

PARAGUAY: COMMITMENT TO EQUITY

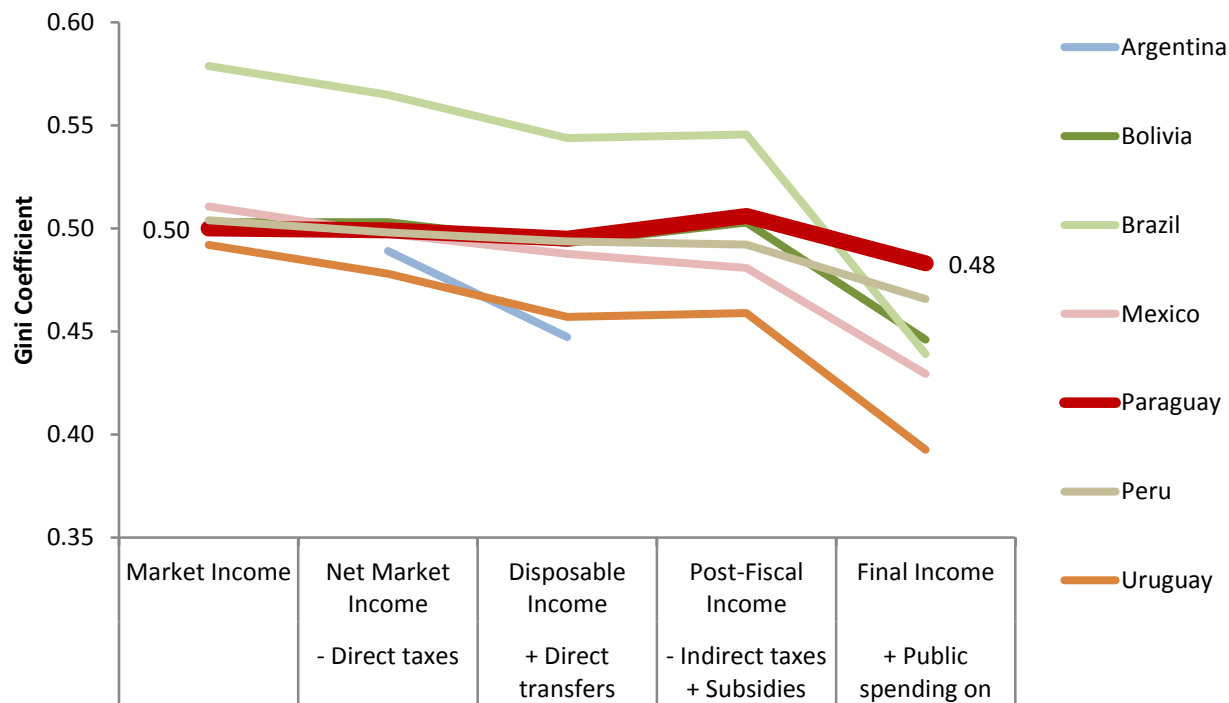


Gobierno De Paraguay
CEQ
World Bank
(MFM-POV&EQ GPs)

February 1st, 2016

Paraguay in 2010

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



Source: Commitment to Equity Project -- Bucheli et al. 2014; Higgins et al. 2014; Higgins and Pereira 2014; Jaramillo 2014; Lustig and Pessino 2014; Paz Arauco et al. 2014; Scott 2014
 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

CHALLENGES

- ✗ Staff time availability and skills
→ change strategy
- ✗ Data sharing across institutions
slow bc of lack of protocol
- ✗ Overall timeline of the output
- ✗ Internal pressure to disseminate
(in both directions)
- ✗ Potential risk of being perceived
as manipulated

OPPORTUNITIES

- ✓ Capacity Building
- ✓ Foster inter-institutional
collaboration
- ✓ Greater impact on policy
dialogue and evidence based
policy
- ✓ Greater access to government
data
- ✓ Promote transparency