PARAGUAY: COMMITMENT TO EQUITY

Gobierno De Paraguay
CEQ
World Bank
(MFM-POV&EQ GPs)

February 1st, 2016
Paraguay in 2010

CEQ study commissioned for the 2013 PER and picked up in 2015 Equity Assessment


Note: Data are from 2009 except for Mexico and Paraguay, for which they are from 2010.
Why a new CEQ?

2013 New government, new policies:

- **Spending** (targeted programs regained force, social spending doubled)
- **Taxation** (e.g. implementation of personal income tax, establish tax to agriculture activities, VAT on agricultural products and financial sector—with DPL support)
- **Poverty reduction** as first NDP Goal: Government’s commitment to increase its effectiveness embodied in the PRS *Sembrando oportunidades*
- **2014-16 2nd Open Government** Action Plan (transparency, citizen participation, accountability)
Objectives

Requested by the Government of Paraguay, Min Finance

- **Update** earlier work
- **Build Capacity**: done in house
- **Foster evidence based policy**: include results in annual presentation of the budget
- **Promote transparency**
Process

Requested by the Government of Paraguay, Min Finance

- **Part of MFM Fiscal PA:** started by Mame Fatou Diagne, now Stefano Curto

- **Multiagency effort:** Economy and Integration Sub-secretariat of the Finance Ministry, Technical Planning Secretariat, Tax Sub-secretariat of the Finance Ministry, and DGEEC (NSO).

- **Intense involvement of government:** biweekly team meetings, led by WB local consultant (Lea Gimenez)

- **Dissemination of results:** with close follow up
**Timeline**

- **End September 2015**
  - CEQ workshop
    - (2.5 days Sean Higgins)

- **End March**
  - Final results to CEQ

- **Early February**
  - First results to checker
    - (up to disposable income)

- **May-June 2016**
  - Dissemination
    - (with CEQ team)
## Balance so far

<table>
<thead>
<tr>
<th><strong>CHALLENGES</strong></th>
<th><strong>OPPORTUNITIES</strong></th>
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<tbody>
<tr>
<td>✗ Staff time availability and skills</td>
<td>✓ Capacity Building</td>
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<td>➔ change strategy</td>
<td>✗ Foster inter-institutional collaboration</td>
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<td>✗ Data sharing across institutions slow bc of lack of protocol</td>
<td>✓ Greater impact on policy dialogue and evidence based policy</td>
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<td>✗ Overall timeline of the output</td>
<td>✗ Greater access to government data</td>
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<td>✗ Internal pressure to disseminate (in both directions)</td>
<td>✓ Promote transparency</td>
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<td>✗ Potential risk of being perceived as manipulated</td>
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