

## **Symposium Series: Anticorruption, Transparency and Integrity in the Americas**

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Good morning to everyone. Thank you for the invitation. It is a pleasure to be with you all and to share the experience of my country.

We tend to define the territory of the Paraguayan government as primarily qualified human resources and technology. This has made it so Paraguay has become recognized at the regional and global level for its stable macroeconomy. Today, we are very close to being qualified as investment grade and we have solid finances, an independent central bank and a credible finance ministry.

However, this was not the case 15 or 20 years ago. 15 years ago, we were one step away from default. Our poverty rate was more than 50%. Our debt in relation to GDP (gross domestic product) was more than 40%. Salaries and pensions were paid late.

We began an important process of reform that has made our macroeconomy today recognized worldwide, precisely because both the Central Bank and the Ministry of Finance have been able to integrate these quality human resources, mainly in their leadership, and incorporate technology to increase efficiency. The president usually asks us about this when we talk about what happened with the reforms. Why has the Paraguayan currency become an important asset, but other indicators in the country have not improved?

Paraguay remains an unequal country that sustains itself mainly through indirect taxes. That is a key reason that the president has insisted on increasing predictability, and that is where institutionality comes in.

It was part of his campaign for the fight against corruption, for transparency and integrity. The state and the government are taking important steps in these aspects. This Paraguayan growth generated an important fact that today is being noticed in society. The middle class has doubled, which implies that Paraguayan society is more demanding from its public officials and authorities, for greater quality of the public services that are provided and the stronger judicial power for the fight against corruption.

In recent years and months, we have seen the importance of the fight against corruption. Senators have been removed from the nation's Congress, which did not happen before. In addition, there were personnel losses within the legislative body; for example, a former controller was imprisoned. There has been a significant increase in the seizure of contraband in Paraguay, and an effort to strengthen and achieve an independent judiciary in such a way that predictability is also at the institutional level.

In this process, within the mandate of the president, he has had the opportunity to renew three ministers of the Supreme Court of Justice. They have reached the highest authority of the judiciary through transparent processes and as a result have received the acceptance of the citizenship, an unusual thing when it comes to the appointment of ministers in Paraguay.

Then, according to the head of government, he says how reforms began at some point in the economic team, which will be generating appropriate policies for this strengthening of the judiciary. I believe that beyond corruption, a large problem in Paraguay and the rest of the region is impunity. In our visits to rating agencies and investors, we always ask that. Paraguay is close to the levels of El Salvador. In the Transparency Index we are 135 or 138 in the world. We, the Paraguayans, feel that we are not as corrupt as we are seen.

So, in the meetings we had, we had asked Transparency International, what is the difference? We do not have the corruption cases that Brazil has, such as Lava Jato, which generated an earthquake throughout Brazil. We do not have the case of the notebooks Argentina. We do not have a president accused of stealing 300 or 200 million dollars.

However, in corruption indices, we are very high, and the problem is that nothing happens. That is the problem that I did not mention, the perception that our judiciary does not work. The fact that the perceptions are not founded on cases of corruption does not mean there is not corruption in Paraguay. Probably, it is more difficult to uncover our cases and they are not detected.

Therefore, that was almost a revelation in our conversations, this perception is bothersome, but they reveal that if you do not have an efficient judiciary, then you have nothing that shows the truth. That happens in all of Paraguay. The president's vision is to strengthen institutions and generate quality human resources to fill institutions and continue defeating corruption through efficient judicial processes.

Paraguay is in line with all the laws we spoke of recently. You can enter the website of any ministry to find out all the expenses of the state. Every day, public information is accessible to the public and to anyone. The salaries of public sector employees are subject to information. In addition, feeling citizen's demand, we are also incorporating technology into the public sector.

We have an ambitious digital agenda where it will allow the citizen and anyone else to control what is done with his or her resources with a phone click. This is a project where we are going to be able to reach the entire public sector through a digital government. The goal of the initiative is to have a digital citizen. It will also be able to connect all police stations, schools, and hospitals. This government has program will make the strengthening of human capital a fundamental element of transparency and integrity for the future.

If we have qualified human resources and our people are prepared for the challenges that come in the 21st century, if technology is incorporated in schools and hospitals, will surely have a better control of people's expenditures. Our corruption is not simply isolated or generalized; it is criminal, but it is also a waste of public money, as the representative of El Salvador said. There is more to look for than just in specific acts of corruption, as there is a lot of informality and a very broad and porous border that is allows for contraband smuggling.

And so, teaching and training our people is a necessity and an important component of the government's campaign that will allow digital citizens to be better trained and educated, so that they are demanding of the public sector. Also, there are norms that we have in Paraguay that need to be corrected. So, we figure that we do not like our current index on Transparency's Corruption Perceptions Index.

Paraguay is also not well regarded in terms of its business environment. There are three bills in the nation's Congress that are working to improve this and have a better business environment that is more investor-friendly moving forward. We are also working on improving the money laundering prevention system. This is a challenge that Paraguay has for some time. The country was at one point on the gray list of FATF, which we were able to get off of through a joint effort by civil society and other affected parties.

So, we have 12 bills that we are working on with Congress to adapt our system to allow the prevention of serious transnational crimes. If a country does not understand what minimizing risk entails, and that country continues to generate risk through these types of norms, the prevention system will probably not be successful. All of this implies broadening the base for predictability.