ENVIRONMENTAL THRESHOLD DECISION

Activity Location: Paraguay
Activity Title: Democracy, Human Rights and Governance
Activity Number: TBD
Life-of-Activity Funding: $30 million
Life-of-Activity: FY 2014 – FY 2019
IEE prepared by: Alfonso Velázquez, USAID/Paraguay
Reference ETDs: LAC-IEE-10-62
Recommended Threshold Decision: Categorical Exclusion
Bureau Threshold Decision: Categorical Exclusion

Comments:

A **Categorical Exclusion** is issued to the Democracy, Human Rights and Governance Project, pursuant to 22 CFR 216.2(c)(2):

(i) Education, Technical Assistance or Training programs except to the extent such programs include activities directly affecting the environment (such as construction of facilities, etc.);

(iii) Analysis, studies, academic or research workshops and meetings;

(v) Document and information transfers;
(xiv) Studies, projects or programs intended to develop the capability of recipient countries to engage in development planning, except to the extent designed to result in activities directly affecting the environment (such as construction of facilities, etc.)

Amendments

• Amendments to Initial Environmental Examinations (IEE) shall be submitted for LAC Bureau Environmental Officer (BEO) approval for any activities not specifically covered in the IEE, which include:
  
  o Funding level increase beyond ETD amount,
  o Time period extension beyond ETD dates (even for no cost extension), or
  o A change in the scope of work, such as the use of pesticides or activities subject to Foreign Assistance Act sections 118 and 119 (e.g. procurement of logging equipment), among others.

• Amendments to IEEs could include a recommendation for a positive determination and a Environmental Assessments (EA), and approval of these documents by the LAC BEO could require an annual evaluation for environmental compliance.

Victor H. Bullen  
Bureau Environmental Officer  
Bureau for Latin America & the Caribbean

Copy to:  
Fernando Cossich, Mission Director,  
USAID/Paraguay  
Steven Hendrix, DMD  
Shirley Zavala, MEO  
Adriana Casati, PO  
Elisa Zogbi, Projects

Copy to:  
Jason Girard, REA, USAID/Peru

Copy to:  
Nancy Eslick, Mike Karbeling, LAC/SA  
Erik Kite, LAC/RSD

Copy to:  
IEE File

Attachments:
• Initial Environmental Examination
1. **Background and Program Description**

1.1 **Purpose and Scope of IEE**

This is an Initial Environmental Examination (IEE) prepared in accordance with USAID Environmental Procedures 216, ADS Chapter 204 Environmental Procedures, and MO# 2011-02 Environmental Procedures, for the new USAID/Paraguay Democracy, Human Rights and Governance (DRG) Project. The Project Appraisal Document (PAD) for this project was approved on May 28, 2013. This IEE covers the entire project as outlined below.

The project will be implemented through a competitive RFA. Should there be any shifts in strategic direction presented in the selected application and included in the ultimate award, the PAD will be updated and this IEE will be amended as required.

1.2 **Background**

To attain USAID/Paraguay’s intermediate result of *strengthened internal management and governance systems in select public institutions*, the project will seek to achieve the following sub-purposes: a) Increased institutional capacity of select public institutions; b) Accountability and anti-corruption efforts strengthened in select public institutions; and in coordination with inter-agency counterparts and other international donors c) Legal and policy framework for effective governance advanced. While improving government effectiveness writ large would be a colossal task and require extensive technical support in a number of service delivery units,
this project will narrow its focus by working with select public sector entities, including Executive-level Ministries and the Supreme Court, and less intensively, with civil society to achieve the project purpose. Building on the nexus between local civil society’s goals and USAID’s democracy and governance objectives, the project will support local organizations’ ongoing programs as the primary means of implementation. Once implementing local organizations are selected and corresponding implementation instruments are awarded, the PAD (including the inputs and indicators) will be amended as needed.

The project will focus primarily on central-level institutions that set the stage for the provision of public goods and services within the capital and extend into the most remote corner of Paraguay. By strengthening support institutions, such as the Civil Service Secretariat and the Ministry of Finance, to apply critical reforms within service-oriented institutions, such as Health and Education, the project seeks to have a positive trickle-down effect on the end recipients of public goods. Similarly, support for the Judiciary will primarily address key deficiencies within the central-level judicial structure that will ultimately have an impact on quality of justice nationwide. Although local level institutions clearly have a fundamental role in identifying and responding to citizens’ needs and demands, their performance cannot be improved in a sustainable manner without first addressing critical weaknesses and perverse practices at the higher level. The project may provide limited support to local and regional governments in areas that align with the overall strategy, such as pilot initiatives to decentralize civil service reform or internal controls, or innovative solutions to overcome service delivery bottlenecks identified in collaboration with central-level ministries. Recognizing the critical role of civil society in articulating the demands of the broader population and advocating for the sustainability of important government reforms, USAID will incorporate the most relevant civil society groups that are strategically focused on the key issues targeted under this project.

The project seeks to advance multiple reform processes, implying the need for substantial changes in organizational cultures. Reducing inefficiencies and/or eliminating opportunities for corruption will require shifting the incentive structures for public officials. Evidence has demonstrated that these organizational changes are unlikely to occur without strong, committed, internal leadership, a cadre of long-term and dedicated staff, and an intensive, multi-faceted approach.

1.3 Description of Activities

The components for the new project will be implemented under the following sub-purposes and related illustrative activities:

Sub-purpose 1. Increased institutional capacity of select public institutions.
Capacity is a key determinant of government performance. Under this sub purpose, the recipient would develop the institutional capacity of select public institutions to improve internal management, the management of public resources, and in specific cases, service to citizens. Capitalizing on the MCC Threshold programs’ significant investments, the recipient would prioritize management systems that are critical to efficient and effective government functioning and support the implementation of best practices to improve the government’s ability to serve all Paraguayans more effectively. Although these processes take time to install and institutionalize, advancing key reforms that strengthening human and organizational capacity would ultimately have an impact on the quality of public goods provision and citizen satisfaction with government. Concurrently, the recipient would also seize windows of opportunity that, while developing public sector capacity, also demonstrate effective and timely government response to high priority needs. These strategic interventions will help mobilize citizen support for public institutions in
the short term as they make work to develop sustainable capacity to address citizen demands over the long term.

**Sub-purpose 1.1. Human resource management systems improved.**

To achieve optimal response to citizen needs and guarantee the rule of law, the government must attract, hire and develop talented personnel with real long-term incentives to invest their best efforts towards achieving a public service-oriented mandate.

**Output 1.1.1. Civil service and HR management strengthened with merit-based selection, evaluation, and promotion processes implemented in select Executive Branch entities.**

Through the work of the National Civil Service Secretariat (NCSS) and with the support of multiple international donors, Paraguay has made important advances in elevating the importance of the civil service career and increasing the number of positions filled through merit-based selection procedures within the Executive Branch. The recipient will build on these efforts and support the NCSS to further develop a merit-based civil service career and install human resource systems that establish protocol for planning, job classification and organizational structure, recruiting, selection, career path, training, compensation, and performance evaluation.

**Illustrative Expected results under 1.1.1 but not limited to:**

- Improved capacity of the NCSS to fulfill its role as a policy setting, oversight and internal service provider agency for civil service across the executive branch.
- Implementation of human resource management and civil service reforms advanced in targeted service providing Executive Branch entities.

**Illustrative Indicators under 1.1.1. but not limited to:**

- % increase in Civil Service Country Index.
- % increase in merit based hiring in the national government.
- % change in the People Management Index (IGP) score in targeted institutions.
- % increase in the Merit sub-index of the IGP.

**Illustrative activities under 1.1.1. but not limited to:**

- During the first two years of the project, and in coordination with the Ministry of Finance, the recipient will strengthen the capacity of the NCSS to fulfill its role as a policy setting, oversight and internal service provider agency for civil service across the executive branch.
- Support the creation of a website that allows citizens to research and apply for government jobs online.
- Support implementation of the Integrated Civil Service Administrative System (SICCA), which consolidates and systematizes the whole civil service career cycle, from hiring to promotion, training, compensation, and performance evaluation.
- Support the NCSS in the creation and coordination of collaborative networks among public employees that promote knowledge management, continuous learning, and policy implementation.
- Support the NCSS’s communications department to conduct public awareness campaigns that emphasize the benefits of civil service.
In coordination with the NCSS, assist two ministries – including at least one external service provider – in the implementation of human resource management and civil service reforms.

Support the continued use of the Indice de Gestión de Personas (IGP), performance measurement tool on human resource management and civil service.

Output 1.1.2. Judicial career strengthened with merit-based selection, evaluation, and promotion processes implemented.

Installing merit-based reforms within the judiciary will promote independence and increased professionalism, which are important precursors for guaranteeing the rule of law for all Paraguayans. While establishing a career for judges will require the passing of new legislation as well as a potential constitutional amendment, which could be advocated for under Sub-purpose 3.1, the recipient could provide technical assistance to pave the road for a comprehensive judicial career by initiating the design of a career model for judges and promote the merit-based concept for higher judicial positions, including Supreme Court’s participation in the selection process for judges. The recipient could also build the capacity of the human talent department of the Supreme Court to develop a merit-based judicial-staff career road map that will be gradually implemented to include judicial staff nationwide, from clerical and lower level positions to high-ranked administrative and judicial positions such as law clerks, administrators, and managers. The recipient would bolster career development efforts by strengthening the Supreme Court’s continuing education program for judges and judicial staff. The recipient would promote the principles of gender equality and inclusion within the judiciary’s human resources policies and training programs.

Illustrative Expected results under 1.1.2. but not limited to:

- Merit-based selection, evaluation, and promotion processes for judicial positions implemented.
- Judicial continuing education program strengthened.

Illustrative Indicators under 1.1.2 but not limited to:

- % of new positions in the judiciary filled based on competition.
- % increase in the number of personnel evaluations conducted according to previously set evaluation standards.
- % increase in the number of merit-based personnel promotions.
- % of judges and judicial staff participating in continuing education program.

Illustrative activities under 1.1.2. but not limited to:

- Assist the Supreme Court in developing and adopting new internal regulations to increase the use of a merit-based selection processes for judicial staff.
- Support the Supreme Court in the creation and institutionalization of performance evaluation systems and performance indicators for judges and judicial staff.
- Support the Supreme Court in the development of performance-based incentive programs for judges and judicial staff.
• Support the Supreme Court in the development of new manuals and programs for its Judicial Training Center (JTC).

• Strengthen the organizational capacity of the JTC and support its operation and sustainability by helping to develop a cadre of core professors and support staff.

• Support the Supreme Court’s communications department to conduct public awareness campaigns that highlight the judicial sector’s important achievements.

• Support the development and implementation of an e-learning portal.

Sub-purpose 1.2. Public budgeting and procurement systems/processes strengthened.
Sound public financial management (PFM) supports aggregate control, prioritization and efficiency in the management of public resources and delivery of services, which are critical to the achievement of effective governance. Although Paraguay has improved PFM performance in recent years, budget systems continue to demonstrate weaknesses with regard to transparency, citizen engagement and accountability, while procurement systems lack adequate regulation and oversight of post-award contract administration. Many systems and processes have also not transferred adequately into the public institutions where budget forecasts are developed and funds are actually expended. The recipient will seek to strengthen select budgeting processes and the procurement system within the lead agencies responsible for PFM and select service providing institutions.

Output 1.2.1. Increased compliance with procurement regulations in select public institutions.
The National Procurement Office has made important headway and has become a strong, well-respected institution. However, a large portion of procurements are conducted directly by ministries and their Purchasing Units, which are poorly trained, have limited authority, and are vulnerable to the imperatives of higher level officials. Notwithstanding the importance of a clean bidding process, the post-award contract administration process, including the acceptance of deliverables and payment approvals, is equally vulnerable to error and corruption. Poor contract administration, regardless of the motive, undermines contract performance and affects the quality of the service or goods provided. In addition, management and procurement at the judiciary remains prone to corruption and inefficiency.

Illustrative Expected results under 1.2.1. but not limited to:
• Increased support and oversight by the National Procurement Office to further contract administration compliance in public institutions.
• Post-award contract administration improved in selected ministries.
• More transparent and efficient management and procurement processes in the judiciary.

Illustrative Indicators under 1.2.1. but not limited to:
• % increase in Paraguay’s Assessment of the national procurement system (OECD methodology) in the sub indicator related to contract administration.
• % compliance with contract administration regulations by targeted purchasing units.
• Number of public officials trained in contract administration.

Illustrative activities under sub-purpose 1.2.1. but not limited to:
- Support the National Procurement Office in developing and implementing protocol for undertaking contract administration responsibilities that include, at minimum, inspection and acceptance, quality control, and contract amendment procedures.
- Strengthen the regulatory framework for contract administration and develop standard clauses for contracts.
- Strengthen the National Procurement Office’s capacity to develop and implement training programs for public officials with contract administration responsibilities.
- Support the implementation of management and procurement reforms at the judiciary.

**Output 1.2.2. Government budgeting capacity strengthened.**
Budgeting is a key component of sound PFM. By developing the government’s capacity to conduct thorough, transparent, and timely budgetary processes, the GOP will make a more efficient and effective use of public resources and citizens will ultimately be better served through appropriate, quality public services and programs. The recipient will support the Ministry of Finance’s (MOF) efforts to lead and coordinate the national budget formulation process, to articulate a productive working relationship with Congress for budget approval, and to improve budget execution and performance evaluation. In addition, the recipient will assist the MOF in developing budgeting capacity within select public institutions.

**Illustrative Expected results under 1.2.2. but not limited to:**
- Budgeting (effective and transparent planning, formulation and execution) in select public institutions strengthened.
- Increased citizen engagement in the national budget process.

**Illustrative Indicators under 1.2.2. but not limited to:**
- % increase in Paraguay’s score in Open Budget Index in questions related to oversight by supreme audit institutions and legislature, and public engagement in the budget process.
- % increase in Budget Capacity Index (to be developed) by target institutions.
- Number of participatory budget initiatives conducted.

**Illustrative activities under sub-purpose 1.2.2. but not limited to:**
- Build the capacity of budgeting offices within public ministries and the judiciary.
- Develop an index to measure budgeting capacity in targeted public institutions.
- Support the GOP’s capacity to evaluate and perform oversight of budget execution.
- In coordination with the Ministry of Finance, support policy-based and participatory budget processes in select service-providing ministries.
- Develop the Ministry of Finance’s and selected ministries’ capacity to articulate budgetary needs and justifications to Congress.
- Support government initiatives to engage citizens in the budget process.
- Support the use of SPIR (Sistema de Provisión de Información y Reportes) in budget planning and decision making processes.

**Sub-purpose 1.3. Capacity to address strategic and high priority needs improved.**
While the central focus of this sub-purpose is improving central-level management capacity, citizen needs and demands are often met beyond the boundaries of the bureaucracy. Building
on the human resource and administrative capacity improvements, public sector institutions are tasked with providing public goods and services to Paraguayan citizens. Although many reforms supported under this project will ultimately impact their ability to effectively accomplish that, it is important to identify windows of opportunity to demonstrate effectiveness by quickly resolving real issues and needs.

**Output 1.3.1. Strategic interventions that improve public sector capacity to address high priority needs implemented.**

To increase the visibility of public sector capacity improvements and generate tangible impact on citizens and sectors, the recipient will create a fund to support strategic and demand-driven investments in innovative public sector solutions to high priority problems or needs. To maximize impact, this component will focus primarily on high impact investments within the sectors served by the public sector institutions targeted for the broader range of reforms. For example, should the recipient support management reforms and internal controls within the Ministry of Health, it may also provide funding to expand implementation of the pioneering Automated Information and Inventory Control System (SICIAP in Spanish). Similarly, the fund may be used to decentralize central level reforms, such as civil service or MECIP, to select local governments. Other promising opportunities to improve capacity to address high priority needs in other institutions should also be considered. Solutions that effectively mobilize science, innovation, and technology should be prioritized.

**Illustrative Expected results under 1.3.1 but not limited to:**
- Public sector capacity to address high priority needs demonstrated to citizens.

**Illustrative Indicators under 1.3.1 but not limited to:**
- Number of interventions implemented.

**Illustrative activities for consideration under sub-purpose 1.3.1 but not limited to:**
- Support for the Ministry of Health in expanding implementation of SICIAP in underserved regions.
- Assistance to the Ministry of Agriculture in developing a mechanism for sharing meteorological data with producers nationwide.
- Support for the Environment Secretariat and National Forest Institute simplify and systematize procedures for issuing environmental permits and approving land usage plans.
- Assistance to the Ministry of Education in identifying and implementing a solution for better distribution of school equipment and materials.
- Capacity building for the National Statistics Institute and/or statistics units within ministries to improve the quality and quantity of data collected and institutional capacity to utilize it for effective decision-making.
- Decentralization of central-level reforms to priority municipal and/or departmental governments.
- Other innovative and viable ideas identified during project implementation.

**Sub-purpose 1.4. Public sector capacity to support and protect vulnerable populations increased.**

Struggling with low levels of capacity writ large, public institutions demonstrate even lower levels of effectiveness in serving marginalized populations. To address socioeconomic exclusion, the
GOP has recently elevated the importance of providing appropriate support and public goods to these groups, particularly women and people with disabilities.

Output 1.4.1. Institutional capacity of the new People with Disabilities Ministry (SENADIS in Spanish) strengthened.

People with disabilities (PWD) have historically been marginalized from traditional development activities due to discrimination and inadvertent barriers which have limited their access to health services, education, employment, and civil society integration. While all Paraguayans suffer from inadequate service delivery, People with Disabilities are far more vulnerable to poor education, health and other services than other populations. The lack of accessible means of public transportation is another important hurdle to the social inclusion of People of Disabilities. It prevents them from accessing basic public services, as well as employment and recreational opportunities.

USAID Paraguay aims to increase access and participation of People with Disabilities (PwD), and to strengthen the capacity and services of the recently created National Disability Secretariat (SENADIS), working in collaboration with other DPOs. The role of SENADIS will be to work with public sector institutions to address these problems and provide reasonable solutions form a human rights perspective. Since it was established by decree under the current government, if SENADIS does not endure during subsequent administrations, the project will provide support to any other government institution that absorbs its responsibilities and functions.

Illustrative Expected results under 1.4.2.
- Enhanced support by SENADIS for furthering PwD objectives within other public institutions.

Illustrative activities under sub-purpose 1.4.2.
- Support implementation of internal control mechanisms within SENADIS.
- Support implementation of a civil service career within SENADIS.
- Support SENADIS in their coordination efforts with other public institutions such as the Civil Service Secretariat, and the Ministries of Health and Education, among others.
- Strengthen SENADIS’s oversight capacity of public institutions’ compliance with the government’s disability policies and regulations.
- Strengthen SENADIS’s ability to work and collaborate with DPOs.

Sub-purpose 2. Accountability and anti-corruption efforts strengthened in key public institutions.

Responsive and functional governments require a plurality of effective accountability mechanisms across multiple levels and sectors to hold those who exercise power accountable at all levels of government. To effectively reduce corruption in Paraguay, therefore, the recipient would foster internal and external accountability. By strengthening public institutions’ internal capacity to monitor and sanction poor performance, government and judicial officials will face strong incentives to act and behave in a more ethical, efficient and effective manner to avoid punishment. Likewise, increased civil society oversight and the risk of negative public perceptions will motivate public officials and institutions to comply with Paraguayan law and regulations.

Sub-purpose 2.1. Effective internal control systems strengthened.
Enhanced internal controls are expected to result in greater upward accountability because of the increased capacity of managers and supervisors to monitor and reprimand subordinates and increase internal accountability due to an improved capacity of the audit organs of the government to monitor and sanction public officials and institutions for poor performance.

Output 2.1.1. Internal control systems strengthened within the Executive Branch.
Under this component, the recipient will seek to increase accountability and reduce corruption in the Executive Branch by fostering implementation of internal control standards and strengthening institutions that perform vital internal control functions. Improving internal control systems and establishing mechanisms for internal oversight will reduce opportunities for corruption and, ultimately, contribute towards improved government performance.

Building on the MCC Threshold programs' pioneering work that developed the Paraguayan Internal Control Standards (MECIP), the recipient will support the GOP in its efforts to further implement internal control systems.

USAID/Paraguay helped to create a Forensic Audit Department within the Executive Branch Auditor General’s Office to detect and report corruption cases more effectively and timely. The recipient will build on that effort by helping to create and strengthen Forensic Audit Units within other public offices. Short of the formal establishment of these units, the recipient will strengthen the forensic audit capabilities of key executive branch offices and improve coordination of these institutions within the Prosecutor’s Office. This intervention may focus efforts on service-providing institutions, where the deviation of public funds is more pervasive and detrimental to Paraguayans.

Illustrative Expected results under 2.1.1. but not limited to:
- Increased capacity of government agencies with internal control responsibilities (Comite Interinstitucional de Control Interno, Contraloría, Auditoría General del Poder Ejecutivo and others) to perform policy setting, oversight, and technical support to public institutions regarding internal controls.
- MECIP implementation advanced in select public institutions.
- Increased forensic auditing capacity within select public institutions.

Illustrative Indicators under 2.1.1. but not limited to:
- Number of public institutions with an internal control system implemented based on MECIP framework, including risk assessment and control activities, clearly identified, prioritized, implemented and monitored.
- Number of public institutions that make a public statement of the level of effectiveness, of internal controls.¹
- % improvement on the MECIP implementation index.

Illustrative activities under 2.1.1. but not limited to:
- During the first two years of the project, develop the capacity of government agencies (Comite Interinstitucional de Control Interno, Contraloría, Auditoría General del Poder

---
¹ Components and standards that are not present and functioning because of major internal control deficiencies are reported to the public via web-sites, press conferences or other public events.
Ejecutivo and others) to perform policy setting, oversight, and technical support to public institutions on internal control.

- In coordination with the responsible government agencies, support the comprehensive implementation of MECIP in two ministries – prioritizing direct service providers.
- Support the Auditor General of the Executive Branch in the creation of collaborative networks among employees dedicated to internal controls within the public and private sectors, to promote knowledge management, continuous learning, and policy implementation.

- Promote the identification and dissemination of internal controls best practices and low cost and effective training programs, such as e-learning.

- Develop the capacity to measure internal controls systems implementation, by improving the current score card based on the independent evaluation of the internal audit offices.

- Support public institutions in issuing an annual public report regarding the effectiveness of the internal control system and disclosing the major deficiencies in the internal control.

- In collaboration with the Auditor General’s Office, strengthen the forensic audit capabilities of select ministries.

- Develop the capacity of the recently created Anti-Corruption National Secretariat to fulfill its coordination and internal oversight responsibilities.

**Output 2.1.2. Effective internal control mechanisms reinforced in the justice sector.**

Under this component, the recipient will seek to increase accountability and reduce corruption in the judiciary and the Prosecutors Office through mechanisms that foster improved internal control. This sub-purpose will complement efforts to promote a judicial career (sub-purpose 1.1.2) by reducing opportunities for corruption in the judiciary and establishing mechanisms for internal oversight and for measuring performance. By strengthening mechanisms for the detection and correction of performance irregularities, judges and judicial staff will encounter increased deterrents, as well as incentives, to comply with legal procedures and regulations.

**Illustrative activities under 2.1.2. but not limited to:**

- Assist the Supreme Court in identifying and adopting preemptive measures to correct procedures and practices that currently are prone to corruption.

- Support the Judiciary’s Internal Audit Office and Disciplinary System to strengthen its internal control and sanctioning capabilities.

- Support the Prosecutors Office to strengthen its internal control and disciplinary systems.

- Promote effective oversight of key legal issues will be targeted, including abuses in cases of judicial injunctions, judicial tardiness, and lack of compliance with legal mandates in cases related to women, indigenous people, and other disadvantaged groups.
• In coordination with the responsible government agencies, support the comprehensive implementation of MECIP.

**Illustrative Indicators under 2.1.2 but not limited to:**
- Number of transparency measures adopted by the Supreme Court in corruption-sensitive legal practices/procedures based on audit findings and recommendations.
- Average amount of bribes (in judiciary).
- % of economic crimes and corruption cases using forensic evidence.
- % of economic crimes and corruption convictions using forensic evidence.
- % improvement in the MECIP implementation index.

**Illustrative Expected results under 2.1.2. but not limited to:**
- The Judiciary’s and Prosecutors Office’s Internal Audit Office and Disciplinary Systems internal control and sanctioning capabilities strengthened.
- Increased internal oversight of key legal issues.

**Sub-purpose 2.2. Increased government transparency and external accountability**
To complement efforts to strengthen internal controls, the recipient will also advance external accountability through heightened government transparency and civil society oversight. As a precursor for effective oversight, civil society and the general public require access to information; the government must *supply* this information through transparency mechanisms, such as public hearings, annual report presentations, and information available to the public via web-sites. And, to create incentives and promote a more accountable government, civil society must *demand* transparent and ethical government performance. In implementing external accountability mechanisms and the establishment of networks, the program must take advantage of the increasingly popular use of technology in Paraguay such as cell phone text messaging and social media.

**Output 2.2.1. Increased government transparency.**
While internal control is essential for preventing and detecting corruption, promoting and installing integrity and transparency practices will also help deter corruption in the public sector and promote accountability. Awareness campaigns, ethics training, incentives and rewards, as well as civic education programs can significantly contribute to anti-corruption efforts. The GOP has recently established a National Anti-corruption Secretariat that, although incipient and weak, is expected to become the leading agency for advancing transparency. In addition, key public institutions have transparency units. The recipient will work to strengthen the Secretariat and transparency units within selected ministries to transform them into transparency champions.

**Illustrative Expected results under 2.2.1. but not limited to:**
- Improved support and oversight by transparency units in select public institutions.
- Heightened transparency in select public institutions.

**Illustrative Indicators under 2.2.1 but not limited to:**
- % of Paraguay Open Government Plan under implementation.
- Number of internal transparency campaigns.

**Illustrative activities under 2.2.1. but not limited to:**
- Support implementation of the GOP’s Open Government Plan.
In coordination with the Supreme Court and the Prosecutors Office, support civil society-led judicial transparency campaigns aimed at the general public and specialized interest groups, such as the business and legal professional sectors.

Support the implementation of codes of ethics and the work of transparency units in key public institutions including the judiciary.

Support the recently created Anti-Corruption National Secretariat in promoting transparency and civil society oversight of the Executive Branch.

Support government in developing a “Citizen’s Budget”, a user-friendly format that will enable ordinary citizens to understand public resource allocation.

Support a transparency budget portal, with widely available friendly access to comprehensive budget information.

Output 2.2.2. Civil society awareness and oversight increased.
Comprised of multiple levels of non-government actors, civil society writ large plays an important role in promoting government accountability and reducing corruption. Specialized civil society organizations, think tanks, and universities are best suited to monitor performance and identify incompliance, while the broader population must be informed in order to have an impact on the broader perception of government and corruption in Paraguay.

Illustrative Expected results under 2.2.2. but not limited to:
• Increased monitoring of judicial compliance, including prosecutors’ work, by civil society.
• Increased collaboration among civil society for oversight of public institutions.

Illustrative Indicators under 2.2.2 but not limited to:
• Number of transparency public awareness campaigns implemented with public-private support in key areas.
• An early warning mechanism on economic crimes and corruption cases implemented.

Illustrative activities under 2.2.2. but not limited to:
• Support relevant NGOs, law schools and bar associations to monitor compliance with procedures and legal deadlines by both prosecutors and judges in economic crimes and corruption cases, as well as in other highly social sensitive cases.
• Support the engagement of interest groups including the business sector, the academia, the media, and the judiciary in roundtables aimed at increasing transparency and anti-corruption measures in targeted areas;
• Support efforts to improve public perception of corruption.

Sub-purpose 3. Advanced Legal and policy framework for effective governance.
While government effectiveness can be increased within the current institutional framework, many modifications are needed to enhance prospects for real reform and long-term sustainability. Advancing legal and policy reforms is an inherently political process, and therefore, difficult to ensure success within short time frames.

Sub-purpose 3.1. Civil society advocacy for specific legislative and regulatory reforms enhanced.

Output 3.1.1. Civil society advocacy efforts for specific reforms supported.
The recipient will provide targeted and timely support for civil society advocacy efforts that are well positioned to advance specific legal and policy reforms that will bolster the success of governance outcomes.

*Illustrative Expected results under 3.1.1. but not limited to:*
- Strategic advocacy efforts for reforms advanced.

*Illustrative Indicators under 3.1.1 but not limited to:*
- Number of substantive engagements between civil society and public institutions to advance specific reforms.
- Number of "Grupos Impulsores" advocating to advance key legal and policy reforms engaged with Congress and the public in substantive debates.

*Illustrative activities under output 3.1.1. but not limited to:*
- Support SENADIS in the development of new policies oriented towards more effective public service, and better social and economic inclusion for people with disabilities.
- When windows of opportunity arise, support civil society efforts to advocate for specific legislative and policy improvements, such as the Access to Information Law, a constitutional amendment that will reform the composition of the Council of Magistrates and the Jury for the Prosecution of Magistrates, the passing of legislation that will establish a judicial career, or separate the management function within the judicial branch, among others.
- Support an agenda setting process that helps promote awareness, debate, consensus and commitment among public actors and civil society on the nature and content of specific legal and policy reforms. For example, the recipient may provide support to the National Country Strategy Team (ENEP).

This is a summary of illustrative activities. For further information refer to the USAID/Paraguay Democracy and Governance Project Appraisal Document and to USAID-RFA-526-13-000002 which are included as annexes.

2. **Evaluation of environmental impact potential**

At this time none of the activities of the Democracy, Human Rights and Governance Project will have an impact on the environment as all activities currently planned fit within those categories of activities that, pursuant to 22 CFR 216.2(c)(2), are ‘categorically excluded.’ The following categories apply:

(i) Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (such as construction of facilities, etc.);

(iii) Analyses, studies, academic or research workshops and meetings;

(v) Document and information transfers;
(xiv) Studies, projects or programs intended to develop the capability of recipient countries to engage in development planning, except to the extent designed to result in activities directly affecting the environment (such as construction of facilities, etc.);

Reg. 216.2(c)(3) requires the analysis and judgment that the arguments for a Categorical Exclusion is appropriated both during the initial determination and then in an ongoing way afterwards during implementation to ensure there are no potential effects on the environment and that granting a Categorical Exclusion at the beginning of a project and then maintaining it throughout the life of a project or activity is appropriate.

As currently planned, no interventions will directly affect the environment. As described under Section 1, the program will mostly provide technical assistance and training. If during implementation, activities are considered that are outside the above framework, and that may directly affect the environment (minor small scale construction, renovation and construction of an addition, rehabilitation of facilities, refurbishment, etc.) an amended IEE shall be submitted, as appropriate.

In this case, via the IEE Amendment, these impacts will be prevented and mitigated by ensuring compliance with national/local related ordinances, an also by verifying any specific impact and how can be prevented and/or mitigated under an Environmental Mitigation Plan and Report that will be developed for each specific activity and then taking appropriate measures for implementation and monitoring.

3. **Regulation 216 Recommendations**

Based on the illustrative activities included in the section 1.3 Description of Activities, it is recommended that a Categorical Exclusion be granted for all the components of the DRG project, pursuant to 22 CFR 216.2(c)(2) listed above.

Amendments to Initial Environmental Examinations (IEE) shall be submitted for LAC Bureau Environmental Officer (BEO) approval for any activities not specifically covered in the IEE, which include:

- Funding level increase beyond ETD amount,
- Time period extension beyond ETD dates (even for no cost extension), or
- A change in the scope of work, which involves potential impacts on the environment, for example: activities subject to Foreign Assistance Act sections 118 and 119, the demolition of existing structures and excavation work, municipal services related to solid waste disposition or road maintenance, building refurbishment, etc.


4. **Responsibilities**
Responsibilities are defined in the USAID/PARAGUAY MISSION ORDER No: MO# 2011-02
SUBJECT: Environmental Procedures - ADS 204 and 22 CFR Part 216, as follow:

- **Development Objective (DO) Teams** and AOR/COR’s responsibilities are outlined in ADS sections 204.2, and 204.3.4. They bear the responsibility for Reg. 216 compliance. DO team leaders must ensure that budgets for activities under their DOs provide the resources needed for compliance with Reg. 216. Office Chiefs, both as supervisors and as team members (when applicable), share this responsibility with respect to activities managed through their offices. The AOR/CORS authority and responsibilities are delegated by the Contracting Officer. The 22 CFR 216 responsibilities of AOR/CORs, DO Teams and Activity Managers include designing, monitoring, and modifying all programs, projects, activities and amendments, and Project Appraisal Documents (PAD) in order to ensure that the environmental consequences of all actions taken by USAID and the host country are considered, and that appropriate environmental safeguards are adopted. When the COR/AOR prepares a Requisition (REQ) in GLAAS the Environmental Threshold Decision (ETD) and Project Appraisal Document need to be included as supporting documents and when a modification to the REQ (REQM) is prepared the COR/AOR confirms the ETD and AAD are still valid, otherwise the amended PAD or ETD are included as supporting documents in the GLAAS action. Each activity manager or **Contracting (or Agreement) Officer Representative (COR or AOR)** is responsible for making sure environmental conditions are met. In addition, CORs/AORs are responsible for ensuring that appropriate environmental guidelines are followed, mitigation measures in the IEE are funded and implemented, and that adequate monitoring and evaluation protocols are in place to ensure implementation of mitigation measures. The AORs/CORs are responsible for monitoring the program to assure that conditions are met.

- **The Regional Contracting Officer (RCO)** is responsible for ensuring that environmental compliance language is included in solicitations and funding opportunities and Mission contracts and agreements comply with environmental regulations, for example through inclusion of required clauses and approved environmental measures or conditions. Language from “Environmental Compliance: Language for Use in Solicitations and Awards – An Additional Help for ADS Chapter 204” must be included, as appropriate, in award documents (see:http://www.usaid.gov/policy/ads/200/204sac.pdf). It is the responsibility of the Development Objective (DO) Team and/or Contracting/Agreements Officer to ensure that environmental compliance language from the ETD is added to procurement and obligating documents.

- **The Mission Environmental Officer’s (MEO)** responsibilities are outlined in ADS sections 204.2 and 204.3.5. The MEO is a core member of each DO team and plays a leadership role in ensuring their compliance with environmental requirements. He/she will attend DO Team meetings at his/her discretion. The MEO will also be involved in related Program Office processes, and once official environmental documents are ready for the Bureau Environmental Officer (BEO)’s, he/she will send them simultaneously for
clearance/approval to both the BEO and the Regional Environmental Advisor (REA). Finally, the MEO is also responsible for alerting the Front Office in consultation with the Economic Growth and Environment (EG) Team leader of any critical and urgent Reg. 216 issues. The Mission Environmental Officer will conduct spot checks to ensure conditions in the EA and ETD are met. These evaluations will review whether guidelines are properly used to implement activities under this ETD in an environmentally sound and sustainable manner according to USAID and applicable U.S. Government policies and regulations.

- **The Program Office (PO)** clears all Reg. 216 actions (Initial Environmental Examinations [IEEs], Environmental Assessments [EAs], Programmatic Environmental Assessments [PEAs], assessments and mitigation plans), through PO members and the Program Officer. PO’s DO team backstops share DO team responsibilities by virtue of their team membership. They also have the responsibility as representatives of PO to monitor Reg. 216 compliance in the course of the teams’ ongoing work, and to raise potential and actual issues that arise in that context with the relevant AOTR/COTR and team, as well as the MEO and Program Officer.

- **The Regional Environmental Advisor (REA)** is responsible for providing technical assistance to the DO Teams and MEO regarding USAID Environmental Procedures, effective monitoring of approved mitigation measures, obtaining of additional expertise in carrying out compliance responsibilities if necessary, and may be called upon to help resolve any compliance issues.

- **The implementing contractor or partner** will ensure that all activities conducted under this instrument comply with the ETD. Also, through its regular reporting requirements, a section on environmental compliance (e.g. mitigation monitoring results) will be included.
CLEARANCE PAGE
INITIAL ENVIRONMENTAL EXAMINATION (IEE)
Democracy, Human Rights and Governance

Concurrence: ____________________________________________

Fernando Cossich
USAID/Paraguay Mission Director

Mission Clearance:

Steven Hendrix, DMD: ___________________________ Date: ____________

Elisa Zogbi, PT: _________________________________ Date: ____________

Adriana Casati, PO: _____________________________ Date: ____________

Shirley Zavala, MEO: _____________________________ Date: ____________

Regional Environmental Advisor Clearance:

Jason Girard, REA: __ by email (JAG) __ Date: __09/23/2013__
Concurrence:  
Fernando Cossich  
USAID/Paraguay Mission Director  

Mission Clearance:  
Steven Hendrix, DMD: [Signature] Date: 9/23/13  
Elisa Zogbi, PT: [Signature] Date: 9/23/13  
Adriana Casati, PO: [Signature] Date: 09/23/13  
Shirley Zavala, MEO: [Signature] Date: 09/23/2013  

Regional Environmental Advisor Clearance:  
Jason Girard, REA: [Signature] Date: 9/23/2013