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# Increasing Accountability and Transparency in Procurement Processes in Paraguay

In Paraguay, pervasive corruption in government agencies has hindered accountable, democratic institutions from working effectively and has limited economic growth opportunities. Despite attempts at reform, Transparency International ranked Paraguay 154<sup>th</sup> out of 183 countries in its Corruption Perceptions Index in 2011.

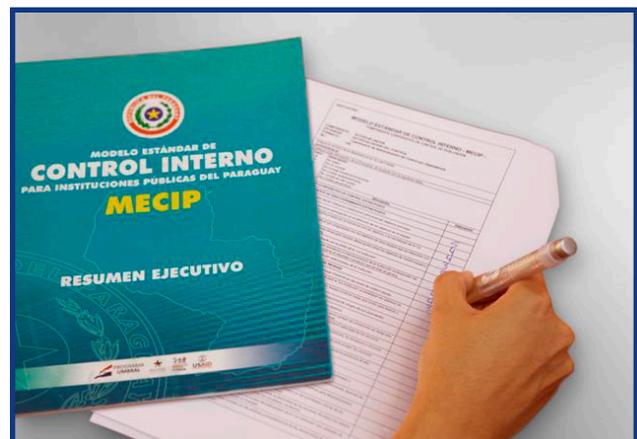
Paraguay's recently completed \$30.3 million second, or Stage II, Threshold Program sought to address the country's barriers to growth by building on the substantial achievements of its initial Threshold Program and undertaking measures to improve on the Millennium Challenge Corporation's control of corruption and rule of law indicators. The program focused on combatting corruption in key government sectors through programs in law enforcement, customs, health care, and the judicial sector.

Thanks to the Threshold Program, Paraguay has significantly strengthened its procurement processes and accountability measures in 12 key government ministries and public offices. The program worked with these agencies to strengthen their ability to manage agency processes and to ensure that individual and office responsibilities and authority are clearly defined, written in easily accessible manuals and shared widely within the respective agency.

## Paraguay's new Standardized Model for Internal Control (MECIP)

The program focused on implementing operating and management standards, known as MECIP. The reforms included a step-by-step implementation guidebook and a unified auditing manual for all government institutions. By applying these standards to all of the targeted agencies' established processes, the program increased accountability and revolutionized how public agencies in Paraguay organize themselves.

Eight of the executive branch's approximately 100 offices have received intensive technical training and on-the-job mentoring to apply MECIP on a



day-to-day basis. The Congress, the Supreme Court and the attorney general and comptroller's offices are all participating.

MECIP has brought a new, positive paradigm to public administration and service delivery in Paraguay. The MECIP framework is designed to motivate public offices to embrace sound business management principles, a results-oriented work environment and institutional improvement planning.

## Results and Sustainability

Decision-makers and staff in participating agencies have shown commitment to the new standards, and employees of agencies that are not yet participating are eager to use what is being seen as a useful tool to make government run more efficiently. These improvements to public processes will benefit all Paraguayans.

Government officials from a number of ministries and offices are already responding to the effects of the changes in transparency and service delivery. Monica Peredes, director of the International Affairs and Integrity Department of the Supreme Court, reported that the court's annual acquisition plan was developed in a participatory manner for the first time, using indicators to help ensure that acquisitions around are based on real needs.

"This new way of doing business is a positive consequence of enforcing MECIP's standards," Peredes said. "Now the judiciary is purchasing goods and contracting services in a more effective manner. This is good not only for the institution, but most importantly for ordinary citizens nationwide."

The sustainability of MECIP and Paraguay's other Threshold Program activities were tested in July 2012, when President Fernando Lugo was impeached and removed from office. However, key representatives of the new government have already demonstrated their commitment to sustaining and expanding MECIP's use as a positive tool for public administration in Paraguay.

*"MECIP has significantly contributed to reducing discretionary conduct of judicial staff by establishing very clear and defined roles and responsibilities for each position."*

*— Miguel Basualdo,  
Director of Paraguay's  
Supreme Court  
General Internal Audit  
Department*