PARAGUAY
Inputs for Policy Convergence on Bulding Resilient Food Systems

1. **General observations:**

It important to keep in mind that the development of any document should be based on certain basic principles such as:

a) Ensuring that the recommendations are guiding and not prescriptive.
b) Explicitly reaffirming national sovereignty over food systems (each country must define its own policy; it cannot be a one size fits all approach).
c) Incorporating differentiated adaptation mechanisms for developing countries.
d) Fully recognizing the diversity of productive models.
e) Avoiding any form of standardization that overlooks the circumstances, priorities and developmental needs of each country.
f) Reaffirmation of the principles of of the principle of common but differentiated responsibilities and equity.

Additionally, the report from the HLPE-FSN is not an appropriate basis for the CFS to use on this matter. Though the report states at the beginning that it is a scientific report, it does not include the methodology use, how extensive consultations were and who participated in them. It also acknowledges it was written from an environmental and social sustainability approach, therefore not considering the third element of sustainability with is an economic perspective. A food system can't be sustainable, let alone resilient if it's not affordable.

Several of the practices and examples identified are concrete, niche examples which can not be extrapolated to different contexts or used as the basis for generalizations and conclusions. Several of the practices proposed would work well in a reduced setting but couldn't generate enough production to make a system resilient. Further the report seems to recommend relying mostly on practices related to the promotion of self sufficiency, and though dependency needs to be reduced no country can be self sufficient nor is that desirable.

To ensure systems are indeed resilient, we need to ensure that they are diets are diverse, that there is enough food for those who need to be fed and that they have access to that food. Trade is a key component to help achieve these elements, and is an overlooked element in the report which promotes only a certain type of approach, which far from scientific seems to be ideologically based and driven, including in its approach towards the incorporation of innovation and technology in agriculture.

I. **Priority Issues:** From the perspective of a small landlocked developing country, whose economy and exports are driven by the agriculture sector, the development of policy recommendations on resilient food systems should prioritize issues that directly affect productive capacity, market access, and the sustainability, in all three dimensions of rural territories.

   With this view key priority areas include:

   a. **Strengthening productive and logistical infrastructure:** productivy and resilience require sustained investments in rural transport networks, reliable energy supply, irrigation schemes, storage facilities, and digital connectivity. These foundational elements are indispensable - especially smallholders -to support technology adoption, improve market integration, and facilitate compliance with emerging standards.
   b. **Establishing enabling conditions for responsible investment:** stable, transparent, and predictable regulatory frameworks are essential to attract and retain public and

private investment in sustainable agriculture, infrastructure, and value addition. Regulatory (international) uncertainty, increasing compliance requirements, and limited access to finance pose significant constraints to resilience.

c. **Promoting science-based climate adaptation:** resilience depends on the availability and adoption of context-appropriate technologies, including drought-tolerant varieties, improved soil management practices, integrated crop–livestock systems, and climate-smart agricultural approaches. Strengthening national research institutions and extension services is critical.
d. **Safeguarding open, predictable, and science-based trade:** agricultural producers require predictably and rules and standards that are consistent with the relevant international rules, especially WTO rules and principles. Resilience includes predictable access markets and constitutes a core element of food security. SPS standards must comply with international rules to avoid protectionism, and they must be based on science, not hazard based approaches.
e. **Advancing feasible traceability requirements:** environmental requirements should be introduced gradually and supported by capacity development and financing instruments. Implementation modalities must prevent producer exclusion, particularly among smallholders. Environmental sustainability must be balanced with food security and rural livelihoods.
f. **Expanding risk management and financial instruments:** agricultural insurance, stabilization mechanisms, tailored credit facilities, and early-warning systems are essential to reduce exposure to climate-related and market-related shocks. These must, of course, alongside any other type of producer support, be consistent with the rules that govern Agriculture, especially the WTO Agreement on Agriculture and respect Members' commitments in that forum.
g. **Fostering inclusive producer organizations and cooperatives:** strengthened producer organizations contribute to enhanced bargaining power, improved compliance capacities, and more equitable access to technology, markets, and financial services.
h. **Ensuring respect for national sovereignty and diverse production models:** policy recommendations should remain non-prescriptive, acknowledging national priorities differentiated capacities, and the diversity of agricultural systems. (no one size fits all)

II. Complementary Elements In complement to the HLPE-FSN Report, additional elements merit further consideration to support equitable and effective implementation of policy recommendations:

a. **Economic and impact assessment of emerging regulatory requirements:** new traceability and due diligence frameworks entail rising compliance costs and potential negative trade effects. These may disproportionately affect producers, with risks of marginalizing smallholders and increasing food-import bills in food-deficit countries. Systematic impact assessments would inform proportionate and context-sensitive implementation.
b. **Recognition of diverse national contexts and starting points:** given the heterogeneity of food systems, policy recommendations should preserve flexibility to allow nationally adapted approaches. Uniform solutions risk undermining national development strategies and productive capacities.
c. **Strengthened international cooperation for financing and resilience:** building resilience requires substantial investment across the three dimensions of the sustainable development. Countries should have equitable access to concessional

finance, climate funds, and mechanisms that compensate positive externalities generated by sustainable agricultural practices.

d. **Promotion of accessible digital innovations:** digital technologies enhance productivity, traceability, and crisis response. However, targeted support is needed to address gaps in rural connectivity, digital, training and affordability.
e. **Enhancing legal certainty and institutional coordination:** clear and coherent frameworks regarding the rights to land, environmental regulation, and inter-agency mandates contribute to more effective decision-making and long-term resilience.
f. **Adoption of territorial and integrated approaches: r**esilience is shaped by interactions across landscapes, value chains, and communities. Territorial approaches enable integrated planning that combines infrastructure development, natural resource use and management, and local economic strategies.
g. **Upholding national sovereignty:** countries must retain the authority to define policies suited to their capacities and priorities. Recommendations should support and complement national strategies, consistent with the principles of common but differentiated responsibilities.

III. Practical Example. A national experience illustrates how coordinated, multi-stakeholder action can enhance productivity, sustainability, and inclusion. Over two decades, a partnership involving cooperatives, agribusinesses, and public institutions implemented an integrated approach that significantly strengthened the resilience and competitiveness of the food system. The initiative contributed to a twentyfold increase in agricultural GDP, a 50% reduction in poverty, and the conservation of 50% of national territory as forest cover.

a. **Progressive land mapping and regularization:** continuous cadastral surveys supported by public institutions and digital tools facilitated gradual land regularization. This contributed to improved legal certainty, more efficient resource use, and better alignment of investments with territorial planning. Regularization has been implemented gradually, with technical assistance.
b. **Capacity development for producers:** training initiatives focused on good agricultural practices, soil and water management, biotechnology, responsible forest management, and digital tools. Cooperatives played a central role as technical intermediaries and service providers.
c. **Targeted financing and credit instruments:** dedicated credit lines enabled investments in efficient technologies, productive reforestation, and rural infrastructure. Smallholders gained access to value chains and strengthened compliance with market requirements.
d. **Public–private partnerships for standards compliance:** collaboration among government agencies, cooperatives, and exporting firms strengthened sanitary and phytosanitary capacities and aligned national production with international standards without imposing excessive burdens on producers.

Results:

- Sustained access to high-value export markets and market diversification.
- Inclusion of smallholders in competitive value chains (production and export)
- Documented reductions in deforestation and improved production practices
- Enhanced resilience to climatic and market variability

These cases demonstrates that effective implementation requires coherent public policies, inclusive governance, adequate financing, and strong technical cooperation.