

“Strengthening the Role of the Ministry of Finance in Project Selection”

Paraguay experience

Public Investment Directorate
Vice Ministry of Economy – Ministry of Finance

October 2020



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Paraguay's performance

| | |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Population | 7.25 million |
| Population between 15 to 64 years | 4.5 million |
| GDP 2019 | USD 38.98 billion |
| Public Investment 2019 | USD 1.05 billion 3.0% GDP |
| Debt 2020 (The lowest in the region) | Net debt USD 10.96 billion 30.9% GDP |
| Foreign reserves Sep 2020 | USD 8.92 billion |
| Economic growth (2009 -2019) | 4.0% GDP |
| Inflation 2019 | 2.8% |
| Fiscal Responsibility Law | 5.098/2013 |
| Worldwide ranking 2019 | <ul style="list-style-type: none"> • Energy Exporter - No. 4 • Soybean Exporter - No. 4 • Soybean Oil Exporter - No. 5 • Soybean Producer - No. 6 • Corn Exporter - No. 7 |

SNIP - National Public Investment System

Set of rules, instructions and tools that aim to organize the Public Investment process.

It optimizes the use of resources in financing investment projects that are more profitable from a socioeconomic and environmental point of view.



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SNIP

- Cover all public investment projects of the Central Government, including PPPs.
- Also has initial experience in municipal government public investment projects.



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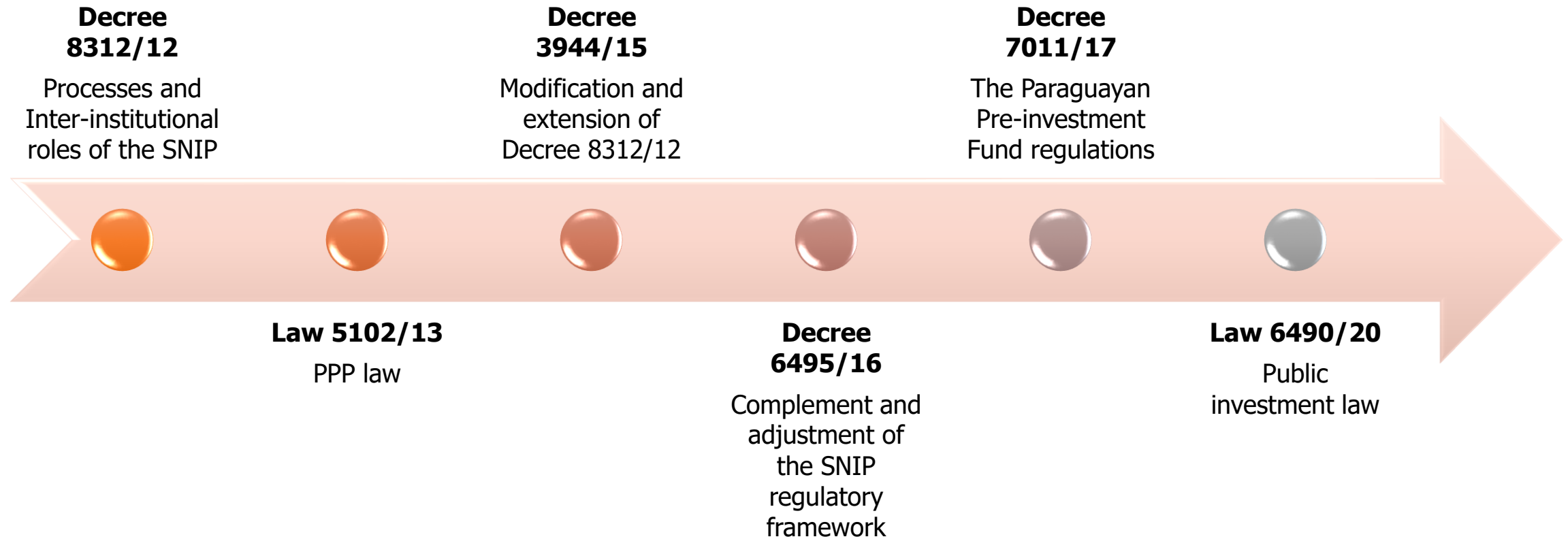
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SNIP – Timeline



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Investment projects before the SNIP

Issues

- Cost overruns and delays
- Low implementation of public works
- Limited efficiency and effectiveness of public investment

Reasons

- Weakness in strategic, legal and institutional framework of the SNIP
- Limited capacity to manage public investment projects
- Underutilization of the PPP scheme as a complement to the traditional financing and management modality

Project evaluation

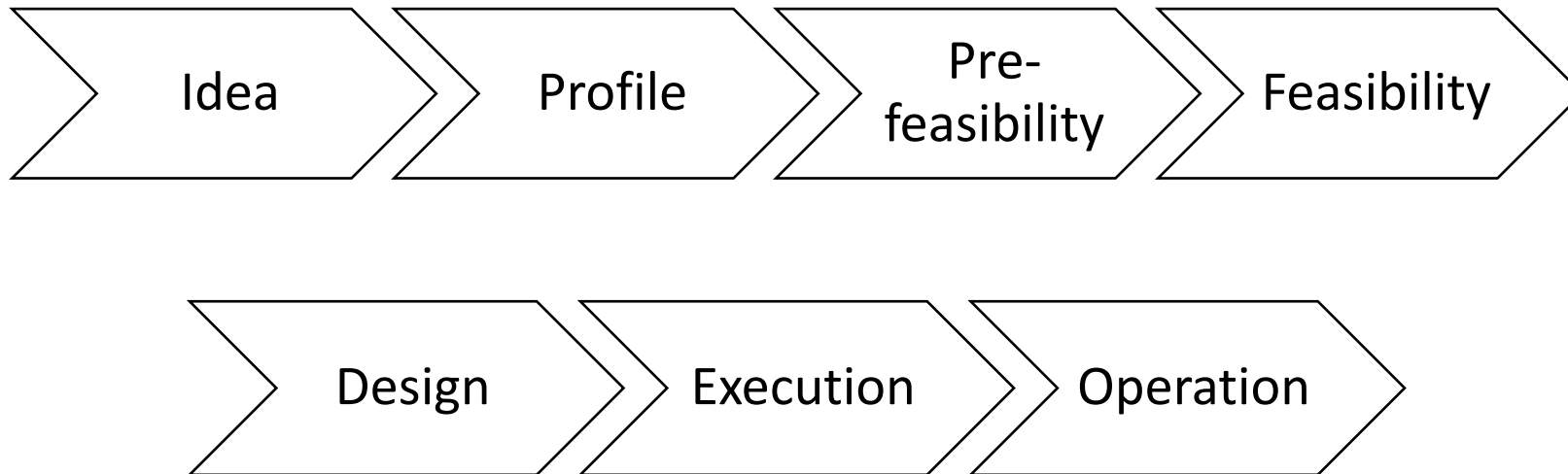
The technical-economic advantages of the project are analyzed in this stage.

The project can be evaluated in a cost-benefit or in a cost-efficiency scope, according to the possibilities of quantifying and assessing its benefits.

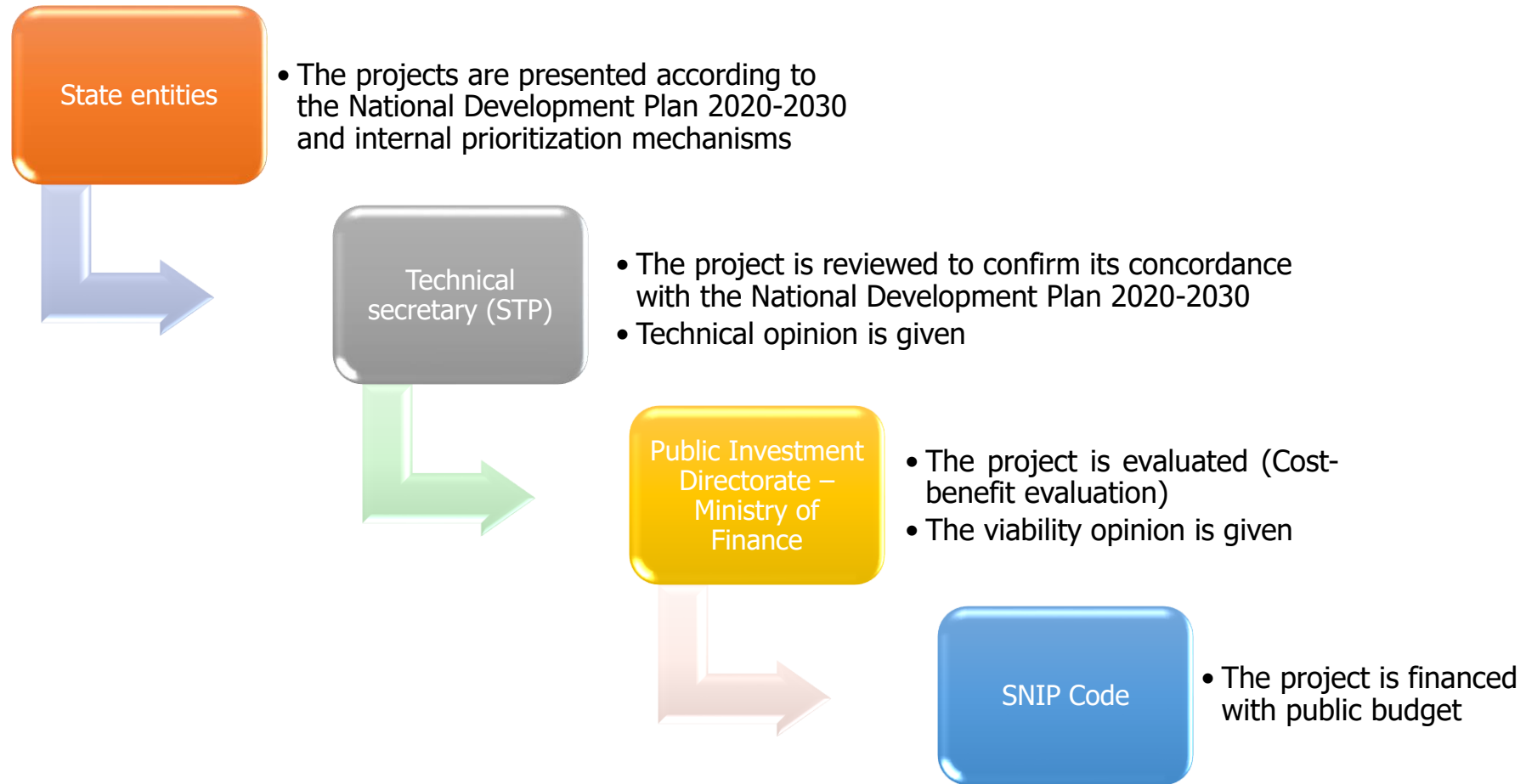
Cost-Benefit: It is the most important evaluation which determines if the benefits obtained are greater than the costs involved. In order to do so, it is necessary to identify, measure, and assess the costs and benefits of the project.



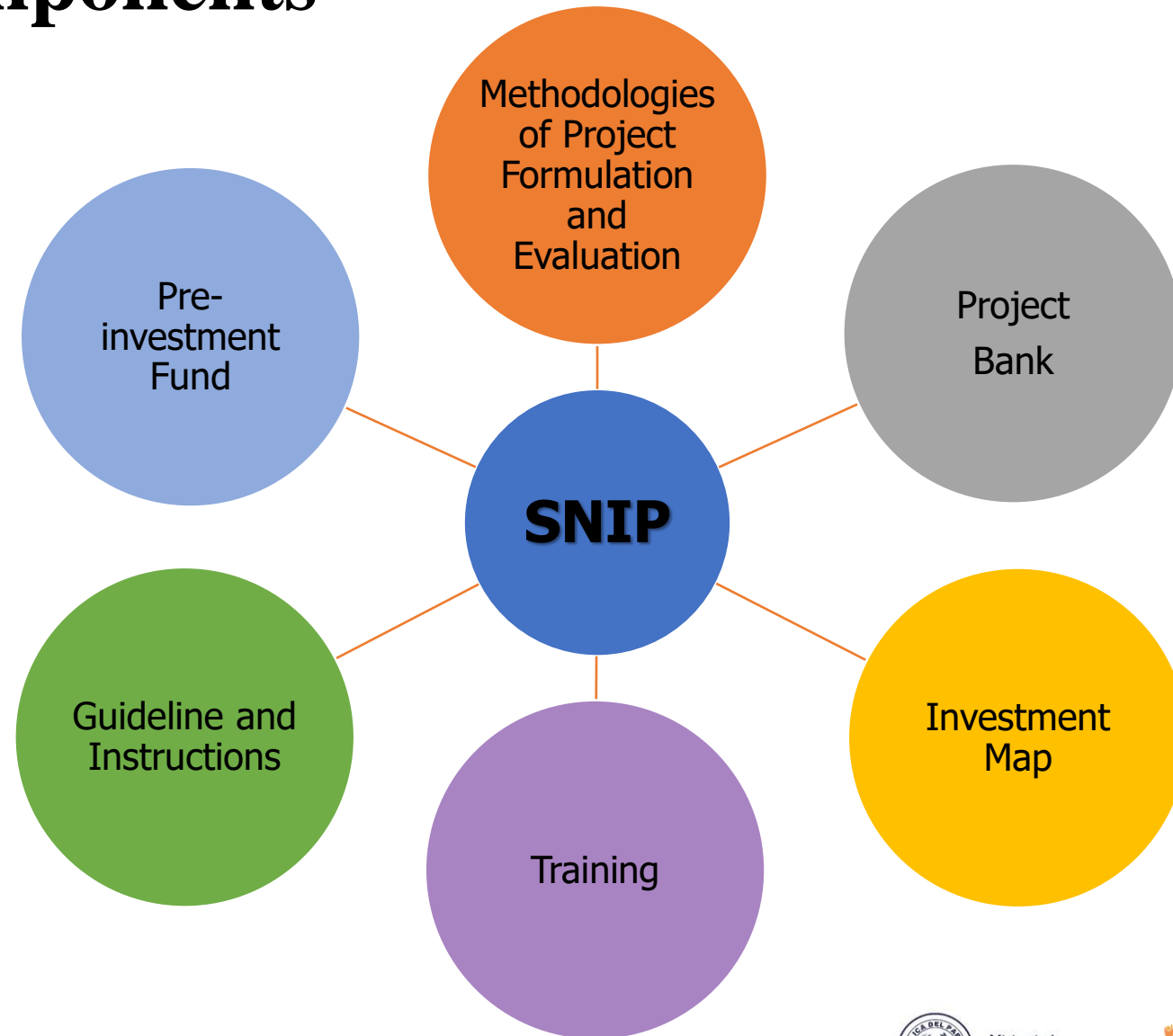
Stages of the project life cycle



Process for new projects



SNIP - Components





MapaInversiones + Módulo COVID-19 PARAGUAY

 Transmisiones en Vivo



MÓDULO COVID-19



INVERSIONES PÚBLICAS

Los recursos públicos son del **pueblo paraguayo**

Use esta plataforma para informarse, participar y controlar



Ubicaciones, proyectos, código SNIP, contratos y contratistas

EXPLORE PROYECTOS CON UBICACIÓN



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Publications and website



<http://snip.hacienda.gov.py>



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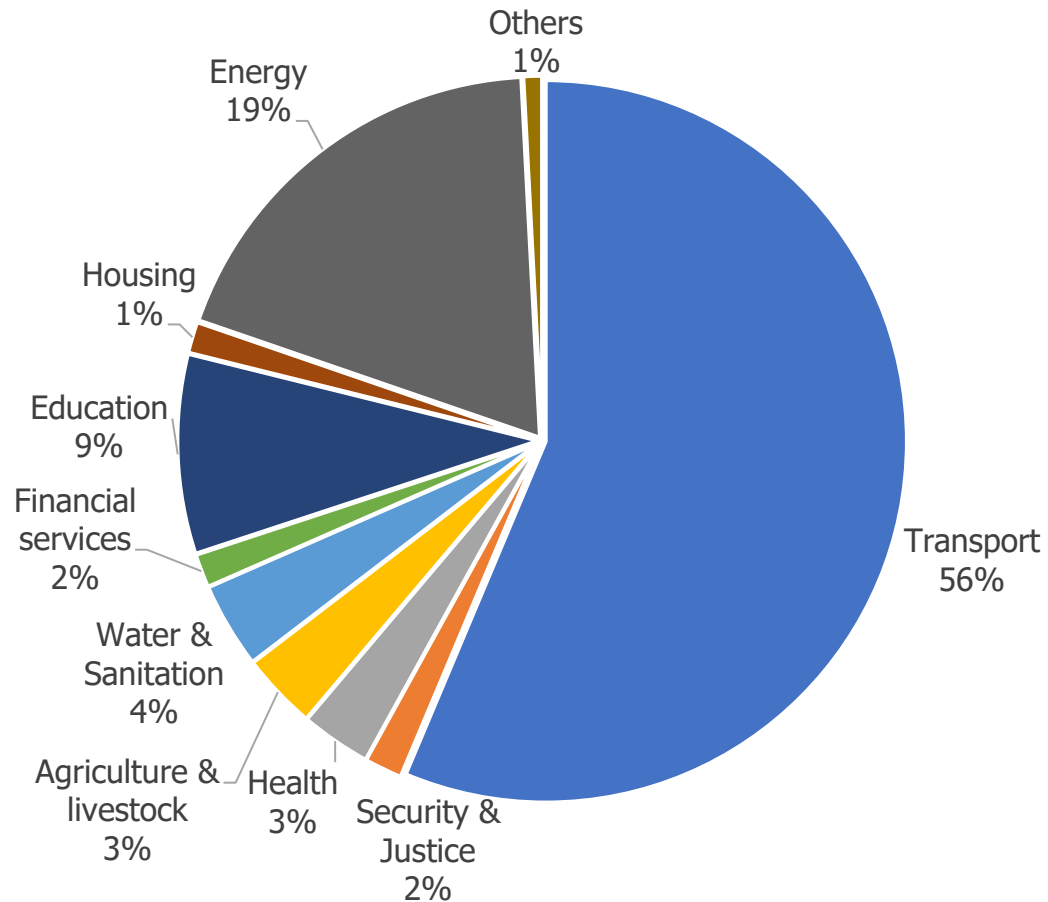
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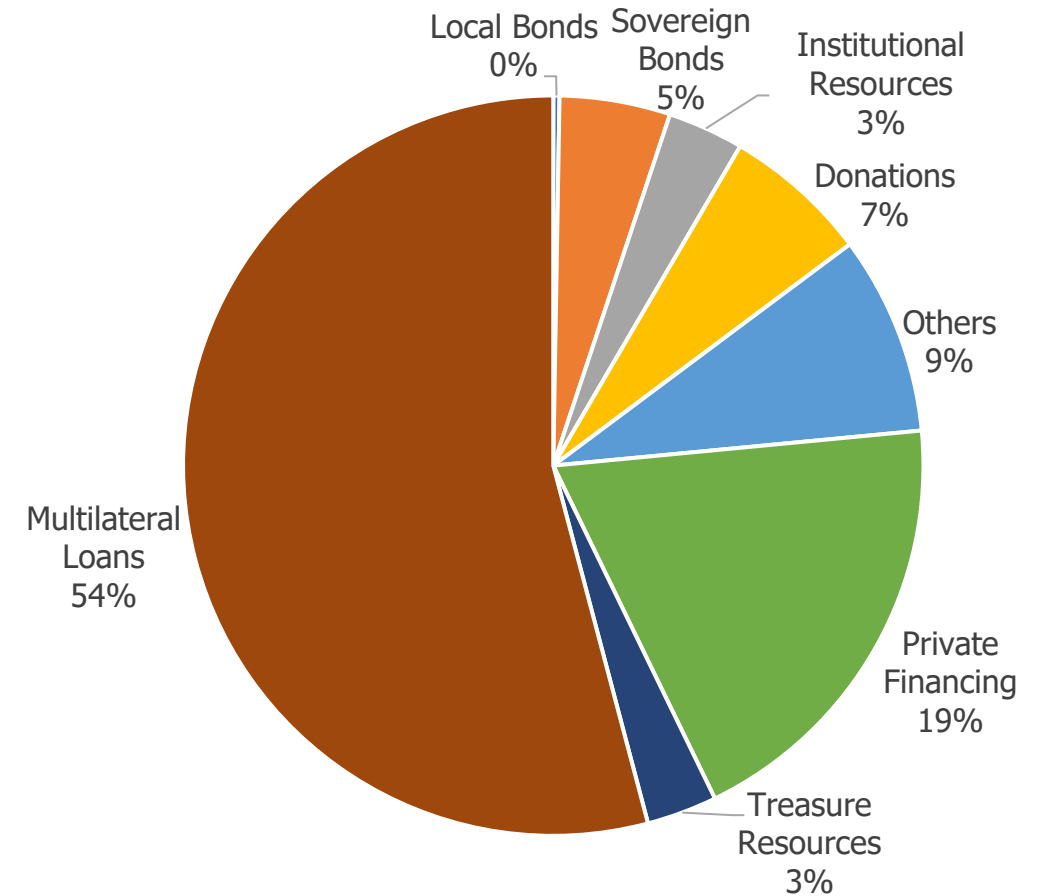
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Financing of public investment projects 2020 budget – USD 1.94 billion

Distribution by sectors



Distribution by financing



Economic Recovery plan 2020

Social protection

Pytyvõ

USD 250 million

IPS

USD 150 million

Health

USD 500 million

Public Investment

Traditional

USD 710 million

PPP &
Turnkey

USD 596 million

Financing

Strengthening
of FOGAPY

USD 100 million

BNF

USD 361 million



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Economic recovery - Law 6324/19 (Turnkey) & PPP projects under analysis: USD 690 million

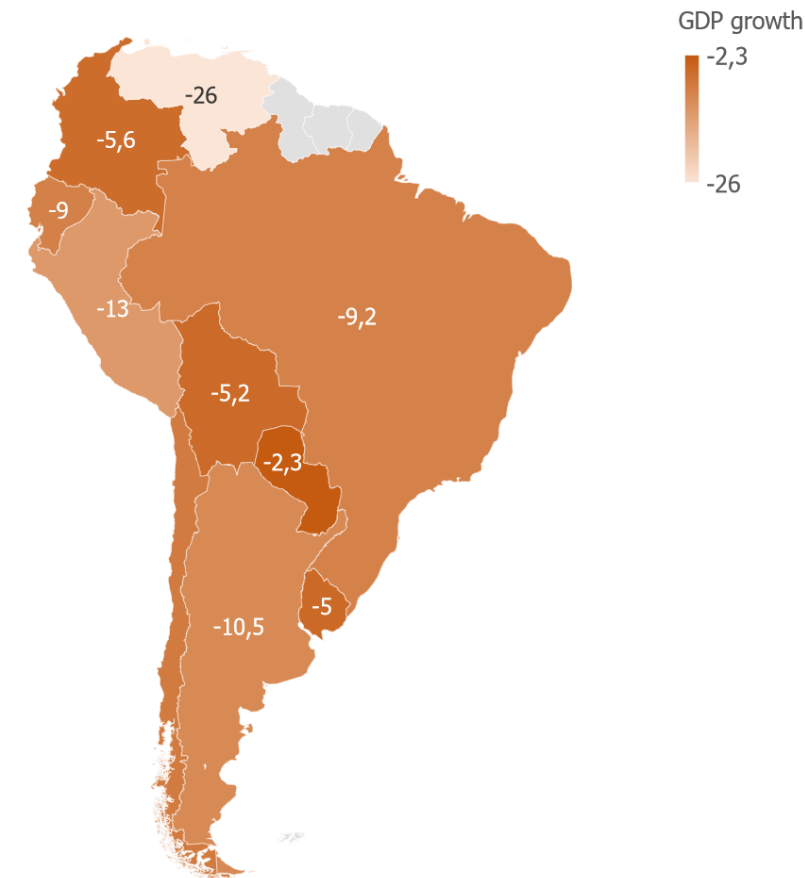
PPP

- **ANDE Turnkey:** Electricity Transmission and Distribution Projects
USD 300 million
- **Route 1:** Improvement, duplication and operation of the section Ytororó to Quindy
USD 180 million
- **Route 6:** Improvement, duplication and operation of the Cambyretá section to the access to Pirapó
USD 100 million
- **Waterway:** Dredging of opening and maintenance of the Paraguay River in sovereign section
USD 110 million



Paraguay is among the countries least affected by COVID-19 in LAC.

According to the BCP, the negative economic growth of this year (-3.5%) is expected to be fast reversed in 2021 (5.0%).



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Thank you!

¡Muchas gracias!

¡Aguyje!



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