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**PARAGUAY**

# CASE STUDY

## A Municipality Gives Itself a New Image

### Committed fiscal reform helps Ñemby improve its infrastructure



Photo: Benito Fleitas

Residents celebrate the opening of a new health clinic and pharmacy in Ñemby.

***“There was a great change, a new awakening in the municipality,” said Mayor Blas Lanzoni Achinelli.***

### Challenge

Not too long ago, the Paraguayan municipality of Ñemby was struggling to regulate businesses and property, collect taxes and repair infrastructure in a way that satisfied the needs of citizens. Located 10 miles south of Paraguay’s capital Asuncion, Ñemby was facing a financial crisis like one suffered by a previous administration, which led to five months of unpaid salaries for public workers and more than \$200,000 in debt.

### Initiative

In 2001, the people of Ñemby elected a new city council and Blas Lanzoni Achinelli to a five-year term as mayor. Although Ñemby’s elected leaders are from rivaling political parties, with support from USAID, they quickly went to work engineering and implementing a

committed program of fiscal reform. The representatives appointed an administrative staff and began to reach out to an already well-organized network of neighborhood groups that was hungry for change. USAID helped the mayor’s office update Ñemby’s business and personal property records to spur better tax collection and increased community involvement. In some cases, neighborhood committees applied pressure on neighbors to pay up; a portion of that money was then reinvested in the same neighborhood.

### Results

Ñemby has turned itself around and become a model town. Tax collection increased by 120 percent in the beginning of the initiative, from \$119,900 in 2002 to \$264,700 in 2003. Half of the newly collected funds went to improve infrastructure — repaving streets, restructuring gutters, building bridges. A portion of the money went to establish a health clinic in Ñemby’s disadvantaged Cañadita neighborhood. In June 2004, the city’s progress was recognized internationally: Ñemby was named the most innovative municipal development project in Latin America by Florida International University’s Institute for Public Management and Community Service.

### Telling Our Story

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