



Integrated Country Strategy

PARAGUAY

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1. Chief of Mission Priorities

Paraguay's strong ties to the United States date back almost 150 years, when U.S. President Rutherford B. Hayes arbitrated a lingering boundary dispute between Argentina and Paraguay following the War of the Triple Alliance, and ultimately awarded the territory to Paraguay in 1878. Paraguay is a reliable democratic partner of the United States, aligned with our values and our interests in regional and international fora. Paraguay stands out among its neighbors as macroeconomically stable and leads the region's economies in rebounding quickly from the pandemic. Its progressive trade policies, openness to foreign investment, low-cost energy, and economic formalization and inclusion efforts make it attractive to U.S. business – although challenges remain in Paraguay establishing a relatively transparent and level playing field for U.S. and international investment in the country.

Paraguay's next elections for the five-year terms of its president, legislature, and department governors are scheduled for July 2023. Since the 1989 end of the 35-year dictatorship by strongman Alfredo Stroessner, Paraguay has grown into an established democracy but struggles with widespread corruption and weak institutions. The Paraguayan public is disillusioned with a political class that appears to place clientelism and personal enrichment before the interests of the people. Judicial corruption and manipulation practically ensure impunity for corrupt actors. Paraguay is also highly vulnerable to criminal activity along its multiple borders, across which transit drugs, contraband, money, people, and weapons, with little impediment. The Tri-Border area is a hub for money laundering with possible links to terrorist financing connected to the Middle East. All this is fertile ground for illiberal foreign actors such as the PRC, which seeks actively to appropriate Taiwan's last diplomatic ally in South America. No less significant is the pressure placed on Paraguay's weakened infrastructure and institutions by such global challenges as adapting to the effects of climate change and grappling with the impacts of COVID-19.

Success in assisting our Paraguayan partners to counter these threats requires encouraging political will and fostering local changemakers. Embassy Asuncion wields substantial influence in Paraguay, but our efforts must be guided by the overarching objective of enabling Paraguay

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to tackle these challenges of its own volition. To this end, we will pursue an active agenda as well as seek targets of opportunity to deploy our limited resources in (1) strengthening democracy, (2) enhancing security, and (3) promoting prosperity. In support of these three goals, we will: pursue activities to maintain our status as Paraguay's prime partner of choice, provide educational opportunities and deepen people-to-people ties, provide technical assistance and development support, encourage U.S. investment and promote commercial opportunities for U.S. businesses, and assist in fostering resilience to climate change and strengthening the medical system to handle health crises.

Our strategy falls well short, however, if we do not first and foremost take care of our people. Our substantive and operational excellence correlates directly with our ability to create a diverse, respectful, welcoming, and healthy community where all are included and fairly treated, appropriately compensated, and provided opportunities for professional growth. Key to our success will be regulating the high operational tempo of our work as well as alleviating recurring and debilitating staffing shortages. We must also remedy deficiencies in our management operations to respond more effectively to the needs of our personnel.

Fortunately, our team will be able to operate from a state-of-the-art, brand-new Chancery and Embassy compound, replacing the current dilapidated building which opened in 1960. From this new vantage – and with appropriately increased staffing and resources – Mission Paraguay will be well-positioned to assist this steadfast regional partner in ensuring its strengthening democracy delivers for its people.

2. Mission Strategic Framework

Mission Goal 1: Paraguay Becomes a Stronger, More Inclusive Democracy.

- **Mission Objective 1.1:** Foster a culture of lawfulness to reduce corruption and impunity. (Incorporates PAD DO Sub-Purpose 1: Rule of Law Strengthened)
- **Mission Objective 1.2:** Increase the diversity of democratic participation in government, civil society, and the private sector.
- **Mission Objective 1.3:** Paraguay more strongly supports democratic principles in global, multilateral fora.

Mission Goal 2: Paraguay is More Secure and Resilient.

- **Mission Objective 2.1:** Protect U.S. citizens and improve Paraguay's ability to ensure secure borders.
- **Mission Objective 2.2:** Strengthen Paraguay's capacity to counter transnational threats and malign, illiberal actors.
- **Mission Objective 2.3:** Build resilience to address climate change.
- **Mission Objective 2.4:** Strengthen medical systems to handle future health crises.

Mission Goal 3: Promote Mutual Economic Prosperity.

- **Mission Objective 3.1:** Foster social and economic inclusion.
- **Mission Objective 3.2:** Improve the climate for U.S. businesses.

Management Objective 1: Improve the Mission's physical infrastructure to support modern diplomatic operations, including the transition to the new Embassy Compound (NEC) and the new Marine Security Guard Residence (MSGR), acquisition of a new Chief of Mission Residence (CMR), and sustain a safe, consistent housing pool.

Management Objective 2: Create a diverse, respectful, welcoming, and healthy community where all are included and fairly treated, appropriately compensated, and provided learning opportunities.

Management Objective 3: Improve Management operations and Mission oversight through transparency, open communication, and data driven decisions.

3. Mission Goals and Objectives

Mission Goal 1 | Paraguay Becomes a Stronger, More Inclusive Democracy.

Description | The relative stability of Paraguay's democratic government over the past 30 years cannot cause complacency in confronting the serious institutional challenges it currently faces. Much of the population feels excluded from enjoying the benefits of democratic governance due to rampant corruption and impunity that keeps power concentrated in the hands of the wealthy elite. Meanwhile, illiberal and malign actors position themselves to capitalize on this public discontent and feeling of exclusion. Strengthening Paraguay's democratic principles to promote inclusion and equity for populations marginalized under the current power structure is central to ensuring that Paraguay remains a strong, stable partner for democracy in the region.

Objective 1.1 | Foster a culture of lawfulness to reduce corruption and impunity.

- **Justification |** Corruption and impunity are challenges to democratic governance and sustainable, equitable economic development in Paraguay. Corruption and impunity erode public faith in democracy, due process, and government institutions.
- **Linkages |** This Mission Objective directly supports State-USAID Joint Strategic Plan Objective 3.3 (Combatting Corruption). It also links to WHA Joint Regional Strategy Objective 1.2 (Counter corruption and impunity to strengthen democratic institutions).
- **Risks |** Not achieving this objective threatens to undermine the Paraguayan public's faith in democracy to deliver tangible improvements to the lives of average citizens.

Objective 1.2 | Increase the diversity of democratic participation in government, civil society, and the private sector.

- **Justification |** Political power in Paraguay has historically been concentrated in the hands of a few. Broadening Paraguay's power structures to include more diverse voices from marginalized groups is central to making the government more responsive to its population's needs and improving equity.

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- **Linkages** | This Mission Objective directly supports State-USAID Joint Strategic Plan Objective 3.1 (Democracy and Governance). It also links to WHA Joint Regional Strategy Objectives 2.1 and 2.2 (Advance Racial and Gender Equity).
- **Risks** | Not achieving this objective would deny the rights of underrepresented populations to participate in, and benefit from, institutions of power equitably.

Objective 1.3 | Paraguay more strongly supports democratic principles in global, multilateral forums.

- **Justification** | Paraguay's continued support for global democratic values cannot be taken for granted as illiberal actors increase efforts to gain influence in the region. Strengthening Paraguay's support for resolutions that uphold democratic and human rights principles and a rules-based international order is critical in the fight against authoritarianism in the hemisphere.
- **Linkages** | This Mission Objective directly upholds Pillar III of the 2021 Interim National Security Strategy (Realizing and Defending Democratic Values). It also links to WHA Joint Regional Strategy Objective 1.1 (Support efforts to restore and strengthen inclusive democracy).
- **Risks** | The risks associated with not achieving this objective include decreased support for democratic principles and increased influence of authoritarian, illiberal actors in the region.

Mission Goal 2 | Paraguay is More Secure and Resilient.

Description | The ability of transnational criminal organizations to operate largely unimpeded across Paraguay's borders and launder illicit proceeds without consequence negatively impacts U.S. national security and the resilience of Paraguayan society. The vulnerability of Paraguay's critical infrastructure to the influence of malign actors further exacerbates these challenges and requires strong U.S. engagement. Furthermore, the increase of extreme weather events and inability of Paraguay's health system to effectively respond to the COVID-19 pandemic are challenges we must help the government address inclusively and equitably to protect Paraguay's most vulnerable populations and help Paraguay ensure its own security/stability.

Objective 2.1 | Protect U.S. citizens and improve Paraguay's ability to ensure secure borders.

- **Justification |** Ensuring the safety and security of Americans is our essential purpose. U.S. tourists, businesspersons, and residents in Paraguay need access to the most accurate information and robust services possible to make safe, informed decisions. Likewise, improving Paraguay's ability to control its own borders decreases the ability of transnational criminal organizations and terrorists to threaten U.S. borders or interests.
- **Linkages |** This Mission Objective upholds Pillar I of the 2021 Interim National Security Strategy (Protect the Security of the American People). It also links to the WHA Joint Regional Strategy Goal 3: A Secure Hemisphere, Objective 3.1 – Protect U.S. citizens and ensure secure borders, and Goal 3.4 of the State-USAID Joint Strategic Plan – Manage Migration.
- **Risks |** Not achieving this objective would leave U.S. citizens less safe when visiting and residing in Paraguay, thus weakening U.S.- Paraguayan economic and cultural ties. Additionally, nefarious actors could use Paraguay as a transit point for illicit activities that could harm the United States and its allies.

Objective 2.2 | Strengthen Paraguay's capacity to counter transnational threats and malign and illiberal actors.

- **Justification** | Transnational criminal organizations continue to exploit Paraguay's weak rule of law system and under-capacitated security institutions to facilitate illegal activities and launder the proceeds. Paraguay's need to modernize and develop both its critical telecommunications and maritime infrastructure are inviting targets for malign actors to gain a further foothold in the country.
- **Linkages** | This objective directly supports the WHA Joint Regional Strategy Objectives 3.3 and 3.4 (Strengthen host country resilience to malign foreign influence, Counter transnational criminal organizations and illicit networks).
- **Risks** | Not achieving this objective would embolden TCOs to use increased illicit proceeds to negatively affect the security of Paraguay and the region. Failure to robustly engage in the security and development of Paraguay's critical infrastructure networks would provide opportunities for PRC and Russia to expand influence.

Objective 2.3 | Build resilience to address climate change.

- **Justification** | Paraguay's robust agricultural industry makes it especially vulnerable to the negative effects from climate change. The increased prevalence and intensity of wildfires, drought, and declining river levels make it imperative to help Paraguay act now and build the capacity necessary to counter these threats.
- **Linkages** | This Mission Objective directly supports the 2026 State-USAID Joint Strategic Plan Objective 1.2 (Climate Change). It also links to WHA Joint Regional Strategy Objectives 5.1, 5.2, 5.3, and 5.4 involving Climate Change.
- **Risks** | Failure to achieve this objective would leave Paraguay unprepared to cope with the multiple environmental threats it faces from Climate Change, which would have a disproportionately negative impact on its most vulnerable populations, and undermine security and stability in the country.

Objective 2.4 | Strengthen medical systems to handle future health crises.

- **Justification** | The COVID-19 pandemic exposed the inadequacy of Paraguay's health care infrastructure to respond effectively to the needs of its population during a major health emergency. It also exposed the inequalities and challenges of marginalized groups to access suitable medical care.
- **Linkages** | This Mission Objective directly supports the State-USAID Joint Strategic Plan Objectives 1.1 (Leadership in strengthening global health security) and Objective 3.5 (Improve Inclusive Essential Services). It also links to WHA Joint Regional Strategy Objective 3.4 (Strengthen health and education systems and improve inclusive access).
- **Risks** | Failure to achieve this objective would leave Paraguay extremely vulnerable to the next global infectious disease outbreak, which does not end with COVID-19. It would also have a disproportionately negative impact on its most vulnerable populations, and undermine security and stability in the country.

Mission Goal 3 | Promote Mutual Economic Prosperity.

Description | A more inclusive, prosperous Paraguay is in the interest of the United States. Encouraging more of the populations' inclusion into the formal economy translates into more opportunities for U.S. businesses, as well as denies the opportunity for malign and illiberal actors to negatively influence Paraguay's development.

Objective 3.1 | Foster social and economic inclusion.

- **Justification** | Paraguay's relatively strong and stable economy does not benefit a large segment of the country's population. Much more needs done in terms of economic formalization and development to diversify economic participation and strengthen inclusion of the most vulnerable.
- **Linkages** | This Mission Objective directly supports State-USAID Joint Strategic Plan Objective 2.2 (Inclusive and Sustainable Economic Growth). It also links to WHA Joint Regional Strategy Objective 4.3 (Promote inclusive economic development).

- **Risks** | Failure to achieve this objective would cause a majority of the country's population to remain outside the formal economy and keep wealth concentrated in the hands of a select few – undermining already limited confidence in democracy and democratic values.

Objective 3.2 | Improve the climate for U.S. businesses.

- **Justification** | The United States is a relatively weak trade partner for Paraguay and represents an opportunity for increased U.S. exports. An increased U.S. presence in the private sector can prevent authoritarian, illiberal actors from gaining a platform to negatively influence Paraguay's economy.
- **Linkages** | This Mission Objective directly supports State-USAID Joint Strategic Plan Objective 2.1 (Promote a global economy that creates opportunities for all Americans.). It also links to WHA Joint Regional Strategy Objective 4.2 (Improve the climate for U.S. businesses) and 6.1 (Expand connections between U.S. and foreign institutions, organizations, businesses, and people, leveraging spheres of influence to achieve foreign policy goals).
- **Risks** | PRC, and to a lesser extent Russia, will fill the void left by the United States and have a strong platform to influence the Government of Paraguay.

4. Management Objectives

Management Objective 1 | Improve the Mission's physical infrastructure to support modern diplomatic operations, including the transition to the new Embassy Compound (NEC) and the new Marine Security Guard Residence (MSGR), acquisition of a new Chief of Mission Residence (CMR), and sustain a safe, consistent housing pool.

- **Justification** | Moving to the NEC is a seminal event for the Mission and will dramatically improve the ICASS platform. The new CMR and Marine Security Guard compound will complete the representational and security portions of the Embassy platform.
- **Linkages** | State-USAID Joint Strategic Plan Strategic Objective 4.3: Personnel, Information, and Infrastructure; WHA Joint Regional Strategy Cross-Cutting Management Objective: Build a diverse, inclusive, and dynamic workforce equipped with modern and secure tools and infrastructure; 15FAM900 Safety, Health, and Environmental Management Program Abroad; Council on Environmental Quality: Guiding Principles for Sustainable Federal Buildings and Associated Instructions
- **Risks** | The NEC is integral to achieving ICS goals. It will serve as a convening platform and showcase for the United States' commitment to Paraguay. Failure to effectively manage the transition to the new NEC compound will result in less robust collaboration, greater inefficiency in operations and policy work, and decreased morale among Mission staff.

Management Objective 2 | Create a diverse, respectful, welcoming, and healthy community where all are included and fairly treated, appropriately compensated, and provided learning opportunities.

- **Justification** | The foundation of an Embassy is its staff. Maximize the efforts of the workforce by leveraging the productivity of all employees through the creation of a welcoming and motivating work environment with ample training opportunities.
- **Linkages** | State-USAID Joint Strategic Plan Strategic Objective 4.1: Workforce; WHA Joint Regional Strategy Cross-Cutting Management Objective: Build a diverse, inclusive, and dynamic workforce equipped with modern and secure tools and infrastructure ; [E.O. 14035](#) on Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce .
- **Risks** | Failure to invest in our workforce is the largest fundamental mistake we can make. Ambitious and talented employees will seek better opportunities elsewhere with more potential for professional growth.

Management Objective 3 | Improve Management operations and Mission oversight through transparency, open communication, and data driven decisions.

- **Justification** | Improving operations and oversight can increase understanding of policies and procedures, better use taxpayer funds and support Mission goals, and reduce the possibility of misfeasance and malfeasance.
- **Linkages** | State-USAID Joint Strategic Plan Strategic Objective 4.2: Modernize IT and Leverage Data; EO 14028 Improving the Nation's Cybersecurity; 21 STATE 110168 Message from the Secretary: Modernizing American Diplomacy for the 21st Century.
- **Risks** | All employees need the proper resources to accomplish the Mission's goals. Failure to educate the community on available services and proper procedures to access them can negatively affect morale. Lack of proper oversight invites opportunities for fraud, waste, and abuse that could otherwise be prevented.