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# **The Republic of Korea' s Country Partnership Strategy for the Republic of Paraguay**

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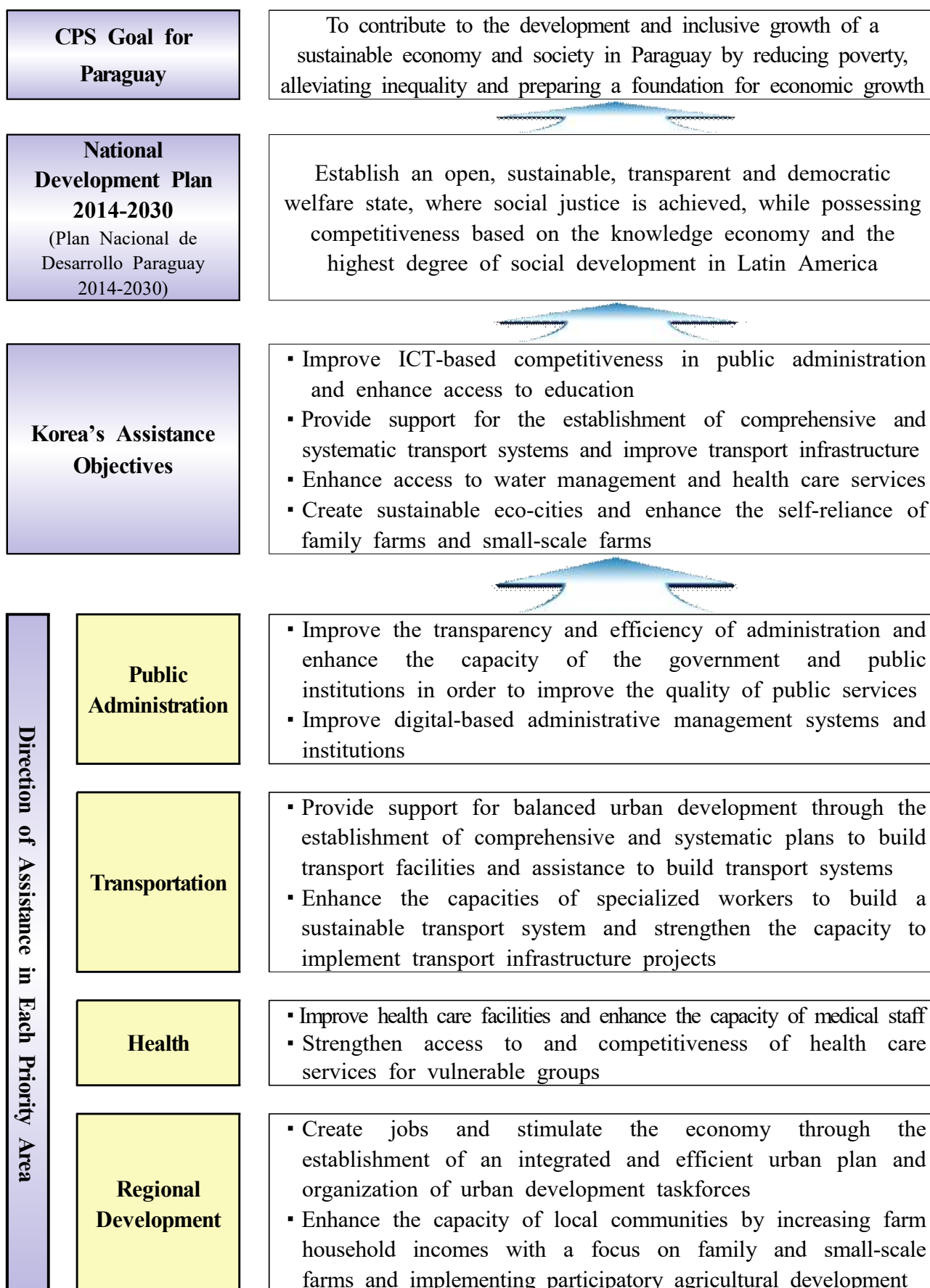
**The Government of the Republic of Korea**

**March 2021**

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# I. Assistance Plan



## □ Assistance Goal

- Support the three strategic axes of ▲ poverty reduction and social development ▲ inclusive economic growth, and ▲ efforts to integrate into the global economy, as presented by the Paraguay National Development Plan (PND) 2014-2030.

## □ Reasons for the Selection of Priority Areas

- **(Public Administration)** ▲ Public administrative institutions need to improve the efficiency and quality of their public services. ▲

\* Paraguay remained in the lowest ranks in terms of digital skills (134th), and corruption (113th) among 141 countries in the Global Competitiveness Report (2019) published by the World Economic Forum.

→ Modernize public administration by utilizing digital systems, including e-government systems.

- **(Transportation)** The transport infrastructure continues to lag behind in addition to inadequate management capacity, which is posing difficulties in movement between regions and balanced development, as well as exports and foreign investment attraction.

\* Paraguay's transport infrastructure competitiveness remained in the lower ranks as 99th among 141 countries in the Global Competitiveness Report (2019) published by the World Economic Forum.

→ Expand transport and logistics systems and increase efficiency through the improvement of mobility and access between regions and within cities.

- **(Health)** Health care facilities, capabilities of medical staff and public medical services continue to lag behind.

→ Improve health care facilities and enhance the capabilities of medical personnel and the competitiveness of health care services.

- **(Regional Development)** Support national priority tasks in response to the widening development disparity between regions, between urban and rural areas and between socioeconomic classes, in addition to the outward expansion of urban areas caused by rapid urbanization as well as housing shortages.

→ Enhance the self-reliance of family farms and small-scale farms, establish a comprehensive and systematic urban development plan and strengthen its implementation capacity.

- ◇ **(Criteria for the Selection of Priority Areas)** Key considerations include Paraguay's national development plan and development needs, Korea's comparative advantages, potential for mutually beneficial development, constraints toward assistance, linkages with outcomes of previous assistance projects, coordination of assistance with other donor countries, linkages between priority areas, etc.
- ◇ **(ODA Plan)** The plan will be determined considering Paraguay's development needs, Korea's aid capacity, effects of completed ODA programs, and cooperation with other donor organizations, subsequently committing **70 percent** of the total aid amount.

## II. Proposed Assistance in Each Area

### [1] Public Administration

#### □ Basic Direction of Korea's Assistance

- Support ICT-based public administration (e-government systems, etc.).

#### \* Related SDG Targets

- (SDG 9.1) Develop quality, reliable, sustainable and resilient social infrastructure.
- (SDG 16.6) Develop effective, accountable and transparent institutions at all levels.
- (SDG 4.1) Ensure that all girls and boys complete free, equitable and quality primary and secondary education.
- (SDG 9.5) Enhance research capabilities and develop technologies across industrial sectors.

#### □ Area-specific Development Needs

- **(Primary Goal)** Public administration improvement (PND 1.2.4)
  - Modernize public administration from a comprehensive perspective.
  - Streamline administration.
  - Improve the quality of public administration services and user satisfaction.
- **(Primary Goal)** Research, technical development, innovation (PND 2.2.4)
  - Promote the application of knowledge to educational opportunities, human capital development and social innovation.
  - Improve innovation in productive areas in terms of competitiveness factors.
  - Enhance science, technology and innovation systems and connect them to social demands.

Tasks for the Paraguayan Government  
in Public Administration

- ◆ Improve public information and administrative procedures using digital systems.
- ◆ Improve the quality of education to be commensurate with international standards (generalization of Program for International Student Assessment (PISA) Level 2, and acquisition of Level 3 or scores of 50 or more on average).
- ◆ Legalize 90 percent of major economic activities in order to strengthen the government's tax revenue base to reach 18 percent of the GDP.
- ◆ Ensure a three-phase system for transparency (indicators of transparency, corruption, and public information system utilization) in the government's public expenditure.
- ◆ Improve the national statistical system with the aim to obtain a score of 85 or more in statistical capacity indicators.

## □ **Korea's Contributions and Implementation Plan**

- **(Establishment of an e-Government)** ▲ Develop, integrate and enhance new digital-based administration management systems ▲ improve public administration systems with a focus on governance.

- Contribute to the liberalization of digital trade through efficient and transparent customs administration and legalization of economic activities, establishment of a system for swift customs entry for exports and imports, and enhancement of relevant systemic capacity.

\* E.g.) Develop the electronic customs entry system and strengthen its capacity.

- Contribute to the enhancement of governance through the establishment of national information systems and institutional improvements, and encourage citizen participation through institutional improvements and dissemination of public information.

\* E.g.) Establish a legislative information system and the geographic information system (GIS).

## **[2] Transportation**

### □ **Basic Direction of Korea's Assistance**

- Support the formulation of a transport system establishment plan, expansion of transport infrastructure, and enhancement of human resources capabilities.

\* **Related SDG Targets**

- (SDG 9.1) Develop quality, reliable, sustainable and resilient infrastructure.
- (SDG 11.2) Provide safe, affordable, accessible and sustainable transport systems.

□ **Area-specific Development Needs**

- **(Primary Goal)** Enhancement of internal and external connectivity (PND 2.2.2)
  - Expand and maintain transport infrastructure for international and commercial connections.
  - Diversify interfaces to transform Paraguay into a logistics hub in terms of international shipping, passenger transport, etc.
  - Improve border crossings and freight transport.

**Tasks for the Paraguayan Government  
in Transportation**

- Reduce average logistics costs through the establishment of an efficient multimodal transport network incorporating roads, railway, aviation and ships in order to secure international competitiveness.
- Increase the freight transport capacity for all regions.
- Establish Paraguay's position as a major exporter of agricultural products selected according to comparative and competitive advantages.
- Reduce the mortality rate from traffic accidents by 50 percent per 100,000 people.

□ **Korea's Contributions and Implementation Plan**

- **(Policy-making and Capacity-building)** Establish a comprehensive plan to build transport infrastructure, including aviation and public transport, and enhance the capacity for their smooth operation.
  - Establish a master plan for public transport and conduct a feasibility study on the establishment of aviation infrastructure.
    - \* E.g.) Feasibility studies on the construction of a new international airport and light railway transit in Paraguay.
  - Support the development, operation and management of transport infrastructure, including road pavement, and transport systems.



- Support the training of professional workers in the transport sector, including aviation.
- **(Establishment of Transport Operation Systems)** Support the establishment and operating systems of an institution tasked with the implementation of transport policies, including aviation and public transport.
- Build advanced transport control centers and aviation worker training centers.
- Support advanced transport control systems, professional aviation worker training programs and simulators.

### **[3] Health**

#### □ **Basic Direction of Korea's Assistance**

- Establish a health care delivery system and enhance access to health care services with a focus on vulnerable groups.
- Support the enhancement of the capacity to respond to communicable diseases including COVID-19 by sharing and transferring examples of Korea's successful response measures.

#### **\* Related SDG Targets**

- (SDG 3.1) Reduce the maternal mortality rate.
- (SDG 3.2) Reduce the mortality rate of newborns and children under five years of age.
- (SDG 3.4) Reduce the mortality from non-communicable diseases.

#### □ **Area-specific Development Needs**

- **(Primary Goal)** Health services (PND 1.2.2)
  - Manage health care for newborns and obstetrics, and integrate community health centers to train health care personnel.
  - Integrate and develop health care delivery systems.

- Develop programs to improve health and the quality of life.

**Tasks for the Paraguayan Government  
in Health**

- Increase the average life expectancy to over 70.
- Halve the mortality rate from non-communicable diseases (mortality rate of the relevant population aged between 30 and 70).
- Reduce the obesity rate for the entire population by 50 percent.
- Reduce the suicide rate per 100,000 people by 50 percent.

□ **Korea's Contributions and Implementation Plan**

- **(Systems and Composition of Health Care)** Support the establishment of health care systems, including the building of local health care systems, and foster professional medical personnel to ensure the quality of related services.
  - Implement comprehensive and systematic medical service systems, including local health care systems.
    - \* E.g.) Establish health care systems and enhance primary health care.
  - Provide programs for capacity-building among medical personnel such as postgraduate degrees and vocational qualifications.
- **(Establishment of Health Care Infrastructure)** Improve access to health care services among vulnerable groups, including women, children, and the elderly, establish local health care systems and expand health infrastructure with the aim to provide quality primary health care.
  - Organize hardware for local health care systems by constructing and renovating 20 health care centers in targeted areas and hospitals.
  - Expand the health infrastructure in order to improve the standard of health care for the vulnerable including women and the elderly.
    - \* Enhance the capacity of Hospital Materno Infantil San Pablo, establish health care and welfare centers for the elderly, and establish policies for the vulnerable.
- **(Response to Communicable Diseases)** Strengthen the organizational capacity to respond to communicable diseases such as COVID-19, and establish various basic systems.

- Support policy-making to create a governance system for responses to communicable diseases, including the establishment of national response plans and installation of emergency disaster control centers.

\* Establish policy tasks and implementation programs for emergency responses to COVID-19 and the subsequent economic crisis.

## **[4] Regional Development**

### **□ Basic Direction of Korea's Assistance**

- Develop local communities by enhancing the capacity of family and small-scale farms in rural areas and support the establishment of efficient urban planning.

#### **\* Related SDG Targets**

- (SDG 2.3) Increase agricultural productivity and incomes of small-scale food producers.
- (SDG 2.4) Establish sustainable food production systems and strengthen the capacity to adapt to climate change.
- (SDG 11.1) Provide access to safe, adequate, and affordable housing and basic services for all.
- (SDG 11.2) Provide access to safe, accessible and sustainable transport systems for all.

### **□ Area-specific Development Demands**

- **(Primary Goal)** Agricultural policy (PND 2.2.6)
  - Develop family farms and ensure food security.
  - Create an integrated economic and social environment and provide land in rural communities that are dependent on family farms.
- **(Primary Goal)** Housing and environment development (PND 1.4.1)
  - Increase investment in and improve sustainable social housing.
  - Promote community participation and establish shared responsibility for the construction of housing and improvement of the residential environment.

**Tasks for the Paraguayan Government  
in Regional Development**

- Increase production using agricultural irrigation facilities and reduce yield fluctuation.
- Develop the agricultural and livestock sector by increasing agricultural production and enhancing the competitiveness of livestock and dairy farming.
- Increase the housing supply rate by 70 percent.
- Provide universal coverage of basic living infrastructure for residential areas, including drinking water, sanitation facilities, and electricity.

□ **Korea's Contributions and Implementation Plan**

- **(Establishment of Agricultural Value Chains)** Strengthen the self-reliance of family and small-scale farms by increasing incomes and enhancing competitiveness through the establishment of relevant agricultural value chains.
  - Form agricultural value chains in cooperation with specialized local agricultural organizations through efforts such as demonstration projects.
  - Support agricultural information sharing systems for information on market and agricultural environments for each region and product.
- **(Enhancement of Agricultural Capacity)** Enhance the social value of agriculture by transferring, developing and spreading customized agricultural technologies, in addition to the participatory development of agriculture.
  - Develop and implement customized educational programs in collaboration with surrounding agricultural economies such as Argentina, international organizations specializing in agriculture, and local agriculture-specialized organizations, and conduct joint research on products and technologies.
  - Change public perception through savings-based capacity-building for businesses and the accumulation of social capital through community-based activities, including participatory agricultural development.
- **(Improvement of Educational Environments)** Improve educational environments with the aim to foster the next generation of agricultural leaders and workers with specialized skills.

- Establish and renovate educational and training institutions, including agricultural schools.
- **(Alleviation of Urban Problems)** Alleviate urban problems caused by rapid urbanization.
  - Support job creation and economic invigoration, including the establishment of integrated and efficient urban planning and a taskforce for urban development.

### III. Performance Monitoring Guidelines

#### Recipient Country's Development Goal (Paraguay's National Development Strategy)

: To support the three strategic axes of ▲ poverty reduction and social development, ▲ inclusive economic growth, ▲ efforts to integrate into the global economy, as presented by the Paraguay National Development Plan (PND) 2014-2030

#### CPS Goal

: To contribute to the development and inclusive growth of a sustainable economy and society in Paraguay by reducing poverty, alleviating inequality and preparing a foundation for economic growth

| Priority Areas               | Goal(s)  | Limitation(s)   | Outcome(s)   | Performance Indicator(s)  |
|------------------------------|--|---|--|---|
| <b>Public Administration</b> | <ul style="list-style-type: none"> <li>● To modernize public administration by using ICT, including e-government systems</li> <li>- (SDG 16) Develop effective, accountable and transparent institutions at all levels</li> <li>● To contribute to the development of human resources through quality education using ICT and the improvement of access to education</li> <li>- (SDG 4.1) Ensure that all girls and boys receive quality education</li> <li>- (SDG 9.5) Enhance research capabilities and develop industrial technologies</li> </ul> | <ul style="list-style-type: none"> <li>- Insufficient educational infrastructures, including physical school facilities and equipment</li> <li>- Insufficient provision of educational materials and completion of education</li> <li>- Extremely low education budget at a level equivalent to 3 percent of GDP</li> </ul> | <ul style="list-style-type: none"> <li>- Developed an electronic customs system and strengthened the relevant capacity</li> <li>- Produced and provided educational content for children</li> </ul>  | <ul style="list-style-type: none"> <li>- Increase in the tax revenue</li> <li>- Reduction of administrative processing/work time using the e-government system</li> <li>- Number of recipients of public services and satisfaction rate</li> <li>- Number of recipients of education and satisfaction rate</li> <li>- Attainment of academic skills</li> <li>- Number of specialized workers and employees in STEM areas</li> </ul> |
| <b>Transportation</b>        | <ul style="list-style-type: none"> <li>● To improve the efficiency of transport and logistics</li> <li>- (SDG 9.1) Develop quality, reliable, sustainable and resilient social infrastructure</li> <li>- (SDG 11.2) Provide safe, affordable, accessible and sustainable transport systems</li> </ul>  | <ul style="list-style-type: none"> <li>- Insufficient transport infrastructure</li> <li>- Low technical standard in areas such as safety management and maintenance</li> </ul>  | <ul style="list-style-type: none"> <li>- Established a master plan for aviation development</li> <li>- Established an intelligent traffic system (advanced traffic management system) in the city hall of Asuncion, the capital of Paraguay</li> </ul> | <ul style="list-style-type: none"> <li>- Reflection of public transport and road technology to policy</li> <li>- Public satisfaction rate with public transport and road technologies</li> <li>- Number of people provided with professional training and employed in the transport sector</li> <li>- Maintenance rate</li> </ul>   |

|                             |   |   |   |  |
|-----------------------------|---|---|---|--|
|                             |   |   |   | for aircraft and operation rate for aircraft at fixed durations  |
| <b>Health</b>               | <ul style="list-style-type: none"> <li>● To strengthen access to health care services and the capacity for the prevention and control of non-communicable diseases</li> <li>- (SDG 3.1) Reduce the maternal mortality rate</li> <li>- (SDG 3.2) End the deaths of newborns and children under 5 years of age</li> <li>- (SDG 3.4) Reduce the mortality rate from non-communicable diseases</li> </ul>                                       | <ul style="list-style-type: none"> <li>- Fragmentation of health systems and insufficient linkage and cooperation of relevant systems</li> <li>- Insufficient medical infrastructure and specialized personnel</li> </ul>   | <ul style="list-style-type: none"> <li>- Expanded medical infrastructure</li> <li>- Increased the number of people using primary medical institutions</li> <li>- Brought non-communicable diseases (NCD) under control</li> </ul>   | <ul style="list-style-type: none"> <li>- Rate of women giving birth in medical institutions</li> <li>- Rate of births with assistance from specialized workers, death rates from oxygen shortage</li> <li>- Health indicators in targeted areas for enhanced medical institutions, including prevalence and control rates of high blood pressure</li> <li>- Number of medical staff provided with training</li> <li>- Satisfaction rate of medical staff and patients at medical facilities</li> </ul> |
| <b>Regional Development</b> | <ul style="list-style-type: none"> <li>● To improve the productivity and agricultural competitiveness of family farms and small-scale farms</li> <li>- (SDG 2.3) Increase the agricultural productivity and incomes of small-scale food producers</li> <li>● Create a foundation for implementing competent eco-cities</li> <li>- (SDG 11.1) Provide access to safe, adequate, and affordable housing and basic services for all</li> </ul> | <ul style="list-style-type: none"> <li>- Underdeveloped agricultural techniques</li> <li>- Inadequate agricultural infrastructure</li> <li>- Lack of specialized agricultural workers</li> <li>- Weakened competitiveness of downstream industries in the agricultural sector</li> <li>- Lack of specialized workers in urban planning and development</li> </ul> | <ul style="list-style-type: none"> <li>- Increased yields of family farms and small-scale farms</li> <li>- Established connection to global value chains</li> <li>- Changed public perception and accumulated social capital</li> <li>- Established a master plan for comprehensive metropolitan development</li> </ul> | <ul style="list-style-type: none"> <li>- Farm household incomes</li> <li>- Number of recipients provided with agricultural training</li> <li>- Examples of value chain linkages</li> <li>- Housing supply rate for vulnerable groups</li> <li>- Satisfaction rate of recipients regarding settlement conditions</li> </ul>   |

## IV. Implementation Strategy

### □ Aid Coordination with Other Donor Organizations

- Separately establish various communication channels and cooperation plans in the absence of regular consultations with donor countries in Paraguay.
  - Donor country: Share the status of ongoing projects and identify cooperation measures through bilateral consultation.
  - Recipient country: Utilize relevant systems within the recipient country for projects.

\* E.g.) Conclude four MOUs on health-related programs between KOICA and the Ministry of Health and Welfare in order to utilize the recipient country's systems.

- Establish a cooperation system with international organizations and NGOs with comparative advantages in project areas.
  - International organizations: (Regional development) Inter-American Development Bank (IDB)\*; (Health) WHO/PAHO; (Agriculture) Inter-American Institute for Cooperation on Agriculture (IICA); (Procurement) UNOPS; (Fund execution) Organization of Ibero-American States (OEI)

\*Since 2019, assistance to Paraguay has been expanded through co-financing (one-time support for agriculture and health, respectively) from the Economic Development and Cooperation Fund-Inter-American Development Bank (EDCF-IDB).

- International NGO: (Agriculture) Fundacion Capital.
- Promote trilateral cooperation with the aim to utilize the comparative advantages of newly industrializing neighboring countries.
  - Key partner countries for trilateral cooperation: Brazil, Argentina, Chile, and Uruguay.



## □ **Enhancement of Linkages between Loan and Grant Projects and between Grant Projects**

- Identify projects connecting loan and grant projects using multilateral channels and international organizations in consideration of circumstances in the partner country, where there are restrictions on bilateral loans.

\* In Paraguay, acceptance of concessional loans is restricted due to its conservative fiscal policy and the Fiscal Responsibility Law that places a limit on the fiscal deficit ratio.

- Identify and jointly plan integrated projects with a focus on urban development, industrial infrastructure, transport, and ICT, which are Korea's comparative advantages.
- Share information on ongoing projects and seek methods for linkages and cooperation among relevant agencies in the partner country through a local ODA consultative body organized by the relevant diplomatic offices.
- Proactively identify programs linking projects, training activities, and volunteer groups, and projects capable of linkages with other projects conducted by ODA implementation agencies.

## □ **Public-Private Partnerships**

- Share lessons and strengthen networking among project providers through local workshops of academia-industry cooperation programs with the aim to improve cooperation with universities, enterprises, NGOs, etc.
- Provide assistance to projects conducted by civic groups and expand activities to enhance their capacity.
- Hold regular meetings with local NGO consultation bodies and strengthen activities to assist them.

## □ Contribution to the SDGs

- Korea has established its ODA policies with a mainstream focus on the SDGs, which represent the shared goals of the international community.
- Based on the overarching principle of “Leave no one behind” in the 2030 Agenda for Sustainable Development, Korea is working towards reducing inequality by incorporating considerations of gender equality in all proposed ODA programs.

### <Recommendations for the Application of a Gender-Sensitive Perspective>

1. At the project identification stage, conduct a gender analysis\* as a rule.
  - \* Survey and analyze gender-based labor activity patterns, and gender relationships and women's participation in decision-making, etc. in families and the society.
2. At the project designing stage, consider and reflect gender analysis outcomes as specifically as possible in performance indicators and project plans.\*
  - \* For example, include targets reflecting women's needs and set gender-based target values.
3. At the project implementation stage, ensure the faithful implementation of planned gender equality measures and share them with the diverse range of stakeholders.
  - \* In addition to the planned measures, continue to explore and utilize the available means for the participation of women.
4. At the evaluation and monitoring stage, assess the gender-based impacts on outcomes and performances.
  - \* Describe the beneficiaries and achievements of a project by separating them by gender up to a reasonable degree.