



Country Profile



Photo: Carana

Paraguayan farmers harvesting sesame—highly demanded in international markets. Through USAID assistance, rural farmers are able to access new markets, allowing them to diversify their production, earn additional income, and improve their quality of life.

PARAGUAY SNAPSHOT

Date of Independence: 1811
Population: 6,459,058
GDP (PPP): \$33.27 billion
GDP per capita (PPP): \$4,900
Poverty Rate (2009): 35.1%
-Rural: 49.8%
-Extreme: 19.0%
Unemployment: 5.4%

USAID/Paraguay Website:
<http://paraguay.usaid.gov>

Overview

Paraguay has a predominantly agrarian economy with heavy dependence on commodities such as soybeans, cotton, wood, and beef. Paraguay’s significant poverty, unemployment levels, and the high rate of population growth and deforestation threaten its sustainable development. Other major challenges for the development of Paraguay include the weakness of its public institutions, a highly informal economy that includes illegal smuggling, and a culture of corruption and impunity. Although the Government of Paraguay (GOP) has improved the management of the economy, reduced the domestic debt, strengthened the customs service, and improved the tax system, much remains to be done.

USAID/Paraguay’s program has been designed to respond to these complex challenges by providing technical assistance in the areas of democracy and governance, economic growth, health, and the environment. USAID manages Millennium Challenge Corporation (MCC) funds with the objective of reducing government corruption. Through the Section 1207 Program, USAID created the Northern Zone Initiative to identify productive economic alternatives in the region while strengthening the capacity of local government.

Democracy

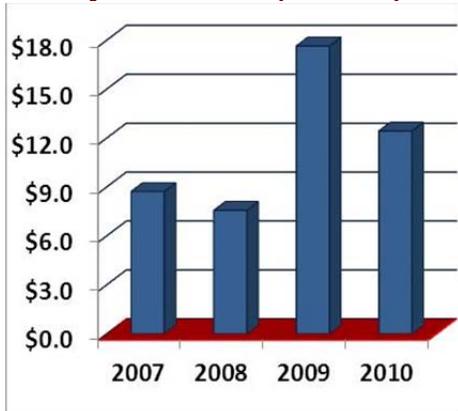
USAID supports democracy and good governance by strengthening the mechanisms that detect and prevent corruption. In the justice sector, the program works closely with the Judicial Branch to improve the administration of justice and promote professionalization of the judiciary and a more transparent justice system. In the area of good governance, USAID promotes governmental reform to improve management and policy making systems, and increase government effectiveness to improve administrative processes and service delivery throughout Paraguay. The Democracy Program works to strengthen civil society organizations (CSOs) and build coalitions and alliances among CSOs, improve civic education, and foster investigative journalism. USAID also supports a local labor inclusion program, which promotes inclusion of people with disabilities in the labor force.

Economic Growth

USAID/Paraguay supports small and medium enterprises in Paraguay to increase sales and reduce poverty through job creation.



USAID Assistance to Paraguay by Fiscal Year (Millions)



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Assistance also focuses on developing new products and eliminating barriers to exports, which allows companies to explore new markets and find additional business opportunities. The program also focuses on improving competitiveness, providing technical training to farmers, and improving access to credit and production chains.

Health

USAID has supported the health sector for more than 20 years in the areas of reproductive, maternal and neonatal health, family planning, decentralization, and health information systems strengthening. In recent years, USAID has increased resources for health programs in response to the GOP's commitment to improving the health system, reducing corruption, and improving access to basic health services for all citizens. Acknowledging the urgent health needs in priority districts and to optimize resources, USAID and the Ministry of Health have developed a program that addresses GOP priorities. In addition, USAID supports the GOP in emergency situations and other contingencies.

Environment

Paraguay faces a growing number of environmental challenges, including massive deforestation and threats to freshwater resources and biodiversity. USAID/Paraguay works with government agencies, NGOs, and community groups to form alliances and mobilize additional resources to support the sustainable management of key vulnerable areas in Paraguay.

Threshold Program

The agreement for the second stage of the MCC Threshold Program was signed in April 2009. The objective is to support efforts of the GOP to fight corruption, improve the rule of law, and strengthen the customs, health, and justice sectors.

The program seeks not only to reduce opportunities for corruption and increase the effective prosecution of criminal activities, but also to improve public opinion of the government's efforts in these areas, and strengthen the commitment of Paraguayan citizens to fight corruption.

Key counterparts of this program are the Public Ministry, Ministry of the Interior and National Police, Ministry of Finance, Customs Department, Ministry of Industry, Ministry of Health, and the Comptroller General's Office.