



JUNE 2021

Expert Deployment Mechanism for Trade and Development (EDM) in Paraguay

EDM in the context of Canada – Paraguay Bilateral Relations

The ongoing negotiation of a free trade agreement between Canada and Mercosur countries provides the context for EDM support to Paraguay. In addition to deepening Canada’s economic relationship with Paraguay, the agreement seeks to promote an inclusive approach to trade, ensuring the benefits are shared by all. Canada’s leading exports to Paraguay include fertilizers, machinery, precious stones, and metals, while imports from Paraguay are led by sugars, oil seeds, iron and steel, and wood products. Total bilateral product trade between Canada and Paraguay was valued at \$26M in 2020. There is tremendous room for growth and for contributing to economic prosperity in both countries. To that end, EDM support is focused on strengthening Paraguay’s capacity to engage confidently in the negotiations and its readiness to implement the obligations it deems appropriate to undertake.

EDM OBJECTIVES

Advance Canada’s trade diversification strategy.



Increase access to the benefits of trade by SMEs, women, indigenous peoples, and other underrepresented groups.



Improve the economic well-being of women and men in developing countries where Canada engages in trade or investment.



PARAGUAY’S DEVELOPMENT PRIORITIES

Paraguay’s 2030 National Development Plan establishes three strategic objectives: poverty reduction and social development; inclusive economic growth, and Paraguay’s integration in the world. These objectives integrate cross-cutting themes of equality of opportunity, efficient and transparent public management, and environmental sustainability.

EDM in Paraguay

EDM’s work in Paraguay advances the objectives and goals noted above by strengthening the capacity of trade officials to articulate negotiating positions in the Canada-Mercosur FTA negotiations and to raise public awareness of negotiating issues. In the longer term, the EDM project will provide support for the implementation of the agreement and the development of programs and services to assist Paraguayan companies to harvest opportunities created by the agreement. EDM will also help ensure that the benefits

of trade reach unrepresented groups, such as women and Indigenous peoples.

To date, EDM experts have provided technical assistance to officials in Paraguay’s Ministry of Industry and Commerce (MIC), including:

- The Information and Notification Department
- The Directorate General of Services Trade
- The Department of Foreign Trade

Anticipated results include



Improved regulations, through technical training, an updated Guide to Good Regulatory Practices, and promoting the use of Regulatory Impact Analysis



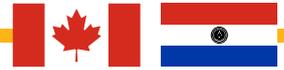
The design of a system of self-certification of origin to access preferential tariffs under Paraguay’s trade agreements



Increased awareness of services and investment disciplines in FTAs, particularly in regulatory agencies



Enhanced capacity to construct services and investment commitments in free trade agreements in the form of negative lists of non-conforming measures



Selected EDM Technical Assistance Activities

Promoting Good Regulatory Practices

This activity included an assessment of the existing regulatory system; updating Paraguay's Guide to Good Regulatory Practices; providing advice on the drafting of technical regulations and training on Regulatory Impact Analysis (RIA), including RIA pilot projects focused on infrared thermometers and road safety helmets; and, conducting a training workshop for regulatory officials on the impact of regulatory coherence on trade. EDM's technical expert also provided advice to regulatory officials on the preparation of e-learning training tools.



The RIA capacity building activities conducted as part of this TA underlined the need to differentiate among stakeholders. For instance, it is important that regulators can identify relevant stakeholders such as SMEs or indigenous groups, map them correctly, and engage with them."

—Delia Rodrigo, *EDM Expert*



So far, it has been very favourable to work with the assigned consultant. It helps and motivates us to undertake the new challenges regarding the implementation of RIA. In this regard we have the commitment assumed for its implementation."

—Patricia Echeverria, *Director, Information and Notification Department*



It is intended through this TA that we will consolidate the regulatory framework, obtain knowledge of the verification process of countries with experience, and transmit to exporters the importance and elements to consider at the time of self-certification."

—Gustavo Soverina, *Lead, Rules of Origin*

Preparing for Self-Certification of Origin

This TA provided MIC officials with an overview of self-certification systems in other countries, along with an assessment of the benefit and drawbacks of the various approaches taken. Due to this assessment, Paraguay is better positioned to determine what system is best suited to its needs.

Increasing Awareness of Services and Investment Disciplines in FTAs

This activity increased awareness of services and investment disciplines in FTAs, particularly within Paraguay's regulatory community. This was achieved through the delivery of training workshops for regulatory officials and private sector organizations on the nature and impact of services trade and investment disciplines in modern trade agreements. EDM's expert also provided recommendations for an ongoing program of information exchange between Paraguayan government agencies and their Canadian counterparts.



The training sessions and workshops have been extremely beneficial. All the participants have increased their knowledge thanks to the excellent work carried out by EDM's experts, which allows us to conclude that the negotiating capacity of national service regulators has been strengthened."

—Laura Minardi, *Directorate General for Trade in Services*



For a small, landlocked country like Paraguay, understanding the importance of enhancing the ability of firms to engage in e-commerce and export digitized services cross-border is critical for future economic development."

—Sherry Stephenson, *EDM Expert*

Drafting Schedules of Commitments for Trade in Services and Investment, in "Negative List" Format

EDM's experts provided training on the scheduling of services and investment commitments in negative list format and assisted in the drafting of schedules of commitments in five priority service sectors: communications, transportation, finance, health, and professional services.

For more information and contact details, please visit: <https://edm-mde.ca>