizen engagement mechanism and a grievance redress mechanism; (f) the monitoring and evaluation of results; (g) the carrying out of Project-related studies, including mid-term review studies and the Project’s final impact evaluation; (h) the strengthening of cross-cutting areas within MAG; (i) the design and implementation of a communication strategy, including, *inter alia*, the carrying out of campaigns to improve transparency and enhance dissemination of Project information, Project results and lessons learned; and (j) the provision of technical assistance to analyze and prepare potential interventions to facilitate access to markets.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Borrower shall vest the overall responsibility for the implementation of the Project in MAG, and to this end shall, through MAG:

   (a) establish within DINCAP, and thereafter operate and maintain, throughout Project implementation, a unit (the PMU), to manage Project implementation with a structure, functions and responsibilities acceptable to the Bank and set forth in the Operational Manual, including, *inter alia*, the responsibility of the PMU to coordinate, monitor and supervise the carrying out of the Project;

   (b) ensure that the PMU is at all times during Project implementation headed by a Project general coordinator and assisted by professional staff (*inter alia*, procurement, financial management, monitoring, environmental and social management specialists) and administrative staff, all in numbers and with terms of reference, and qualifications and experience, acceptable to the Bank, as set forth in the Operational Manual;

   (c) establish within DEAg, and thereafter operate and maintain, throughout Project implementation, a technical unit (the DEAg Technical Unit), to manage technical assistance and the carrying out of operational activities at the field level related to the Project, with functions and responsibilities acceptable to the Bank and with staff in numbers and with qualifications and experience acceptable to the Bank (including environmental and social specialists), as described in the Operational Manual; and

   (d) operate and maintain at all times during Project implementation an administrative financial sub-unit within DINCAP (the Sub-UAF) with functions and responsibilities acceptable to the Bank and with staff in numbers and with qualifications and experience acceptable to the Bank, as described in the Operational Manual.

2. The Borrower, through MAG, shall establish, and thereafter operate and maintain at all times during Project implementation a technical review committee (the Technical Review Committee) to review and assess Investment Subproject proposals and provide advice for the final selection of Investment Subprojects with functions and responsibilities acceptable to the Bank and with staff in numbers and with qualifications and experience acceptable to the Bank, as described in the Operational Manual.
3. (a) For purposes of enabling INDI to provide the required assistance under the Project, including, \textit{inter alia}, for the carrying out of strategic capacity building activities and for the provision of support for the implementation of the ESCP, as applicable, the Borrower, through MAG, shall, not later than four (4) months after the Effective Date, enter into an agreement (the INDI Participation Agreement) with INDI, all under terms and conditions acceptable to the Bank and as set forth in the Operational Manual.

(b) The Borrower, through MAG, shall exercise its rights under the INDI Participation Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower, through MAG, shall not assign, amend, abrogate, repeal, terminate, waive or fail to enforce the INDI Participation Agreement, or any provision thereof.

4. (a) For purposes of enabling a Participating Institution to provide technical assistance support under the Project, the Borrower, through MAG, shall enter into an institutional agreement (the Interinstitutional Agreement) with each Participating Institution, all under terms and conditions acceptable to the Bank, which shall include, \textit{inter alia}, the obligation of the Participating Institution to assist the Borrower, through MAG, in the carrying out of the pertinent Part the Project.

(b) The Borrower, through MAG, shall exercise its rights and carry out its obligations under each Interinstitutional Agreement in such a manner as to protect the interest of the Borrower and the Bank and to accomplish the purposes of the Loan. Except the Bank shall otherwise agree, the Borrower, through MAG, shall not assign, amend, terminate, abrogate, waive or fail to enforce any Interinstitutional Agreement or any provision thereof.

5. Without limitation to the provisions of the Disbursement and Financial Information Letter, and for purposes of carrying out Part 3(b)(iii) of the Project, the Borrower, through MAG (through the PMU) shall: (a) hire an independent financial auditor with experience and qualifications acceptable to the Bank, for purposes of carrying out the semi-annual audits referred to in said Part of the Project; and (b) have Investment Subprojects audited by the auditor mentioned in (a) herein, in accordance with terms of reference set forth in the Operational Manual, and consistently applied auditing financial standards, all acceptable to the Bank.

6. The Borrower, through MAG (through the PMU), shall, not later than nine (9) months after the Effective Date, establish, and thereafter operate and maintain, at all times during Project implementation, a computerized management and monitoring information system, satisfactory to the Bank, for purposes of monitoring the execution of each Investment Subproject Beneficiary under an Investment Subproject.

7. (a) For purposes of carrying out Parts 1.1(d) and 1.2(f) of the Project, the Borrower, through MAG (through the PMU), shall enter into an agreement with each selected Scholarship Investment Subproject Beneficiary and, if applicable, with the pertinent Eligible Educational Institution (as the case may be), all under terms and conditions acceptable to the Bank.
(b) The Borrower, through MAG (through the PMU), shall exercise its rights and carry out its obligations under each of the agreements mentioned in (a) above in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower, through MAG (through the PMU), shall not assign, amend, abrogate, terminate, waive or fail to enforce any of said mentioned agreements or any provision thereof.

B. Investment Subprojects.

1. Upon approval of the pertinent Investment Subproject under Part 2 of the Project and prior to the carrying out of said Investment Subproject, the Borrower, through MAG (through the PMU), shall transfer, on a grant basis, part of the proceeds of the Loan allocated to Category (2) under Section III.A. of this Agreement to the corresponding Investment Subproject Beneficiary under a subproject agreement (the Investment Subproject Agreement) to be entered into between the Borrower, through MAG (through the PMU), and said Investment Subproject Beneficiary under terms and conditions acceptable to the Bank, including, inter alia:

(a) the obligation of the Borrower, through MAG (through the PMU):

   (i) (A) to promptly disburse to each Investment Subproject Beneficiary the proceeds of the corresponding Matching Grant to finance up to the percentage indicated in the Operational Manual of the cost of the pertinent Investment Subproject, and in a manner acceptable to the Bank; and/or (B) to provide to each Investment Subproject Beneficiary any pertinent goods, works, and/or services, as the case may be, for the implementation of an Investment Subproject and in a manner acceptable to the Bank; and

   (ii) to ensure that the pertinent Investment Subproject is carried out in accordance with the provisions of the Anti-Corruption Guidelines;

(b) the right of the Borrower, through MAG (through the PMU), to take remedial actions against the pertinent Investment Subproject Beneficiary in case said Investment Subproject Beneficiary shall have failed to comply with any of its obligations under the pertinent Investment Subproject Agreement (which actions may include, inter alia, the partial or total suspension and/or cancellation of the proceeds of the Matching Grant or of the provision of goods, works, and/or services (as the case may be), all as previously agreed with the Bank); and

(c) the obligation of each Investment Subproject Beneficiary:

   (i) to carry out the pertinent Investment Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental, social and cultural property practices, including in accordance with the provisions of the Anti-Corruption
Guidelines (applicable to recipients of loan proceeds other than the Borrower), the Operational Manual and the ESCP;

(ii) to use the Matching Grant and/or the pertinent goods, works, and/or services (as the case may be) for purposes of carrying out of the pertinent Investment Subproject;

(iii) to, except as the Bank shall otherwise agree, provide a contribution of at least the percentage established in the Operational Manual (either through a cash or an in-kind contribution and/or the provision of labor, as the case may be), of the cost of the Investment Subproject, as well as facilities, services and other resources, necessary or appropriate to carry out the corresponding Subproject;

(iv) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Investment Subproject Agreement or any provision thereof unless previously agreed by the Borrower, through MAG (through the PMU), and the Bank;

(v) if applicable, to comply, or caused to be complied, with the obligations referred to in Sections 5.05, 5.06 (a), 5.07 and 5.10 of the General Conditions (relating to land acquisition, use of goods, works and services, plans, documents and records, cooperation and consultation and visits, respectively) in respect of said Investment Subproject;

(vi) if applicable, to procure the goods, works and services to be financed out of the Matching Grant in accordance with the provisions of this Agreement and the Operational Manual; and

(vii) to take or permit to be taken all action to enable the Borrower, through MAG (through the PMU), to comply with its obligations referred to in this Agreement, as applicable to the carrying out of Investment Subprojects.

2. The Borrower, through MAG (through the PMU), shall exercise its rights under each Investment Subproject Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower, through MAG (through the PMU), shall not assign, amend, abrogate, terminate, repeal, waive or fail to enforce any Subproject Agreement or any of its provisions.

3. The Borrower, through MAG (through the PMU), shall furnish to the Bank for its prior review and approval the proposed Investment Subprojects in accordance with the criteria set forth in the Operational Manual and in the ESCP.
4. In addition to the provisions of Section I.B.1 above, the Borrower, through MAG (through the PMU), shall refrain from presenting to the Bank Loan withdrawal applications and/or withdrawing Loan proceeds from the Designated Account under Category (2) of Section III.A of this Schedule to finance any given Investment Subproject, until the Borrower, through MAG (through the PMU) has furnished to the Bank, evidence, acceptable to the Bank, indicating the auditor to carry out the audits referred to in Part 3(b)(iii) of the Project has been hired as provided in Section I.A.5 of this Schedule.

C. Environmental and Social Standards.

1. The Borrower, through MAG, 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 Borrower, through MAG, shall ensure that the Project is implemented in accordance with the ESCP, in a manner acceptable to the Bank. To this end, the Borrower ensure that:

   (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;

   (b) sufficient funds are available to cover the costs of implementing the ESCP;

   (c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and

   (d) the ESCP or any provision thereof, is not amended, revised or waived, except as the Bank shall otherwise agree in writing and the Borrower has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. The Borrower shall, through MAG:

   (a) take all measures necessary on its part to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

   (b) 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 ESCP, the instruments referenced therein and the Environmental and Social Standards.

4. The Borrower, through MAG, shall maintain and publicize the availability of 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.


1. The Borrower, though MAG (through the PMU) shall, and shall cause the Project to be carried out, in accordance with the provisions of a manual ("Operational Manual"), acceptable to the Bank, which shall include, the rules, methods, guidelines, standard documents and procedures for the carrying out of the Project, including but not limited to the following: (a) a detailed description of Project implementation activities and the detailed institutional arrangements for the Project; (b) the Project's administrative, budgeting, accounting, auditing, reporting, financial, procurement and disbursement procedures; (c) the monitoring indicators for the Project; (d) the institutional and administrative mechanisms established to ensure inter-institutional coordination; (e) the eligibility criteria for the selection of Investment Subproject Beneficiaries; (f) a sample of an Investment Subproject Agreement; (g) the type of Investment Subprojects; (h) the internal procedures for the provision of Matching Grants; and (i) the administrative processes for expenditures documentation by Investment Subproject Beneficiaries.

2. The Borrower, through MAG (through the PMU), shall not amend or waive or fail to enforce any provision of the Operational Manual without the Bank's prior written approval. In case of any conflict between the terms of any of the Operational Manuals and those of this Agreement, the terms of this Agreement shall prevail.

Section II. Project Monitoring Reporting and Evaluation

The Borrower, through MAG (through the PMU), shall furnish to the Bank each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of Loan Proceeds

A. General.

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to: (a) finance Eligible Expenditures; and (b) pay: (i) the Front-end Fee; and (ii) each Interest Rate Cap or Interest Rate Collar premium; 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 Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consulting services, Training, Operating Costs and Scholarships under Part 1 of the Project</td>
<td>33,380,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Matching Grants, goods, works, non-consulting services and consulting services under Part 2 of the Project</td>
<td>57,100,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, works, non-consulting services, and consulting services, Training and Operating Costs under Part 3 of the Project</td>
<td>9,270,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Front-end Fee</td>
<td>250,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(5) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 4.05 (c) of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>100,000,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Section. III. A above, no withdrawal shall be made:
   (a) for payments made prior to the Signature Date; or
   (b) under Category (2) until the Technical Review Committee has been established by MAG in accordance with Section I.A.2 of Schedule 2 to this Agreement.

2. The Closing Date is June 30, 2026.
SCHEDULE 3

Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share").

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each May 15 and November 15</td>
<td></td>
</tr>
<tr>
<td>Beginning May 15, 2028</td>
<td>2.13%</td>
</tr>
<tr>
<td>through November 15, 2050</td>
<td></td>
</tr>
<tr>
<td>On May 15, 2051</td>
<td>2.02%</td>
</tr>
</tbody>
</table>
APPENDIX

Definitions

1. “Agricultural Producer Organization” means any group of agricultural producers or farmers duly organized as a legal entity under the Borrower’s legislation which meets the criteria set forth in the Operational Manual to be benefited by the Project, and “Agricultural Producer Organizations” means collectively, all of such organizations.

2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General 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.

3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

4. “DEAg” means Dirección de Extensión Agraria, the Directorate for Rural Extension of MAG, or any successor thereto acceptable to the Bank.

5. “DC” means Dirección de Comercialización, the Directorate of Commercialization of MAG, or any successor thereto acceptable to the Bank.

6. “DINCAP” means the Dirección Nacional de Coordinación y Administración de Proyectos, the National Directorate for the Coordination and Administration of Projects of MAG, or any successor thereto acceptable to the Bank.

7. “DGP” Dirección General de Planificación, the General Directorate of Planning of MAG, or any successor thereto acceptable to the Bank.

8. “Eligible Educational Institutions” means a tertiary education center and/or a technology training institute, and/or any other type of legal entity which meets the criteria set forth in the Operational Manual to provide support for the carrying out of Parts 1.1(d) and 1.2(f) of the Project, as the case may be.

9. “Environmental and Social Commitment Plan” or the acronym “ESCP” means the environmental and social commitment plan, agreed to between the Borrower and the Bank, dated February 12, 2020, which sets out the material measures and actions the Borrower shall carry out or cause to be carried out 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 instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the Bank.

10. “Environmental and Social Standards” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and


12. “INDI” means Instituto Paraguayo del Indígena, the Borrower’s Indigenous People Institute.

13. “INDI Participation Agreement” means the agreement referred to in Section I.A.3(a) of Schedule 2 to this Agreement.

14. “Indigenous Community” means: (a) an indigenous group without being duly organized as a legal entity under the Borrower’s legislation; and/or (b) an indigenous group duly organized as a legal entity under the Borrower’s legislation, as the case may be, which meet the criteria set forth in the Operational Manual and to be benefited by the Project. “Indigenous Communities” means collectively, all of such communities.

15. “Interinstitutional Agreement” means any agreement referred to in Section I.A.4(a) of Schedule 2 to this Agreement.

16. “Investment Subproject” means any demand-driven investment plan or activity to be carried out by an Investment Subproject Beneficiary for improving access to markets based on increasing competitiveness and improved resilience to weather events and climate change, as selected and approved by the PMU in accordance with relevant provisions of the Operational Manual and to be partly financed with a Matching Grant and/or through the provision of goods, works, and/or services under an Investment Subproject Agreement.

17. “Investment Subproject Agreement” means any of the agreements referred to in Section I.B.1 of Schedule 2 to this Agreement.

18. “Investment Subproject Beneficiary” means an Agricultural Producer Organization or an Indigenous Community as defined under paragraph 14(b) herein whose Investment Subproject has been found eligible in accordance with the criteria set forth in the Operational Manual to receive a Matching Grant and/or any pertinent goods, works and/or services under an Investment Subproject Agreement.

19. “MAG” means Ministerio de Agricultura y Ganadería, the Borrower’s Ministry of Agriculture and Livestock, or any successor thereto acceptable to the Bank.
20. "Matching Grant" means a grant to be made by the Borrower to an Investment Subproject Beneficiary under Part 2 of the Project for the financing of goods, works, consulting services, non-consulting services and Operating Costs under an eligible Investment Subproject in the Borrower’s territory to cover part of the cost of said Investment Subproject.

21. "Operating Costs" means reasonable recurrent expenditures that would not have been incurred by: (a) the Borrower, through MAG, absent the Project, for transportation and per-diem costs of the PMU, the Sub-UAF, the DEAg, DC, DGP, UGR, VMG, INDI and/or a Participating Institution, Project administration costs (including office rent), operation and maintenance of office equipment, non-durable goods and supplemental salaries or bonuses for the Borrower’s civil servants assigned to work under the Project (but excluding any other type of civil servant salaries); or (b) the Beneficiaries of a Matching Grant, absent the respective Investment Subproject, for, inter alia: (i) vehicle rental, operation and maintenance; (ii) in-country travel per diem and allowances; (iii) banking services and insurance costs; and (iv) advertisement, communication and dissemination expenses.

22. "Operational Manual" means the Borrower’s manual referred to in Section I.D.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written consent of the Bank, and such term includes any schedules to such manual.

23. "Participating Institution" means the any ministry, institution or public legal entity duly established by the Borrower’s legislation, including but not limited to any entity referred to in the ESCP.

24. "PMU" means Unidad Ejecutora del Proyecto (UEP), the project management unit referred to in Section I.A.1(a) of Schedule 2 to this Agreement, or any successor thereto acceptable to the Bank.

25. "Procurement Regulations" means, for purposes of paragraph 85 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017 and August 2018.

26. "Productive Alliance" means a business venture between an Investment Subproject Beneficiary and a buyer to respectively produce and purchase agreed quantities of products of a specific quality.

27. "Scholarship" means a grant made out of the proceeds of the Loan to finance reasonable expenditures, acceptable to the Bank (as the same are determined in accordance with a formula set forth in the Operational Manual), in respect of the cost of living allowance, books and learning materials, tuition fees and/or transportation costs and per-diem (as the case may be), all under Parts 1.1(d) and 1.2(f) of the Project.

28. "Scholarship Beneficiary" means: (a) an individual member of an Agricultural Producer Organization or an Indigenous Community who has met the eligibility criteria set forth in the Operational Manual to receive a Scholarship under Part 1.1(d) of the Project; or (b) an individual staff of MAG or a Participating Institution who has met the eligibility criteria set forth in the Operational Manual to receive a Scholarship under Part 1.2(f) of the Project.
29. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.

30. “Sub-UAF” means the sub-unit referred to in Section I.A.(d) of Schedule 2 to this Agreement, or any successor thereto acceptable to the Bank.

31. “Training” means expenditures (other than those for consultants’ services) incurred by the Borrower, through MAG, or an Investment Subproject Beneficiary to finance reasonable transportation costs and per-diem of trainees and trainers (if applicable), training tuition fees, and rental of training facilities and equipment under the Project.

32. “Training Review Committee” means the technical review committee referred to in Section I.A.2 of Schedule 2 to the Loan Agreement.

33. “UGR” means Unidad de Gestión Riesgo, the Risk Management Unit of MAG, or any successor thereto acceptable to the Bank.

34. “VMG” means Viceministerio de Ganadería, the Borrower’s Vice-Ministry of Livestock established within MAG, or any successor thereto acceptable to the Bank.