

RECOMMENDATION 1:

**REITERATE THE RECOMMENDATION FROM THE FIRST EVALUATION ROUND 1999-2000 TO RATIFY THE INTER-AMERICAN CONVENTION ON MUTUAL ASSISTANCE IN CRIMINAL MATTERS**

PUBLICATION DATE: JANUARY 2001  
REITERATION DATE: JANUARY 2003

Paraguay reports that this reiterated recommendation to ratify the Inter-American Convention on Mutual Assistance in Criminal Matters is in progress. The country indicates that the Optional Protocol was approved pursuant to Law 2192 of 2003, and predicts that the Executive Branch soon will enact the decree required for ratification of the Convention.

CICAD urges Paraguay to complete ratification of the Inter-American Convention on Mutual Assistance in Criminal Matters, a recommendation made in the First Evaluation Round 1999, if possible by the end of 2004.

RECOMMENDATION 2:

**RATIFY THE UN CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME AND ITS THREE PROTOCOLS**

PUBLICATION DATE: JANUARY 2003

Paraguay reports that the Convention and its three Protocols were approved by Law N° 2298 of November 25, 2003. The country informs that only the Promulgation Decree of the Executive Power is lacking, following deposit of the instrument.

CICAD urges Paraguay to formalize its ratification of the Convention and its three Protocols, depositing the respective instrument.

RECOMMENDATION 3:

**CARRY OUT HOUSEHOLD SURVEYS IN ORDER TO OBTAIN DATA ON THE PREVALENCE OF DRUG CONSUMPTION AMONG THE GENERAL POPULATION**

PUBLICATION DATE: JANUARY 2003

Paraguay reports that the National Household Survey is underway and has been designed to obtain a more complete panorama of the problem of drug use in the country, based on The Inter-American Drug Use data System (SIDUC's) methodological framework.

The country reports that all data updating tasks were completed by December 15, 2003. They are currently at the data processing stage, estimated to have been completed by the end of the first quarter of 2004.

The country reports that it requested and obtained assistance from CICAD for implementation of this Recommendation.

CICAD recognizes the significant progress made by Paraguay and encourages the country to continue its work in order to fulfill this recommendation.

**RECOMMENDATION 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****PUBLICATION DATE: JANUARY 2003**

Paraguay reports that the implementation of this Recommendation is in progress. The country highlights achievements such as the formulation, approval, and implementation of the Minimum Standards of Care for Drug Dependents, the accreditation of service providers, the training of supervisory staff, the incorporation of the ICD/10 and its implementation by some service-providers in the metropolitan area and at the subnational level, and the incorporation of the FUNDASALVA/CICAD system.

The country indicates that it still has to process the morbidity findings of the National Household Survey, as well as total coverage of health center accreditation and the permanent acquisition of the FUNDASALVA/CICAD system, along with the respective computer resources for its use in the public and private sectors and in civil society. The entire process should be finalized in mid-2004. To this end, the country reports that it has requested and obtained financial and technical assistance from CICAD, but that it needs additional resources for computers and training in software use and biomedical statistics.

CICAD recognizes the progress made by Paraguay and encourages it to continue evaluating the coordination and training of biomedical statistics services.

**RECOMMENDATION 5:****STRENGTHEN WITH SUFFICIENT RESOURCES THE AIRSPACE, LAND, AND WATERWAY CONTROL SYSTEM IN DRUG TRANSIT ZONES IN BORDER AREAS****PUBLICATION DATE: JANUARY 2003**

Paraguay reports that it has increased the number of personnel and vehicles for land-based control in border areas with Bolivia (Chaco Paraguayo), and has stepped up airport security in the country.

It should be noted that in compliance with the provisions of Resolution No.1373/2001 of the United Nations Security Council, the Airspace Control System and the National Committee on Civil Aviation Security have been strengthened.

Nonetheless, Paraguay indicates that strengthening airspace, land, and waterway control systems is an ongoing activity and reports that it lacks the resources for full compliance with this Recommendation. To this end, the country indicates the need for more logistical support and expanded control infrastructure, for which it requests technical and financial assistance, equipment and training.

Paraguay reports that, with regard to strengthening waterway controls, the Naval Prefect's office carries out routine controls that lack the participation of specialized, qualified personnel in illicit drug trafficking control. The country highlights the need to receive logistical and financial assistance for this purpose.



CICAD acknowledges the progress made in complying with this recommendation, and encourages the country to continue strengthening the transit area control system with resources.

#### RECOMMENDATION 6:

### **IMPLEMENT AN INTEGRAL ALTERNATIVE DEVELOPMENT PLAN**

**PUBLICATION DATE: JANUARY 2003**

Paraguay reports the existence of a National Plan that includes the subject of alternative development. However, the country reports that the National Anti-Drug Secretariat (SENAD) has promoted the signing of agreements in order to implement an integral alternative development plan. Paraguay indicates that it will continue to work towards the execution of specific projects and accessing funding sources.

The country indicates that fundraising and arrangements for implementation of specific projects will not move ahead until mid-2004, and implementation will begin at the end of 2004 or in early 2005. Lastly, the country states that it requires technical and financial assistance, equipment, and training, in addition to the contributions it has received from the Inter-American Development Bank (IDB) to the National Anti-drug Plan.

CICAD recognizes the progress made by Paraguay towards compliance with this Recommendation and encourages the authorities to continue their efforts to implement an integral alternative development plan as foreseen by the end of 2004 or early in 2005.

#### RECOMMENDATION 7:

### **IMPROVE THE LEGAL FRAMEWORK RELATED TO THE COORDINATION OF INSTITUTIONS RESPONSIBLE FOR CONTROL, PARTICULARLY OF PHARMACEUTICALS AND CONTROLLED CHEMICAL SUBSTANCES**

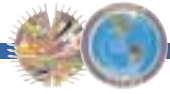
**PUBLICATION DATE: JANUARY 2003**

Paraguay reports the enactment of Decree 18425/02 updating lists I, II, III and IV of the INCB and tables I, II and III of Article 12 and its Annex to the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988. It also informs of the implementation of Decree 18425/02 regarding the import and export of medications subject to control under Law 1340/88 and of precursors and essential chemicals.

In order to comply fully with this recommendation, the country reports a need to have information technology systems, training, and human and financial resources to enable it to coordinate the work of the different institutions that are involved.

Likewise, Paraguay reports an improvement in coordinating the control of pharmaceutical products and controlled chemical substances since the meetings convened by the SENAD, which raised awareness of the need to coordinate the work of individuals and groups.

CICAD recognizes the progress that Paraguay has made in this area, and encourages the country to implement the legal framework related to coordination of the institutions involved in controlling pharmaceutical products and controlled chemical substances.



RECOMMENDATION 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**

PUBLICATION DATE: JANUARY 2003

Paraguay reports that it is launching a collaborative effort between the National Police, the Public Ministry, and the Ministry of Justice in order to create a nationwide information system. It also reports the existence of a Management Group (Grupo de Gestión), formed in 2002, comprising representatives of various entities including two of those mentioned.

With respect to the register of the number of persons charged and convicted, it reports the existence of a computerized system (Salinas Software) to create a database on prisons and seized drugs. It also indicates that it has been able to coordinate data collection among the agencies involved. However, it mentions that implementation of the register is contingent upon obtaining technical and financial resources. Therefore, it requests technical and financial resources, equipment and training in order to put this Recommendation into effect. Lastly, the country recognizes that it has not found an adequate mechanism for collecting data from the Public Ministry and the Judiciary.

CICAD recognizes Paraguay's progress in obtaining systematized information at the police level. It urges the country to establish adequate communication channels between the Public Ministry and the Ministry of Justice in order to create an efficient register of people charged and convicted.

RECOMMENDATION 9:

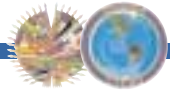
**REITERATE THE RECOMMENDATION FROM THE FIRST EVALUATION ROUND 1999-2000 TO CREATE A REGISTER FOR RECORDING THE NUMBER OF PERSONS CHARGED AND CONVICTED FOR ILLICITLY MANUFACTURING, TRAFFICKING, EXPORTING, OR IMPORTING FIREARMS AND AMMUNITION**

PUBLICATION DATE: JANUARY 2001  
REITERATION DATE: JANUARY 2003

Paraguay reports that it has adjusted and distributed its Salinas software for the creation of a database in this area. However, it indicates that it still lacks the computer resources and human resource training necessary for compliance with this recommendation.

The country states that, although said software makes it possible to extract information, it is for the sole use of the National Police. Likewise, it points out that the Justice Department and Judicial Branch have not been able to obtain information on this matter.

CICAD expresses its concern over the lack of progress in the fulfillment of this recommendation, assigned to the country since the First Evaluation Round 1999-2000, and urges Paraguay to fulfill the recommendation, if possible by the end of 2004.



RECOMMENDATION 10:

**CONTINUE TO STRENGTHEN THE ADMINISTRATIVE CONTROL MEASURES FOR MONEY LAUNDERING, BY INTRODUCING, INTER ALIA, KNOW-YOUR-CLIENT POLICIES**

PUBLICATION DATE: JANUARY 2003

Paraguay reports that the administrative control measures in the area of money laundering are governed by Law 1015/97, which establishes, among other things, the obligation to identify customers, means for identification (including mandatory ones), the obligation to keep records, and the obligation to report any suspicious operations.

With regard to customer recognition policies, the country reports that, beyond what is established in Law 1015, Paraguay reports that Resolution N° 245/97 of the Superintendency of Banks, under the Central Bank of Paraguay (BCP) regulates the use of the transaction report that is mandatory for entities included in Art. 1° of Resolution N° 2 Act N° 84, dated May 2, 1997, issued by the Executive Board of the BCP, for identification of people conducting transactions. This Resolution includes a model form, which is applicable to all loans and deposit and contingency operations with a value of over US\$10,000, its equivalent in guaraníes or in other currency, subject to the exceptions provided in Law 1015.

On the other hand, it also reports that it currently is studying the reform of Law 1015/97 to prevent and suppress illicit acts for the purpose of laundering money or assets, the approval and enactment of which is expected to be completed during 2004. The draft in question would introduce penal sanctions for not observing administrative controls.

CICAD expresses its satisfaction for the full implementation of this recommendation.

RECOMMENDATION 11:

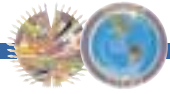
**EXTEND TRAINING ON MONEY LAUNDERING TO INCLUDE JUDGES AND TO REACH MORE PROSECUTORS AND JUDICIAL OFFICIALS**

PUBLICATION DATE: JANUARY 2003

Paraguay reports that no training seminars have been offered to judges, prosecutors, or administrative officials on money laundering. However, the country does report the training in Colombia of one prosecutor of financial crimes as part of a seminar pre-established by GAFISUD and the National Anti-Narcotics Plan of Spain. Likewise, Paraguay reports that CICAD has been contacted with a view to signing agreements enabling judges, prosecutors and officials to take refresher courses in the recommended subject.

The country reports that it needs assistance in the area of training in order to implement the recommendation.

CICAD encourages the country to comply with this recommendation, extending training on money laundering to judges, prosecutors, and judicial officials.



## RECOMMENDATION 12:

### **EVALUATE THE OPERATION OF THE CURRENT CONTROL AND INVESTIGATION MECHANISM IN THE LEGAL FRAMEWORK FOR MONEY LAUNDERING**

PUBLICATION DATE: JANUARY 2003

The country reports that the National Anti-Drug Secretariat (SENAD) has drafted a bill for the reform of Law 1015/97 which prevents and suppresses illicit acts for the purpose of legitimizing money or assets, to make it possible to obtain convictions for the offense of money or assets laundering without a prior conviction for the precedent offense. This bill has been presented to the authority with jurisdiction over this area, SEPRELAD, which will present it to the Congress as a bill.

The country reports that, with the approval of the draft reform of Law 1015/97, improvements would be introduced in the operations of the control and investigation mechanism for money laundering, including the establishment of autonomy for the crime of money laundering, expansion of the list of obliged subjects, creation of a Fund for the Fight against money laundering, and establishment of special investigation techniques.

CICAD recognizes the progress made by Paraguay in complying with this recommendation and encourages the country to ensure that the law enter into effect during 2004.

## CONCLUSIONS

Paraguay has shown progress in implementing the recommendations made in the Second Evaluation Round, although the country should continue working towards full compliance of those recommendations still not fulfilled.

With regard to international conventions, although some progress has been made, there are still some actions pending which are expected to be ratified in the short term, especially the Inter-American Convention on Mutual Assistance in Penal Matters, a recommendation made from the First Evaluation Round 1999-2000.

The country has made conclusive progress in carrying out the National Household Survey and introducing administrative control measures in the area of money laundering.

On the other hand, efforts are recognized towards the coordination and training of biomedical statistics services, strengthening the control system in drug transit areas, improving the legal framework regarding coordination of institutions in charge of controlling pharmaceutical products and controlled chemical substances, and evaluating the money laundering control mechanism.

The country has pending the application of an Alternative Development program, to substitute marihuana crops, which have extended to several areas of the country.

Finally, serious difficulties are seen with regard to strengthening channels of inter-institutional communication among agencies especially between the Public Ministry and Judicial Branch, which presents difficulties in establishing registers of persons tried and convicted both for illicit trafficking of drugs and related crimes, as well as for the manufacture, trafficking, exportation and importation of firearms and ammunition.