

# Paraguay

Partner country

Status of the project: Ongoing National Urban Mobility Policy



## Basic Information

Population: 6,960,000 | Growth rate: 3.7% (projection 2022)

Percentage of urban population: 62.9%

GDP per capita: USD \$ 4 949 (2020)

Percentage of the population living below the national poverty lines: 23.5%

Annual average infrastructure expenditures as percentage of GDP: 2.25%

Nationally Determined Contribution (NDC): no mobility/transport related NDC

National GHG emissions per capita: 1,21 (tCO<sub>2</sub>eq)(2018)

Exposure to climate change: HIGH

## Context

Paraguay is a landlocked country in South America bordered by Brazil to the east, Argentina to the south and west, and Bolivia to the north. Paraguay has 6.96 million inhabitants; Asunción is the capital and with about 522,000 inhabitants also the largest city in the country. The official languages are Guaraní and Spanish. Paraguay has an economy characterised by a large informal sector. Since the beginning of the year 2000, Paraguay has experienced a substantial reduction in poverty and shared prosperity. Paraguay is the fifth largest soybean producer in the world. Since 2014, the Paraguayan economy has grown at an average annual rate of 4% due to strong production and high world prices, at a time when other countries in the region have contracted. The country faces important challenges for the sustainability and expansion of its social achievements. Most of the population in rural areas continues to depend on family farming, which places them at a higher risk of poverty. In the country, there has been a process of migration from rural areas to the country's urban centers in search of greater opportunities for education and employment.

As a state without access to the sea, Paraguay has an important dependency on its transport and logistics infrastructure, which connect it to regional markets and international seaports. River transport is concentrated on the Paraguay River, which is where 60% of the country's foreign trade transits. Paraguay's railway system consisted mainly of a 376 km standard gauge main line that, as of 2006, all rail traffic has been suspended, except for weekly tourist steam trains and short cross-border freight trains with Argentina. Public passenger transport is therefore mainly served by the bus network. The urban transport network is extensive with a relatively good coverage of the population. Cargo transportation is basically covered by trucks, trailers and other diesel fuel consuming modes.

As for the number of the vehicle fleet, data from the National Directorate of the Vehicle Registry shows that the number of vehicles has doubled in less than 5 years to 1,922,682 in 2017. This great growth of the vehicle fleet is related to the increase in GDP per capita, urbanisation and population growth. However, Paraguay's vehicle fleet is one of the smallest

in Latin America, with a motorisation rate of around 2.8 vehicles per 10 inhabitants. Another characteristic aspect of the Paraguayan automotive sector is the used and old vehicles that are part of the automotive fleet. The transportation sector is by far the largest consumer of petroleum products in Paraguay. sectoral consumption doubled between 2007 and 2017. In relation to the fuel used, about 71% is diesel. Both gasoline and diesel fuel are required to mix; the first with ethanol and the second with biofuels. Gasoline prices are among the highest in Latin America.

Paraguay is the largest generator of hydroelectric power per capita in the world. Only 20% of electricity generation is destined for internal consumption. Electricity rates are among the lowest in the region. Almost 100% of oil products are imported and associated with high costs. For these reasons, Paraguay has a very high potential for electric mobility. Public transport has a strategic potential to be the spearhead of electric mobility through electric buses. In this context, this project aims to prioritise electric mobility in multimodal urban public transport on the Paraguayan political agenda. The main product of the project will be the consolidation of a Master Plan for Urban, Electric and Multimodal Public Transport that incorporates all actions related to electromobility in the transport sector, including public passengers and cargo transport. The development of the plan will be strengthened by training activities, the involvement of non-state actors, regional exchange, and the identification and management of appropriate financial resources for its implementation.

## Support from the Partnership

**Technical assistance:** National Urban Mobility Policy or Program (NUMP)

**Type of NUMP:** Policy NUMP

**Funded by:** European Commission

**Funding amount:** EUR 300,000

**Implemented by:** GIZ through the EUROCLIMA+ Program

**Local counterpart:** Ministerio de Obras Públicas y Comunicaciones – Viceministerio de Transporte (MOPC VMT); Ministerio del Ambiente y Desarrollo Sostenible (MADES)

### Main purpose of the NUMP:

- Promotion of electric mobility in multimodal urban public transport in Paraguay, to allow reduction of GHG and the achievement of Nationally Determined Contributions (NDCs)
- Prioritisation of electric mobility in multimodal urban public transport in the Paraguayan political agenda.

### Supported activities:

- Develop a Master Plan for Urban, Electric and Multimodal Public Transport and a Monitoring, Reporting and Verification (MRV) scheme
- Strengthen public sector capacities for the implementation of electric transport systems and establish regional cooperation
- Involve non-state actors in the implementation of electric transport systems promoted by the Master Plan
- Identify strategic electric mobility pilot projects and potential funding sources

## Status of implementation

**Project start date:** 2021 Q3

**NUMP expected completion date:** 2023

**Completed outputs:**

- Development and validation of the EUROCLIMA+ project concept
- Pre-study in preparation for the NUMP
- Recruitment of consultancy for the elaboration of the NUMP

**Next expected outputs:**

- Master Plan for Urban, Electric and Multimodal Public Transport and Logistics
- Monitoring, Reporting and Verification Scheme (MRV)
- Capacity development and training courses with local counterparts
- Information and awareness campaign on sustainable urban mobility and electrification of transport, including implementation of a website platform
- Roadmap for the implementation of strategic pilot projects

## NUMP key measures, leveraged financing and projected impact

Deliverables or specific information are not available at this stage of the process.

*Due to the limited availability of new or aggregated data, the factsheet has only marginally been updated in 2023.*