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# COVID-19 and Beef in Paraguay

## Sustainable Intensification for Post-COVID-19 Consumer Markets

### COVID-19 in Paraguay – some facts and figures

The virus was confirmed on March 7, 2020. Three days later, the Government of Paraguay suspended school and all activities that involve groups of people. On March 20, 2020, the first death and first case of community transmission were confirmed. The Government of Paraguay has taken early and concrete actions to limit the spread of the COVID-19 pandemic. Strict lockdown measures were put in place and appear to have flattened the curve. On May 4, 2020, Paraguay implemented a “Smart Quarantine”, a gradual return to work and activities with social distancing and hygiene measures. However, the government decided to maintain the closure of borders, implement distance education classes and night-time curfew. Due to an increase in cases from 2260 to 5538 in July 2020, some departments returned back to lockdown.

In 2020, economic dynamics are expected to be severely affected by the decline in external and domestic demand, especially in services. In 2021-22 though, growth is expected to return to 4 percent. The [UNDP socio-economic assessment report on Paraguay](#) underlines that a large proportion of small and medium-sized enterprises are going out of business, and workers in the informal sector are at risk of falling into poverty. The same applies to indigenous communities, living in the Chaco area, where the Good Growth Partnership is active.

### COVID-19 and the beef supply chain

Paraguay is ranked within the top 10 beef exporters in the world and exports 60 percent of their production. After a positive beginning in 2020, beef exports from Paraguay decreased by

24 percent in April compared to the same month in 2019, and in May slaughter cattle price [decreased by more than 25 percent](#) compared to the same period last year.

By the end of July 2020, export in the beef sector had improved in volume, but prices faced a significant decrease. According to

[Senacsa](#), 121 thousand tons of frozen and refrigerated meat were sent to 44 destinations between January and June 2020. This represents a value of almost US\$500 million, which is 12 percent more than in the first semester 2019.



The high export figures were also possible because of exports to Taiwan increasing, kosher cuts resuming for export to Israel and

European markets reopening. However, there are no records yet to understand whether this improved export can offset previous losses.

## Key COVID-19 support measures in Paraguay

On 29 June 2020, the government announced their [Economic Recovery Plan](#), which aims to address not only COVID-19 related problems, but also longer-standing structural issues. Paraguay's government unveiled a budget of US\$2.5 billion. The plan seeks higher public investment to help employment, loan guarantees for informal and small enterprises and social transfers to poor households. The plan also proposes important structural reforms, including a civil service reform, a review of the fiscal responsibility law, an administrative reform of the state, and better public procurement systems. All these reforms would help boost future growth in Paraguay and the [International Monetary Fund \(IMF\) comments](#) that "there are not many countries that have come up with such a holistic plan in response to the crisis." Strategic leadership from the Paraguayan government and the private sector is crucial for ensuring the country applies a sustainable pathway in its economic recovery and avoids negative side effects on the environment throughout the reform process.

## How the Good Growth Partnership can support a resilient, sustainable and green recovery in Paraguay

The Good Growth Partnership with other institutions can pave the way to ultimately building a more resilient, sustainable

and green future. This pathway must include the protection of important forest landscapes through investments in sustainable supply chains.

**Paraguay has an opportunity to push for investments and reforms that can set the country on the road to sustainability.** One of the Good Growth Partnership's top priorities is to support the Paraguayan government to improve the regulation and enforcement of its sustainable development policies including on land use planning, best production practices and forest protection. Inclusive investment could focus on looking for ways to reduce vulnerability and increase resilience by using principles of sustainable landscape management including the identification and protection of High Conservation Value (HCV) Areas.

**Aligning economic recovery by integrating sustainable beef production with forest conservation.** The Good Growth Partnership has supported the development of the [Chaco Beef Action Plan](#). The plan provides a validated framework for environmental, social, legal, market and business-oriented solutions to problems of sustainability in the beef supply chain and can effectively guide the green economic recovery. Indigenous communities engage actively in the Plan's activities reflecting their interest in integrating a supply chain that aligns with their worldviews and vision of sustainability.

**Fostering sustainable land use in the Chaco region.** The Good Growth Partnership is reviewing legal frameworks and providing ongoing monitoring of land use, as a way

to strengthen enforcement of land use plans and support sustainable production.

**Demonstrating the business case for sustainable intensification and improving the capacity of cattle ranchers towards it.** IFC works with target cattle ranchers on sustainable intensification techniques including

**ROTATIONAL GRAZING**

**CONTROL OF FIRE ANTS AND SPITTLEBUGS**

**FIXED TIME ARTIFICIAL INSEMINATION**

**COOL SEASON SUPPLEMENTAL FODDER**

**FEEDLOT PROGRAMMES AND SANITARY PLANS**

These sustainable practices can effectively improve productivity and encourage producers to reconcile economic and environmental concerns. Additionally, UNDP supports the delivery of face to face and online – as an adaptation to sanitary risks related to COVID19 - trainings to cattle ranchers promoting agricultural-livestock integration, sustainable water management, efficient use of resources and prevention of and fire control, among many other relevant topics, all with a view to balance conservation and production. The approach supports sustainable production contributing to livelihood improvement and green economic growth, and thus to the COVID-19 recovery.

**Developing immediate response to COVID-19 and drought, working closely with indigenous communities in the Chaco region.** The partnership provides training by using local experts, focusing on resilient crops for local communities to overcome the interlinked food security, COVID-19 and drought crises. Indigenous communities are being supported to improve their productivity in productive activities. In addition, Good Growth partners are in constant communication with the local government, exchanging on needs assessments and options for communicating local issues to the central level.

**Stimulating sustainable investments.** Funds investing in companies with strong environmental, social and governance (ESG) policies have outperformed their benchmarks over recent years. From a risk management, resilience and building back better perspective, backing those companies during and after crises is the right decision to make. One example of sustainable investment alignment is the [Sustainable Finance Roundtable](#). It is a platform for the major banks of Paraguay and across the sector on exchanges related to ESG requirements for clients. It also provides possibilities to reach out to clients, to discuss ESG issues with them and identify financing opportunities. The Sustainable Finance Roundtable helps financing institutions to position themselves as experts in innovative and sustainable finance.

**Linking buyers to production impacts.** The [Trase Yearbook 2020](#) released an updated version of the [supply chain model for Paraguayan beef](#) which maps the supply chain to subnational regions and assigns deforestation risk to buyers based on the volumes they buy from regions with high deforestation. The Good Growth Partnership is now working with stakeholders in Paraguay to demonstrate how this data allowing increased transparency in the supply chain can be used to make evidence-based decisions for sustainable production, transaction and consumption patterns, fully aligned with a green economic recovery from the COVID-19 crisis.



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**Building new markets for better beef from Paraguay.** The Good Growth Partnership is evaluating international markets for sourcing criteria compatible with Paraguay's sustainable beef offerings and will promote branded Paraguayan beef to these markets, creating new economic opportunities for Paraguayan cattle ranchers and meatpackers. At a time when the economy can use a boost while being aligned with green economy concepts, this will encourage sustainable beef producers to maintain their high standards of production and provide financial incentives for doing so.

**Successful multi-stakeholder management in the COVID-19 crisis has made it clear that concerted action is possible and necessary to prevent disasters.** The Good Growth Partnership is committed to continue working within its multi-stakeholder collaboration approach in Paraguay, linking government, indigenous communities, civil society, finance institutions and the private sector to reach long-term systemic change.

Read more at: [www.goodgrowthpartnership.com](http://www.goodgrowthpartnership.com)

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