



I. INSTITUTIONAL BUILDING / NATIONAL ANTI-DRUG STRATEGY

Paraguay approved a National Anti-Drug Plan in February 2001 that runs through 2005. The Plan is coordinated by the National Anti-Drug Secretariat (SENAD), and establishes development in the following areas: institutional strengthening, drug demand reduction, supply reduction, and control measures.

SENAD is under the authority of the Office of the President and is part of the General Expenditure Budget of the Nation. The SENAD has an independent budget which comes from a government assignment from the General Expenditure Budget. The planning of activities was based on budget resources which covered the different areas. However, following its examination in the plenary and in budget committee, the Congress reduced the budget by approximately 50% to an approved budget of US\$1,444,340. In light of this, it expanded the participation by municipalities and NGO's and proposed sharing projects among countries in the region.

On April 4, 2001, Paraguay ratified the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials (CIFTA). The Inter-American Convention on Mutual Assistance in Criminal Matters and the UN Convention against Transnational Organized Crime and its three Protocols are pending ratification.

In July 2001, the officials responsible for the Paraguayan Drug Observatory were appointed; that organization is in the implementation phase and is responsible for collecting statistical data, through the Inter-American Uniform Drug Use Data System (SIDUC) methodology. It has completed its first study on students. This is in compliance with the recommendation from the First Evaluation Round 1999-2000 which calls for the development of systems to make it possible to evaluate the different spheres linked to demand reduction, supply reduction, and control measures.

RECOMMENDATIONS:

1. **REITERATE THE RECOMMENDATION FROM THE FIRST EVALUATION ROUND 1999-2000 TO RATIFY THE INTER-AMERICAN CONVENTION ON MUTUAL ASSISTANCE IN CRIMINAL MATTERS.**
2. **RATIFY THE UN CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME AND ITS THREE PROTOCOLS.**

II. DEMAND REDUCTION

The National Anti-Drug Plan of Paraguay covers the activities of demand reduction, specifically primary prevention, treatment and rehabilitation. Nonetheless, to be comprehensive, the approach still needs to provide for social reinsertion as the final step in the treatment and rehabilitation process. SENAD authorities have expressed concern over this issue and consider it a pending matter to be overcome within two years. It currently is taking initiatives, mainly with the Ministry of Health, to move this final stage of the process forward. A two-year period is anticipated taking into account the pre-election year in the country.

Paraguay reports on the development of prevention programs for students, working minors and prisoners. CICAD considers it important to record information from prevention projects on drug use in key populations such as students, working minors, and prisoners.

There are national prevention training programs for teachers, youth leaders, and parents and municipal training programs for health workers, police officers, prison guards, and the media.



PARAGUAY

CICAD considers it important to record information on the coverage of the training programs conducted.

Paraguay has public and private resources for outpatient and inpatient addiction treatment. The State runs detoxification services. Paraguay is in the approval phase for a decree issuing care regulations, including the mandatory minimum standards. Paraguay has complied with the recommendation from the First Evaluation Round 1999-2000 to carry out drug treatment and rehabilitation programs as well as the implementation of minimum standards of care. Paraguay has not yet developed a network to support early detection and timely referral of cases for treatment.

The government has a national registry of services and programs and instruments for Ministry of Health accreditation. Joint commissions of the Ministry of Health and National Drug Commission verify compliance with the standards of care, which are in the final phase of approval.

The country did not provide data on prevalence studies in the general population. There are estimates for specific populations, such as high school students in 2001, that provide data on use of legal and illegal drugs. The country indicated that it does not have data on morbidity and mortality.

RECOMMENDATIONS:

- 1. CARRY OUT HOUSEHOLD SURVEYS IN ORDER TO OBTAIN DATA ON PREVALENCE OF DRUG CONSUMPTION AMONG THE GENERAL POPULATION.**
- 2. EVALUATE THE COORDINATION AND TRAINING OF THE BIOMEDICAL STATISTICAL SERVICES THAT FILL IN THE MORBIDITY AND MORTALITY INDICATORS, SO AS TO OBTAIN MORE SPECIFIC INFORMATION ON THE IMPACT OF DRUGS IN CARE SERVICES.**

III. SUPPLY REDUCTION**A. Drug Production and Alternative Development**

Paraguay has marijuana crops in forested areas from which it is easy to leave for bordering countries. The plantations have a high yield (1 hectare = 3.000 kgs.) and the varieties produced have a high THC content.

The area cultivated rose from 500 has. in 2000 to 1,500 has. in 2001. The country reports an area of 6,000 hectares currently under cultivation, although it suspects that the area is even greater. In this regard, the country will attempt to implement a program, for which it is now fundraising, to determine the total surface area under cultivation. In addition, an enormous effort by the country resulted in an increase in the area of destroyed plantations; this figure went from 579.5 hectares in 2000 to 932 hectares in 2001, and had already reached 1,159 hectares as of August 2002. Despite this initiative, the growing area under cultivation is an increasingly serious problem. In this regard, the country reports that it has completed a pilot alternative development project with encouraging results. Nonetheless, at this stage, it is necessary to design and implement an integral development strategy. The experience gleaned from the pilot program doubtlessly will play a key role in this stage.



DESTRUCTION OF MARIJUANA PLANTATIONS BY YEAR

	U. MEAS.	YEAR 2000	YEAR 2001	YEAR 2002*
Marijuana Plant	(Hectares)	579.500	932.001	1,159,000
Estimated Production	(Kg.)	1,738,500	1,864,002	2,351,000

*data up to August 2002

There was also an increase in abandoned plantations (from 450 has. in 2000 to 600 has. in 2001). However, these figures are restricted in their coverage given the lack of better technical and financial conditions for detection of these plantations.

In terms of displacement or new trends in Paraguay, the government acknowledges the fragility of its systems for controlling land and air channels and waterways. For example, the air space control system does not have adequate, up-to-date means. The Paraguayan Chaco region and much of the eastern region do not have radar.

Paraguay has placed strong emphasis in the National Anti-Drug Plan on alternative development programs, which account for 67.5% of the proposed budget. However to date it has only had resources for a pilot alternative development program; it was essentially an agricultural and agro-industrial program in 2001 and 2002. Although it is an experiment, the pilot program constitutes progress in fulfilling the recommendation from the First Evaluation Round 1999-2000.

B. Supply Reduction and Control of Pharmaceutical Products and Chemical Substances

Paraguay does not export controlled chemical substances and therefore does not send pre-export notifications. None of the notifications received from other countries were rejected, but they did lead to one investigation in 2001. The country reported that it did not have data on seizures of controlled chemical substances. No laboratories for producing illicit substances have been detected in recent years.

The Ministry of Public Health, through the National Health Surveillance Office (DINAVISA), is responsible for controlling and preventing the diversion of controlled chemical substances. The main problems encountered by Paraguay for effective control in this area are technical and financial limitations and an insufficient legal framework for coordination among control institutions.

The country reported that there are formal mechanisms in place to evaluate the efficacy of the national entities responsible for controlling pharmaceuticals and controlled chemical substances, such as DINAVISA, SENAD, and the recently created Anti-narcotics Operations Office (DOA) which replaced the National Narcotics Office (DINAR) in order to improve and optimize SENAD's operational area. However, there are no formal mechanisms to evaluate the effectiveness of the mechanism to control the use and distribution of pharmaceuticals by authorized health professionals. Similarly, there are no such mechanisms to evaluate the effectiveness of information exchanges and cooperation among national authorities responsible for controlling pharmaceuticals and controlled chemical substances.

It also indicated that the institutions responsible for information exchanges on pharmaceuticals and controlled chemical substances should exchange information but fail to do so adequately and lack evaluation mechanisms. However, Paraguay informs that it is holding meetings between the public and private sectors to try to implement a system not only to exchange information, but also to record, compare, and evaluate data and information on controlled chemicals and pharmaceuticals. The country reports that preparations are in the final phase and that the system should be operational in the first half of 2003.



Moreover, the authorities indicated that the new draft drug legislation includes legal definitions related to the monitoring and/or distribution of pharmaceuticals that could have a positive impact on the situation.

RECOMMENDATIONS:

- 1. STRENGTHEN WITH SUFFICIENT RESOURCES THE AIRSPACE, LAND, AND WATERWAY CONTROL SYSTEM IN DRUG TRANSIT ZONES IN BORDER AREAS.**
- 2. IMPLEMENT AN INTEGRAL ALTERNATIVE DEVELOPMENT PLAN.**
- 3. IMPROVE THE LEGAL FRAMEWORK RELATED TO THE COORDINATION OF INSTITUTIONS RESPONSIBLE FOR CONTROL, PARTICULARLY OF PHARMACEUTICALS AND CONTROLLED CHEMICAL SUBSTANCES.**

IV. CONTROL MEASURES

A. Illicit Drug Trafficking

While the number of cocaine hydrochloride seizures has fallen in recent years, the quantities of the drug seized remained relatively stable; for marijuana both rose, increasing from 51,110 Kg of cannabis leaf in 2000 to 93,957 Kg in 2001. Similarly, the quantity of cannabis resin seized jumped from 1.4 kilos to 18.4 kilos in the same period. Paraguay reported the seizure in 2002 of a shipment of crack and heroin (1 and 8 kilos respectively), which was considered by the country to be an isolated event. CICAD considers it important to record information concerning the increase registered and the detection of new substances.

Information is not available for persons arrested, charged, and convicted for illicit drug trafficking and possession, given the shortcomings in channels of communication with the Public Ministry and the Judicial branch as well as among the competent institutions. The country indicated that in 2002 it is strengthening the receipt and transmittal of data and institutional reports.

Regarding corruption, Paraguay indicated that it expanded the laws that criminalize corruption offenses in Law No. 1626 of December 2000 and ratified the Inter-American Convention Against Corruption. In this area it again pointed to the difficulties mentioned above regarding insufficient exchanges with the judiciary, which has led to the lack of records on officials convicted of corruption.

B. Firearms and Ammunition

In Paraguay, the entities responsible for controlling the diversion of firearms are the War Materials Office (DIMABEL) and the National Police, which are coordinated by an interagency committee.

Regarding the reach of the entities that control the diversion of firearms, ammunition, and related materials, Paraguay ratified the Inter-American Convention on this matter, and several executive decrees and ministerial resolutions set forth regulations on internal registration and control and on imports. These regulations have made it possible to deny access to some irregular shipments.

SENAD authorities flagged the gaps in registries, due to insufficient technical resources, as a problem. They also mentioned the need for cross-referenced controls with other countries. The country reports that there is no record keeping system for the exportation or in-transit of firearms and ammunition, however there is such a system for their importation. Regarding the registry of



firearms and ammunition in-transit, the War Materials Office of the Ministry of Defense is the entity responsible for the registry throughout the national territory.

No information is available on records of persons arrested, charged, or convicted for diversion of firearms, ammunition, explosives, and related materials.

C. Money Laundering

Regarding money laundering programs, Paraguay has a Financial Analysis Unit of the Secretariat for Money or Asset Laundering Prevention (SEPRELAD) and an Investigation of Financial Crimes Unit, which is under the authority of SENAD. It received 314 suspicious transaction reports in 2001 and 56 in 2002 on which it conducted 20 investigations in 2001 and 7 in 2002. Based on those investigations, 8 criminal proceedings were launched in 2001, but there were no convictions. The country also did not report any sanctions.

Bank secrecy can be lifted in Paraguay. There is an entity for administering confiscated assets, although goods seized in this regard were not recorded. The financial analysis unit is associated with the Egmont Group, while Paraguay is part of the South American Financial Action Task Force (GAFISUD).

Paraguay informs of 3 persons charged for money laundering in the year 2001. No convictions were recorded for these offenses. Regarding the scope of laws on financial institutions requiring the reporting of suspicious transactions, implementation of some measures in banks and financial institutions is still pending (know-your-client and know-your-employee policies and independent audits).

There were no requests for extradition for money laundering and no requests to freeze assets in money laundering cases or to lift bank secrecy. Five prosecutors were trained in two years on this topic and eight administrative officials in three years. No judges were trained.

SENAD indicated that the scope of money laundering laws and the operational sphere in Paraguay is limited by an inefficient system at the interagency level and/or the level of coordination of operations to control and investigate irregular cases.

RECOMMENDATIONS:

- 1. STRENGTHEN THE INTER-AGENCY CHANNELS OF COMMUNICATION AMONG THE NATIONAL POLICE, ATTORNEY GENERAL'S OFFICE, AND MINISTRY OF JUSTICE, SETTING UP A REGISTER OF THE NUMBER OF PERSONS CHARGED AND CONVICTED FOR ILLICIT DRUG TRAFFICKING AND RELATED OFFENSES.**
- 2. REITERATE THE RECOMMENDATION FROM THE FIRST EVALUATION ROUND 1999-2000 TO CREATE A REGISTER FOR RECORDING THE NUMBER OF PERSONS CHARGED AND CONVICTED FOR ILLICITLY MANUFACTURING, TRAFFICKING, EXPORTING OR IMPORTING FIREARMS AND AMMUNITION.**
- 3. CONTINUE TO STRENGTHEN THE ADMINISTRATIVE CONTROL MEASURES FOR MONEY LAUNDERING, BY INTRODUCING, INTER ALIA, KNOW-YOUR-CLIENT POLICIES.**
- 4. EXTEND TRAINING ON MONEY LAUNDERING TO INCLUDE JUDGES AND TO REACH MORE PROSECUTORS AND JUDICIAL OFFICIALS.**
- 5. EVALUATE THE OPERATION OF THE CURRENT CONTROL AND INVESTIGATION MECHANISM IN THE LEGAL FRAMEWORK FOR MONEY LAUNDERING.**



V. CONCLUSIONS

CICAD recognizes Paraguay's efforts in the area of demand reduction, progress in making the Paraguayan Drug Observatory operational, and application of the Inter-American Uniform Drug Use Data System (SIDUC), which illustrates how the country is supporting the evaluation of measures taken in this area.

The common denominator of the various questions covered in the report is that the country is endeavoring to move beyond a level of action focused on institutions and raise it to the national level.

The country is encouraged to continue to support efforts in the area of demand reduction, to work on evaluation, and to bring about a redistribution of resources (affected by budgetary constraints) through complementarity with other actors, such as municipalities and NGOs. In the area of supply control and control measures, the scope of national action appears to be related both to the effort to obtain updated technologies and information systems and the readiness of institutions to coordinate joint actions and share their resources.

The report indicates a need for Paraguay to resolve the issue of cooperation for inter-institutional and intersectoral exchange to enable the country to take action in both drug reduction programs and drug supply control.

CICAD acknowledges the country's collaboration in this MEM evaluation round.



SUMMARY OF RECOMMENDATIONS

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2. RATIFY THE UN CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME AND ITS THREE PROTOCOLS.
3. CARRY OUT HOUSEHOLD SURVEYS IN ORDER TO OBTAIN DATA ON PREVALENCE OF DRUG CONSUMPTION AMONG THE GENERAL POPULATION.
4. EVALUATE THE COORDINATION AND TRAINING OF THE BIOMEDICAL STATISTICAL SERVICES THAT FILL IN THE MORBIDITY AND MORTALITY INDICATORS, SO AS TO OBTAIN MORE SPECIFIC INFORMATION ON THE IMPACT OF DRUGS IN CARE SERVICES.
5. STRENGTHEN WITH SUFFICIENT RESOURCES THE AIRSPACE, LAND, AND WATERWAY CONTROL SYSTEM IN DRUG TRANSIT ZONES IN BORDER AREAS.
6. IMPLEMENT AN INTEGRAL ALTERNATIVE DEVELOPMENT PLAN.
7. IMPROVE THE LEGAL FRAMEWORK RELATED TO THE COORDINATION OF INSTITUTIONS RESPONSIBLE FOR CONTROL, PARTICULARLY OF PHARMACEUTICALS AND CONTROLLED CHEMICAL SUBSTANCES.
8. STRENGTHEN THE INTER-AGENCY CHANNELS OF COMMUNICATION AMONG THE NATIONAL POLICE, ATTORNEY GENERAL'S OFFICE, AND MINISTRY OF JUSTICE, SETTING UP A REGISTER OF THE NUMBER OF PERSONS CHARGED AND CONVICTED FOR ILLICIT DRUG TRAFFICKING AND RELATED OFFENSES.
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