

MEM

Multilateral Evaluation Mechanism

Inter-American Drug Abuse
Control Commission
(CICAD)

Secretariat for
Multidimensional
Security
(SMS)

Paraguay

**EVALUATION OF
PROGRESS IN
DRUG CONTROL**

2007-2009



Organization of
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ORGANIZATION OF AMERICAN STATES
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 - Training Academy for Special Agents
 - Directorate of National and International Cooperation
 - Directorate of Operations
 - Department of Records and Investigations
 - Directorate of Administration and Finance
 - Directorate of Alternative Development
 - Directorate of Treatment and Rehabilitation
 - Paraguayan Drug Observatory (OPD)
 - Directorate of Integral Prevention
- Ministry of Foreign Affairs
 - Directorate of Treaties
- Ministry of Defense
 - Directorate of War Material (DIMABEL), Department of Arms Registration
- Ministry of Public Health and Social Welfare
 - National Addiction Control Center
 - Department of Drugs and Psychotropic Substances
 - Directorate of National Health Surveillance
- Public Prosecutor's Office
 - Specialized Unit against Narcotrafficking
- National Police
 - Department of Narcotics
- Secretariat for the Prevention of Money Laundering (SEPRELAD)
- Metropolitan University of Asuncion
- National Customs Directorate
- National Navigation and Port Administration (ANNP)



PREFACE

The Multilateral Evaluation Mechanism (MEM) is a diagnostic tool designed by all member states of the Organization of American States (OAS) to periodically carry out comprehensive, multilateral evaluations of the progress of actions taken by member states and by the hemisphere as a whole, in dealing with the drug problem. The Inter-American Drug Abuse Control Commission (CICAD), of the Secretariat of Multidimensional Security, an OAS specialized agency, implemented this Mechanism in 1998, pursuant to a mandate from the Second Summit of the Americas held in Santiago, Chile in 1998.

The MEM is not only an evaluation instrument, but has also become a vehicle for disseminating information on the progress achieved by individual and collective efforts of OAS member state governments, catalyzing hemispheric cooperation, promoting dialogue among member state government authorities and precisely channeling assistance to areas requiring greater attention by optimizing resources. The MEM process itself is assessed by the Intergovernmental Working Group (IWG), comprised of delegations from all member states, which meets before the onset of each MEM evaluation round to review and strengthen all operational aspects of the mechanism, including the indicators of the evaluation questionnaire.

National evaluation reports are drafted by experts from each member state, with experts not working on their own country's report, guaranteeing the transparent multilateral nature of the MEM. Each chapter is based on countries' responses to a questionnaire of indicators covering the main thematic areas of institution building, demand reduction, supply reduction and control measures as well as subsequent comments and updated information provided by the government-appointed coordinating entities.

This report covers the full country evaluation for the MEM Fifth Round evaluation period 2007-2009. The follow-up report on the implementation progress of recommendations assigned to the country will be published in June 2012. All MEM reports can be accessed through the following webpage: www.cicad.oas.org



INTRODUCTION

Paraguay, one of the two landlocked countries in South America, has a surface area of 406,750 km² and 3,920 km of borders (Argentina, 1,880 km; Bolivia, 750 km; and Brazil, 1,290 km). The country has a population of 6,451,122 (projection 2010), its main ethnic group is mestizo and its literacy rate is 94.3%. Paraguay is a constitutional republic where the President is both chief and head of government. The country's gross domestic product (GDP) is US\$2,350, according to information from Paraguay's Central Bank, 2009. The country is an important producer of soybean and beef.

I. INSTITUTIONAL STRENGTHENING

A. National Anti-drug Strategy

Paraguay does not have a National Anti-drug Plan. The framework for its anti-drug activities is specified in Decree 1806/2009, dated April 15, 2009, which defines the National Drug Strategy Policy Objectives and Guidelines.

The National Anti-drug Secretariat (SENAD) is the national anti-drug authority, created in 1991. SENAD is a cabinet-level secretariat reporting to the Office of the President of the Republic and is responsible for coordinating the following areas: demand reduction, supply reduction, alternative, integral and sustainable development programs, control measures, drug observatory, international cooperation and chemical products. However, the country indicates that SENAD does not coordinate program evaluations.

SENAD has its own annual budget, which is financed through allocations from the Treasury, funds from confiscated properties for capital investment, and contributions from civil society. Budgetary figures provided by the country regarding fiscal years 2006-2009 are as follows:

Annual Budget for SENAD, 2006-2009

Fiscal Year	Total Budget Received (US\$)
2006	\$1,936,157
2007	\$2,492,848
2008	\$3,333,926
2009	\$2,793,905

B. International Conventions

Paraguay has ratified the following conventions:

- Inter-American Convention on Mutual Assistance in Criminal Matters, 1992;



- Inter-American Convention against Corruption, 1996;
- Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and other Related Materials (CIFTA), 1997;
- United Nations Single Convention on Narcotic Drugs, 1961, as amended by the Protocol of 1972;
- United Nations Convention on Psychotropic Substances, 1971;
- United Nations Convention against Illicit Trafficking in Narcotic Drugs and Psychotropic Substances, 1988;
- United Nations Convention against Transnational Organized Crime, 2000 and its three Protocols: Protocol against Smuggling of Migrants by Land, Sea and Air; Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children; and Protocol against the Illicit Manufacturing of and Trafficking in Firearms, its Parts and Components, and Ammunition;
- United Nations Convention against Corruption, 2003.

C. National Information System

The Paraguayan Drug Observatory (OPD) does not have a budget allocated to carry out its responsibilities. In addition, the country reports that it did not conduct priority studies on demand reduction during the years 2006 – 2009.

Paraguay has the following information available on supply reduction:

Information	2006		2007		2008		2009	
	Yes	No	Yes	No	Yes	No	Yes	No
Priority Information								
Drug availability indicators		X		X		X		X
Quantities of drugs seized	X		X		X		X	
Number of persons charged with and convicted of drug use, possession and trafficking	X		X		X		X	
Number of drug labs dismantled		X		X		X		X
Recommended Information								
Number of persons formally charged with and convicted of money laundering		X		X		X		X
Number of persons formally charged with and convicted of trafficking in firearms, explosives, ammunition and related materials		X		X		X		X
Number of persons formally charged with and convicted of diversion of chemical substances		X		X	X			
Quantities of chemical substances seized	X		X		X		X	
Sale price of drugs (for consumers)		X		X		X		X



II. DEMAND REDUCTION

A. Prevention

Paraguay reports that it is implementing drug abuse prevention programs targeting key populations, in accordance with CICAD’s Hemispheric Guidelines.

Paraguay reports that, throughout 2006-2009, the prevention programs implemented for students at the primary, secondary and university levels and family, gender, community, and indigenous groups are shown in the following table:

Type of Population	Estimated Coverage		Name of the Program	Type of Program
	Target Population	% of Coverage		
School and university students:	12 years 19 years 25 years	0.5% Urban area	CONACE Chile	UNIVERSAL INDICATED
Primary/Elementary: 10 to 13 years	6,000 children and Adolescents	0.5%	“Leones Educando” Life Skills	UNIVERSAL
12 to 14 years			I want to be (“Quiero Ser”) CONACE Chile	UNIVERSAL
Secondary: 15 to 19 years	No data	25%	I decide (“Yo Decido”) CONACE Chile	UNIVERSAL
University level	No data	5%	Higher Education	INDICATED
Family	No data	0.5%	Family Prevention (“Prevenir en Familia”) CONACE Chile	UNIVERSAL
Women	No data	No data	Family Prevention (“Prevenir en Familia”) CONACE Chile	UNIVERSAL INDICATED
Men	No data	No data	Family Prevention (“Prevenir en Familia”) CONACE Chile	UNIVERSAL INDICATED
Community	No data	No data	Family Prevention (“Prevenir en Familia”) CONACE Chile	UNIVERSAL INDICATED
Indigenous Groups	No data	No data	Drugs and Effects CONACE Chile	UNIVERSAL



Paraguay does not implement drug use prevention programs for street children, workers in the workplace, or the prison population.

The School of Nursing of the “Universidad de la Integración de las Américas” (UNIDA) includes courses on drug abuse prevention and treatment in the general curricula of its students. In addition, the “Universidad de Asunción” and the “Universidad Iberoamericana” offer degrees in addiction, prevention, treatment, and/or research for professionals working in those fields. Moreover, there are also regional and international training programs from the “Leones Educando” program.

Paraguay reports that it is in the process of evaluating the pilot program “Leones Educando”, which was implemented in 35 of the country’s schools, to prevent drug use in elementary schools. The “Universidad Metropolitana de Asunción” was designated to conduct the assessment of the “Leones Educando” drug prevention program.

B. Treatment

Paraguay reports that SENAD is responsible for the design and implementation of public policy on treatment, and the Ministry of Public Health and Social Welfare is the entity responsible for the control and regulation of treatment services, program supervision and human resources training.

The country has the Minimum Standards of Care for Persons with Problems Associated with the Use of Alcohol and other Drugs, per Resolution SG No 766 of the Ministry of Public Health and Social Welfare, dated October 26, 2007.

Paraguay indicates that it does not have an official licensing procedure or a monitoring system for the authorization and control of specialized facilities that provide treatment services for persons with problems associated with drug use. The country also indicates that it has not implemented an official registry for those facilities.

The facilities that are part of the Primary Health Care Network do not carry out specific care activities for persons with problems associated with drug use, and there is no data on the number of these facilities.

Paraguay reports that there are no officially-licensed specialized drug treatment facilities for persons with problems associated with drug use for the years 2006 – 2009.

Paraguay reports that there are cases related to problems associated with drug use (diagnosis of use or dependency) that were treated at specialized treatment facilities. However, the country does not provide data on the estimated number of persons potentially in need of care, or on the number of cases treated at those facilities and, therefore, it is impossible to estimate either general or specific annual coverage. At the same time, the country adds that outpatient treatment and admission into treatment programs are the types of treatment offered by unlicensed specialized drug treatment facilities.



The country reports that drug abuse treatment centers do not have specific social reinsertion programs.

The country reports that the National Addiction Control Center is the entity responsible for providing data on national treatment coverage for problems associated with drug use. This center indicates that is not able to provide this information.

Paraguay reports that there is no follow-up to monitor patients after they have completed the prescribed treatment.

The country does not indicate if licensed facilities have professional staff with specific training in the treatment area, the number of cases treated at these facilities that completed the prescribed treatment, or the number of these cases that reported being satisfied with the treatment.

C. Statistics on Consumption

Paraguay reports that it does not have up-to-date estimates of drug use among the general population.

Paraguay reports that the requested data on the number or percentage of youth who perceive drug use as harmful to their health and well being and the number of traffic or workplace accidents related to alcohol or drug use are not available.

Likewise, the country reports that it does not have guidelines or regulations aimed at preventing accidents resulting from the use of alcohol and/or other drugs.

III. SUPPLY REDUCTION

A. Drug Production

Paraguay reports that it has significant areas of cannabis cultivation, but does not have a system to detect and quantify it. In addition, the country reports that it does not have a system to follow up on the replanting of crops. The country indicates that it has not detected cannabis plants grown indoors.

The country reports that, in cooperation with the United Nations Office on Drugs and Crime (UNODC), it is in the process of administering Paraguay's Integrated National Program 2010-2013, to identify and eradicate cannabis cultivation.

Paraguay reports that it does not have a formal crop eradication program for cannabis, but indicates that the total area of illicit crops eradicated using the forced manual method for the



years 2006-2009 was 1,339.50 hectares in 2006, 1,693.50 hectares in 2007, 1,836.75 hectares in 2008, and 1,171 hectares in 2009.

Paraguay indicates that it has not found illicit laboratories for either natural or synthetic drugs during the years 2006–2009.

B. Alternative, Integral and Sustainable Development

Paraguay reports that the Directorate for Alternative Development of the National Anti-drug Secretariat (SENAD) has a program to implement alternative, integral and sustainable development, and a proposed implementation plan designed in accordance with its priorities, in which it details all the areas of intervention. However, it reports that the plan has not been implemented.

C. Control of Pharmaceutical Products

Paraguay has the following national laws and regulations to prevent the diversion of pharmaceutical products in accordance with international conventions: Law No. 1340/88 – amends and updates Law 357/72, Decree No. 5213/05, and Law Nº 1119/97. The country also reports that all the substances listed in international conventions are controlled.

The authorities responsible for coordinating the control and preventing the diversion of pharmaceutical products are the Ministry of Public Health and Social Welfare (National Health Surveillance Directorate), the National Anti-drug Secretariat – SENAD (Registry and Control) and the General Directorate of Customs.

The country reports that within the health sector, activities implemented include the control of health registers, monitoring of distribution, control and monitoring of prescriptions, inspections, imposition of administrative sanctions, notifications for entry into the country (import) and exit notification for exports.

Regarding a mechanism to transfer unusual cases identified by the administrative authorities to the judicial authorities, the country reports that administrative measures are first utilized, and cases are then transferred to judicial authorities. Paraguay reports that during the evaluation period 2007-2009, there was a single case of referral to judicial courts, regarding the detection of diversion of Lidocaine, due to failure to comply with the legal requirements for operation.

Paraguay has an integrated procedure in place to monitor and prevent the diversion of pharmaceutical products. This procedure operates through the joint efforts of the authorities in charge of these control-related activities, who issue import permits, and register and inspect the entry of pharmaceutical products into the country. These institutions carry out control activities for private sector imports and exports, as well as control of health records, control of manufacture, distribution follow-up, inspections, imposition of administrative sanctions, registration of licenses and permits, records of the quantities of goods manufactured and sold, and control of free trade zones.



The country has a regulatory system to control pharmaceutical products that includes six inspectors.

Paraguay reports that coordination between police and judicial authorities for controlling diversions of pharmaceuticals is carried out by means of liaison meetings.

Paraguay has a non-computerized system to compile and record data on regulatory and administrative activities and on sanctions imposed in connection with controlled pharmaceutical products. The country indicates that it has issued the following number of licenses and permits:

	2006	2007	2008	2009
Regulated Activities				
Number of licenses issued to:				
Importers	166	191	206	216
Exporters	5	7	7	7
Manufacturers	3	3	3	3
Distributors	n.a.	n.a.	0	0
Other	n.a.	n.a.	0	0
Number of permits issued for:				
Importation	1,819	1,913	2,030	1,969
Exportation	128	142	202	182

n.a. – not available

The country does not provide information concerning inspections of regulated entities carried out during the evaluation period, 2007-2009.

Paraguay reports that it provides training workshops for public and private sector personnel as well as for inspectors involved in the handling of pharmaceutical products, usually with the cooperation of the Customs Directorate and the Pharmacy Network. For customs officials, a course was offered on the Import and Export of General and Controlled Medications in 2006 and 2007; for pharmaceutical chemists (regional heads of health services), a refresher course was offered in 2009, and for chemical directors of establishments, a course was offered on the Steps for Controlled Products in 2008.

Paraguay does not have an automated system to facilitate the control of the manufacture and sale of pharmaceutical products.

Paraguay has laws that provide for civil and penal sanctions for the illicit production, diversion and trafficking of pharmaceutical products. Two penal sanctions were applied in 2008, and four in 2009.

The country reports that during the years 2006-2009, the following pharmaceutical products were seized:



Quantities Seized					
Pharmaceutical Products	Unit of Measure	Year			
		2006	2007	2008	2009
Diazepam	tablets/capsules	0	0	540	0
Alprolazam	tablets/capsules	1,600	0	2,605	0
Clonapezan	tablets/capsules	0	0	790	0
Bromazepan	tablets/capsules	0	0	1,490	0
Amitripline	tablets/capsules	0	0	1,650	0
Ephedrine	kg	0	0	136,891	0
Benzocaine	kg	0	0	0	99.11

Paraguay reports that during the years 2006-2009, the following pharmaceutical products were disposed of:

Quantities Disposed of					
Pharmaceutical Products	Unit of Measure	Year			
		2006	2007	2008	2009
Diazepam	tablets/capsules	0	0	540	0
Alprolazam	tablets/capsules	1,600	0	2,605	0
Clonapezan	tablets/capsules	0	0	790	0
Bromazepan	tablets/capsules	0	0	1,490	0
Amitripline	tablets/capsules	0	0	1,650	0
Ephedrine	kg	0	0	136,891	0
Benzocaine	kg	0	0	0	99.11

Incineration is the method used to dispose of the pharmaceutical products confiscated.

D. Control of Chemical Substances

Paraguay has enacted the following national laws and regulations to control chemical substances in accordance with international conventions: Law No. 1340/88, Decree No. 5213/05, and Law No.1119/97. The country indicates that all the substances listed in international conventions are controlled.

The country reports that the national authorities responsible for the enforcement of laws and regulations to control chemical substances in Paraguay are the Office of Legal Counsel of the Ministry of Public Health and Social Welfare (MSP and BS), the Customs Directorate and the National Anti-drug Secretariat (SENAD) at the administrative level; and at the judicial level, the Public Ministry and the Judicial Branch.

Paraguay reports that the entities responsible for controlling the diversion of chemical substances carry out coordination actions, training and liaison meetings.



The country carries out the following actions in order to control the diversion of controlled chemical substances: national registry of licensees, license control (manufacture, distribution), import/export control, inspections, transaction audits, control of distribution, control of final commercialization, transport control, pre-export notifications, imposition of sanctions, and notification of entry into the country (importation) and exit notification in the case of exports.

Paraguay has a regulatory system to control chemical substances that includes six inspectors trained in the control of those substances.

Paraguay reports that it does not provide training courses on controlling the diversion of chemical substances for administrative personnel, police and customs officers. However, the country reports that informational and participatory workshops were held periodically for individuals who handle controlled products, including inspectors from the National Health Surveillance Directorate, as well as MERCOSUR-sponsored workshops on the control of medicines and chemical substances.

The country does not have an automated information system to facilitate the control of the diversion of chemical substances.

Paraguay has laws that provide for the imposition of penal, civil and administrative sanctions for the illicit production, diversion and illicit trafficking of chemical substances, in accordance with international conventions. The country reports that 2 penal sanctions were applied in 2008, and 4 in 2009. There is no data concerning civil and administrative sanctions.

Paraguay exports controlled chemical substances and reports the following number of exports made to Argentina during the years 2006–2009: 2 in 2006, 3 in 2007, 53 in 2008, and 20 in 2009. In addition, the country reports that it issued the following number of pre-export notifications to Argentina during the years 2006-2009: 2 in 2006, 3 in 2007, 53 in 2008, and 20 in 2009.

Paraguay reports that no pre-export notifications made by the country were denied during the years 2006-2009.

Paraguay indicates that 1,467 imports were received in 2008 and 954 in 2009, but does not provide data for 2006 and 2007. Paraguay reports that its legislation prohibits temporary or transit entry of controlled chemical substances.

The country received and responded to the following number of pre-export notifications:

	2008	2009
Number of pre-export notifications received by Paraguay	117	72
Number of responses sent by Paraguay	117	72
Number of timely responses sent by Paraguay (maximum 15 days)	117	72



However, the country did not provide data for 2006 and 2007.

The country indicates that the total number of controlled chemical substance imports differs from the total number of pre-export notifications because pre-export notifications are not always received from other countries.

Paraguay reports that it does not have a computerized information system to process pre-export notifications for controlled chemical substances and indicates that pre-export notifications issued or received are processed manually.

The country provides the following quantities of controlled chemical substances seized during the years 2006–2009:

Controlled Chemical Substances	Unit of Measure	Quantities seized		
		2006	2008	2009
Ephedrine	Kg	0	136.96	0
Sulfuric Acid	Kg	0	0	5,191.80
Acetone	Kg	15,580	0	498.20
Lidocaine	Kg	0	0	99.11

During 2007, the country did not seize any controlled chemical substances.

Paraguay reports that the competent authorities in the country share information on seizures and confiscations in cases of diversion of controlled chemical substances by submitting reports.

The country does not provide information on confiscated controlled chemical substances disposed of during the years 2006–2009. With respect to the final disposal of confiscated controlled chemical substances, the Judicial Branch is the authority that decides which method is to be used for their disposal.

IV. CONTROL MEASURES

A. Illicit Drug Trafficking

Paraguay indicates the quantities of drugs confiscated by the agencies responsible for drug control and interdiction during the years 2006-2009 in the table below:



Type of illicit drug	Quantity of confiscated drugs				
	Unit of measure	2006	2007	2008	2009
Cocaine HCl	kg	493	810.79	280.51	233.98
Crack	kg	-	-	0.76	1,024
Coca Paste	-	-	-	-	366
Leaf Cannabis (grass)	kg	67,817.20	100,498.56	174,630.35	84,483.64
Cannabis Resin (hashish)	kg	2.69	25.44	28.11	9.13
Cannabis Seed	kg	3.05	2,607.03	1,959.70	2,455.70

The country does not have specialized studies or analyses for the characterization and profiling of seized substances.

Paraguay reports the following number of persons formally charged with and convicted of illicit drug trafficking during the years 2006-2009:

Year	Number of persons formally charged	Number of persons convicted
2006	46	35
2007	not available	not available
2008	not available	not available
2009	112	32

With regard to the number of public officials formally charged with and convicted of offenses related to illicit drug trafficking during the years 2006–2009, the country indicates that this information is not available.

Paraguay reports that the illicit possession of drugs is criminalized under Laws No. 1340/88 and No. 1881/02. Possession for personal use covers only up to 10 grams for marijuana, and up to 2 grams in the case of cocaine, heroin or other opiates.

The country indicates the number of persons formally charged with illicit possession of drugs for personal use during the years 2006–2009:

Year	Number of persons formally charged
2006	38
2007	54
2008	216
2009	97

Paraguay does not provide information regarding the number of persons convicted of illicit possession of drugs for personal use during the years 2006–2009.



The National Anti-drug Secretariat (SENAD), the Department of Narcotics of the National Police, and the Public Prosecutor’s Anti-drug Division are the competent authorities responsible for controlling illicit drug trafficking.

The mechanisms being used to promote and facilitate the timely exchange of information and collaboration between the national authorities responsible for the control of illicit drug trafficking include regular meetings, the exchange of information and joint training workshops.

With regard to international cooperation mechanisms used by the authorities responsible for controlling illicit drug trafficking to facilitate the timely exchange of operational information, the country reports that it uses the exchange of web links.

During the years 2006-2009, Paraguay offered the following specialized training on illicit drug trafficking controls:

Title of course	Offered to	Number of participants			
		2006	2007	2008	2009
Training Course for Anti-drug Specialized Agents	Civil Personnel	45	--	--	--
Intensive Refresher Course for Active Anti-drug Agents	Special Agents - Department Chiefs	--	--	--	13
Intensive Course on Anti-drug Operations	Customs Officers	--	--	--	60

Paraguay reports that it has implemented the International Ship and Port Facility Security (ISPS) Code. The Paraguayan Naval Prefecture is the entity in charge of coordinating ISPS enforcement and controlling national ports that operate at the international level. Additionally, the country has a Harbor Security Pilot Program, the BASC PARAGUAY.

The country indicates that it does not use common interagency databases to gather, analyze, exchange and share information and intelligence among the national and public agencies involved in counterdrug activities in the ports, but there is an exchange of information among participating entities of the public and private sectors, as well as the examination of manifests and other documentation.

Paraguay reports that it uses manually controlled mechanisms to register ships’ movements in its ports, which is the responsibility of the Naval Prefecture.

The country indicates that it only carries out counterdrug detection, surveillance and interdiction operations on rivers. In addition, the country states that aerial interdiction of narcotrafficking activities is not carried out, and notes that it lacks the necessary equipment for the detection of aircraft over its territory.

Paraguay does not have laws or regulations that could be used or applied in any way to control the sale of drugs over the Internet.



B. Firearms, Ammunition, Explosives, and other Related Materials

Paraguay reports that the Directorate of War Material (DIMABEL), of the Ministry of Defense, and the National Police are the institutions responsible for regulating and authorizing manufacturing, importation, export, transit, purchase, sale, delivery, movement, transfer, marking, registration, transportation, possession, carrying, storage and commercialization activities for firearms, ammunition, explosives and other related materials, as established in Law No.1910/02.

Law 1910/02 and Regulation 3625/04 are the laws that criminalize the illicit trafficking and manufacture of firearms, ammunition, explosives and other related materials. The applicable sanction for these types of offenses is incarceration. The same law regulates and authorizes commercial activity (purchase-sale) involving firearms, ammunition, explosives and other related materials.

Paraguay indicates that a national computerized registry on the confiscation of firearms, ammunition, explosives, and other related materials exists and that the records are kept indefinitely.

The country reports that in accordance with the Inter-American Convention against Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and other Related Materials, domestic legislation requires the marking of firearms at the time of manufacture, for importation, and for official use after forfeiture or confiscation.

Paraguay has mechanisms for information exchange and cooperation between national and international institutions for control activities related to firearms, ammunition, explosives and other related materials, in all modalities.

The country reports that during the evaluation period, one shipment of firearms, ammunition, explosives, and other related materials, was denied entry because it did not meet the requirements established in Law 1910/02. However, the country reports that it does not have statistical data on these types of cases for the years 2006-2009.

Paraguay indicates that it has not issued export licenses during the years 2006-2009.

The country reports that it has a national registry of importation and transit of firearms, ammunition, explosives, and other related materials. The registry is computerized and includes an archival record. It is kept current per Ministerial Statutory Decree Nº 23.459/1976, and the computerized registry has maintained data since 1996.

The country reports that it does not manufacture firearms and, therefore, it does not export them.

The country provides the following quantities of firearms, ammunition, explosives and other related materials seized:



Quantities Seized				
Year	Firearms	Ammunition	Explosives	Other Related Materials
2006	900	16,704	32	430*
2007	19	144	Not available	5**
2008	100	Not available	Not available	305***

*Chargers **4 chargers and 1 laser lens

***160 tubes of black powder; 4 gun barrels; 2 gun silencers; 1 telescopic lens; and 138 chargers

Regarding quantities seized in 2009, the country has no data available, nor is data available on the quantities of confiscated firearms, ammunition, explosives and other related materials linked to drug-trafficking.

Paraguay does not have information concerning the quantities of firearms, ammunition, explosives, and other related materials seized and confiscated in relation to the number of arrests in connection with narcotrafficking.

The country does not have information concerning the quantities or types of firearms seized from persons formally charged with illicit activities related to firearms, ammunition, explosives, and other related materials, linked with narcotrafficking.

Regarding the number of investigations initiated/assisted as a result of a trace request submitted by another country, Paraguay reports 0 in 2006, 4 in 2007, 4 in 2008 and 4 in 2009.

Paraguay provides the following information concerning the number of international firearms trace requests received and completed during 2006-2009: 0 in 2006, 4 in 2007, 4 in 2008 and 4 in 2009.

Paraguay reports that DIMABEL has received and processed firearms trace requests. At the present time, the National Firearms Tracing Center (CENARA) is in the process of being created.

C. Money Laundering

Paraguay reports that it has laws criminalizing money laundering and related crimes, and establishing sanctions. Law No 3440 (July 16, 2008), which modifies the Penal Code, criminalizes money laundering, establishes predicate offenses, and specifies the autonomy of the offense. Paraguay indicates that it is not necessary for a person to be convicted of a predicate offense in order to be convicted of laundering the proceeds of that offense. Paraguay's penal regulations permit the perpetrator of the predicate offense to be convicted for money laundering.

The country establishes the following crimes as predicate offenses for money laundering: illicit trafficking of narcotic and dangerous drugs and related crimes; sexual exploitation; trafficking in human beings; pimping; violation of copyright, trademarks and industrial designs; extortion; fraud; computer crimes; breach of trust; usury; corruption and crimes against the public



administration or the environment, firearms trafficking, smuggling, and conspiracy. Law 3440, Article 196, paragraph 2 establishes these crimes as predicate offenses for money laundering.

National legislation does not provide for the use of special investigative techniques for money laundering, but they are provided for in the drug trafficking legislation. However, money laundering legislation does provide for electronic surveillance and sentence reduction for cooperating witnesses.

Paraguay is a member of the South American Financial Action Task Force (GAFISUD), whose last evaluation of the country was conducted in 2008.

The country reports that the following are subject to the obligation to report suspicious transactions to prevent money laundering: the banking sector, currency exchange sector, stock exchanges, insurance sector, transfers of funds, cash or valuables, real estate agencies, lawyers, notaries, accountants, casinos and gambling, pawn shops, governmental entities, non-profit organizations (NPO), designated non-financial activities and professions (APNFD), jewelers and art dealers, natural persons or legal entities engaging in commercial activities, and natural and legal persons regularly engaged as financial brokers. This obligation does not apply to off shore banking, given the legislation and regulations specified in Law Nº 861/96 of the Central Bank of Paraguay, wherein those operations are neither permitted nor authorized.

With regard to sectors and activities obligated to submit objective information reports to prevent money laundering, the country indicates that the reports submitted are not classified as objective or subjective.

Paraguay reports that it has a Financial Intelligence Unit (FIU) reporting directly to the Office of the President of the Republic, with authority in the area of money laundering. The FIU is a member of the Egmont Group and has access to its secure network.

In the chart below, the country indicates the number of information requests received and answered through the Egmont secure network:

Year	Information requests received	Responses to information requests sent
2006	11	11
2007	25	25
2008	22	19
2009	11	9

Paraguay reports that there are no limitations on obtaining financial documents and records in money laundering cases, even when subject to secrecy, confidentiality or reserve agreements.

Paraguay indicates that there is no entity to manage or dispose of assets seized and forfeited in illicit drug trafficking and money laundering cases.



The country reports that its legislation does not provide for mechanisms for the legal disposition of assets linked to illicit drug trafficking activities. Likewise, its legislation does not permit the presale and/or disposition of seized assets.

Paraguay indicates the following number of investigations initiated after Financial Intelligence Reports were submitted by the Financial Intelligence Unit: 24 in 2006, 37 in 2007, 24 in 2008, and 136 in 2009.

The country does not have information regarding the total number of criminal proceedings initiated for money laundering offenses. Likewise, the country does not have information on the number of persons formally charged and convicted, as a result of the investigations initiated during the years 2006–2009.

D. Judicial Cooperation

Paraguay reports that extradition for illicit drug trafficking and money laundering offenses is possible. Likewise, the country indicates that extradition of nationals is also possible. The Ministry of Foreign Affairs is the competent authority to receive, respond to and transmit extradition requests.

Paraguayan legislation provides for nationals whose extradition for illicit drug trafficking or money laundering offenses has been denied, to be tried for those offenses in the country. Paraguay's legal system provides for broad collaboration on matters of reciprocal judicial assistance.

The country reports that it utilizes secure technological resources to facilitate communications among authorities directing criminal investigations.

The country indicates that neither bank secrecy nor other confidentiality laws present an impediment or obstacle to providing reciprocal judicial assistance.

Paraguay reports that the basic principles of its domestic legislation permit granting a controlled delivery request, and that there are penal and procedural legal provisions that authorize the use of controlled deliveries.

The country does not have a mechanism to recover assets forfeited abroad.

The country indicates that for the years 2006-2009, the number of active extradition requests made in cases of illicit drug trafficking and money laundering is not available. Regarding the number of passive extradition requests answered in illicit drug trafficking cases, the country reports 4 in 2006, 3 in 2007, 4 in 2008 and 2 in 2009. For these years, there were no requests of this type concerning money laundering cases.

The number of reciprocal judicial assistance requests made and answered in illicit drug trafficking and money laundering cases is provided by the country below:



Requests for reciprocal judicial assistance made in Illicit drug trafficking cases				Requests for reciprocal judicial assistance made in money laundering cases			
2006	2007	2008	2009	2006	2007	2008	2009
0	0	1	14*	0	0	0	0

*There are 5 requests pending response from other countries.

Requests for reciprocal judicial assistance responded in Illicit drug trafficking cases				Requests for reciprocal judicial assistance responded in money laundering cases			
2006	2007	2008	2009	2006	2007	2008	2009
0	0	15	10*	0	0	1	10

* There are 15 requests pending response and 24 resolved, including those from other years prior to the evaluation period.



EVALUATIVE SUMMARY

In the area of institutional strengthening, CICAD observes that during the evaluation period, 2007-2009, Paraguay did not have a national anti-drug plan.

Regarding international conventions, CICAD recognizes that Paraguay has ratified all of the international instruments recommended by the MEM on the issue of drug control and related criminal activities.

With reference to a national information system, CICAD observes that the country has not taken sufficient steps to ensure that the observatory is fully operational. In addition, CICAD notes that the country has not conducted priority studies in the area of demand reduction, nor compiled information on supply reduction in various priority indicators recommended by the MEM.

In the area of demand reduction, regarding prevention, CICAD recognizes the implementation of the evaluation of the “Leones Educando” program. However, CICAD views with concern the limited coverage of drug abuse prevention programs targeting the school population.

CICAD recognizes the inclusion of courses on drugs in the university curriculum for Nursing and the availability of degrees in addictions, prevention, treatment and research at other universities.

Regarding treatment, CICAD recognizes that Paraguay has adopted the “Minimum Standards of Care for Persons with Problems Associated with the Use of Alcohol and other Drugs” (2007). However, CICAD notes with concern the absence of an official licensing procedure authorizing the operation of specialized treatment facilities for persons with problems related to drug use, a national registry of treatment facilities, or a monitoring system for them. Moreover, CICAD notes the absence of specific activities in the Primary Health Care network to address problems associated with drug use. Additionally, CICAD notes with concern that Paraguay did not provide information on the national treatment services offered or data on patients treated.

With respect to statistics on consumption, CICAD views with concern the lack of studies in the area of demand reduction, particularly on the magnitude of drug use among the general and school populations during the years 2006-2009.

In the area of supply reduction, with regard to drug production, CICAD recognizes that Paraguay carries out activities to eradicate cannabis crops, but does not have a formal eradication program. In addition, CICAD notes that Paraguay does not have a system to detect and quantify cannabis cultivation.

CICAD observes that the country has developed an alternative, integral and sustainable development program, with details on the different areas it would cover, but notes that the country has not been able to implement it.

CICAD notes that Paraguay has laws to control and prevent the diversion of pharmaceutical products, and these controls are carried out in the health sector and private sector. In addition,



the country has an automated system to compile information on administrative and regulatory activities and on the respective sanctions imposed.

CICAD views with concern that the country does not have an automated system to control the sale and manufacture of pharmaceutical products.

CICAD views with concern that the country does not have data on civil and administrative sanctions imposed to control the diversion of pharmaceutical products.

CICAD notes that Paraguay has legislation that regulates and establishes controls for chemical substances. CICAD notes that Paraguay has data on the number of penal sanctions imposed, but provides no information on the number of administrative and civil sanctions imposed for the illicit production, diversion, and trafficking of controlled chemical substances during the years 2006-2009.

CICAD notes that Paraguay does not have a computerized information system to process pre-export notifications for controlled chemical substances.

CICAD views with concern that Paraguay does not provide sufficient training for administrative, police and customs officials responsible for controlling the diversion of chemical substances.

In the area of control measures, with respect to illicit drug trafficking, CICAD observes that Paraguay does not have information on public officials formally charged with and convicted of offenses related to illicit drug trafficking or on persons convicted of illicit drug possession, for the years 2006-2009.

CICAD notes that Paraguay does not have laws or regulations to control the sale of drugs over the Internet.

CICAD notes that Paraguay has laws to regulate and control activities involving firearms, ammunition, explosives, and other related materials. However, CICAD observes that Paraguay does not have information on unauthorized imports or on seizure and confiscation of firearms, ammunition, explosives and other related materials linked to narcotrafficking.

Regarding the control of money laundering, CICAD recognizes that Paraguay has legislation to prevent and sanction money laundering. In addition, CICAD recognizes that the country has a Financial Intelligence Unit, which is a member of the Egmont Group, and obligates the reporting of suspicious transactions.

CICAD notes that Paraguayan legislation does not provide for the use of special investigative techniques for money laundering offenses.

CICAD observes that Paraguay does not have a unit for the management and disposition of assets seized and forfeited in illicit drug trafficking and money laundering crimes. In addition, CICAD



notes that the country lacks a mechanism for the legal disposition of assets linked to illicit drug trafficking and money laundering activities.

CICAD notes that Paraguay does not report the number of persons formally charged with and convicted of money laundering offenses.

In the area of judicial cooperation, CICAD observes that Paraguay has legislation that provides for extradition in illicit drug trafficking and money laundering cases, and that extradition of nationals is permitted. CICAD recognizes that Paraguay has legal instruments that permit the provision of reciprocal judicial assistance.

CICAD recognizes Paraguay's efforts in the context of the Multilateral Evaluation Mechanism (MEM) and encourages the country to continue to participate actively in the process.



RECOMMENDATIONS

The following recommendations are assigned to Paraguay in order to assist the country in strengthening its policy to combat the problem of drugs and related activities and increase multilateral cooperation in the Hemisphere:

INSTITUTIONAL STRENGTHENING

1. APPROVE A NATIONAL ANTI-DRUG PLAN THAT SERVES AS THE FRAMEWORK FOR ALL ANTI-DRUG ACTIVITIES.
2. TAKE STEPS TO ENSURE THAT THE PARAGUAYAN DRUG OBSERVATORY (OPD) IS ABLE TO PRODUCE AND COLLECT INFORMATION, AND ANALYZE STATISTICS AND OTHER DRUG-RELATED INFORMATION.

DEMAND REDUCTION

3. COMPLETE THE EVALUATION OF THE “LEONES EDUCANDO” PROGRAM.
4. EXPAND THE COVERAGE OF PREVENTION PROGRAMS FOR SCHOOL POPULATIONS, IN ACCORDANCE WITH THE RESULTS OF THE EVALUATION.
5. ESTABLISH A NATIONAL REGISTRY OF TREATMENT FACILITIES FOR PERSONS WITH PROBLEMS ASSOCIATED WITH DRUG USE.
6. IMPLEMENT AN OFFICIAL LICENSING PROCEDURE FOR SPECIALIZED TREATMENT FACILITIES FOR PERSONS WITH PROBLEMS RELATED TO DRUG USE.
7. CONDUCT A NATIONAL HOUSEHOLD SURVEY ON THE MAGNITUDE OF DRUG USE, A RECOMMENDATION REITERATED FROM THE FOURTH EVALUATION ROUND, 2005-2006.
8. CONDUCT A STUDY ON THE MAGNITUDE OF DRUG USE AMONG THE SCHOOL POPULATION.

SUPPLY REDUCTION

9. ESTABLISH A DETECTION SYSTEM TO QUANTIFY CANNABIS CULTIVATION AND POTENTIAL PRODUCTION.
10. IMPLEMENT ALTERNATIVE, INTEGRAL AND SUSTAINABLE DEVELOPMENT PROGRAMS.
11. INCLUDE WITHIN THE MECHANISMS TO CONTROL THE DIVERSION OF PHARMACEUTICAL PRODUCTS, AN AUTOMATED SYSTEM TO CONTROL THEIR MANUFACTURE AND SALE.
12. CREATE A REGISTRY THAT WILL PROVIDE INFORMATION ON THE NUMBER OF ADMINISTRATIVE AND CIVIL SANCTIONS IMPOSED IN CASES OF DIVERSION OF PHARMACEUTICAL PRODUCTS, A RECOMMENDATION REITERATED FROM THE THIRD EVALUATION ROUND, 2003-2004.



13. ESTABLISH A DATA REGISTRY OF THE ADMINISTRATIVE AND CIVIL SANCTIONS IMPOSED TO CONTROL CHEMICAL SUBSTANCES.
14. IMPLEMENT TRAINING COURSES FOR PERSONNEL RESPONSIBLE FOR ENFORCING CONTROLS TO PREVENT THE DIVERSION OF CHEMICAL SUBSTANCES.
15. IMPLEMENT AN AUTOMATED INFORMATION MANAGEMENT SYSTEM TO PROCESS PRE-EXPORT NOTIFICATIONS FOR CONTROLLED CHEMICAL SUBSTANCES AND HELP PREVENT THEIR DIVERSION.

CONTROL MEASURES

16. IMPLEMENT A REGISTER OF THE NUMBER OF PUBLIC OFFICIALS FORMALLY CHARGED WITH AND CONVICTED OF CRIMES RELATED TO ILLICIT DRUG TRAFFICKING, A RECOMMENDATION REITERATED FROM THE FOURTH EVALUATION ROUND, 2005-2006.
17. IMPLEMENT A REGISTER OF PERSONS CONVICTED OF ILLICIT DRUG POSSESSION, A RECOMMENDATION REITERATED FROM THE FOURTH EVALUATION ROUND, 2005-2006.
18. CARRY OUT RESEARCH AND TRAINING ACTIVITIES RELATED TO THE PREVENTION AND CONTROL OF ILLICIT TRAFFIC OF PHARMACEUTICAL PRODUCTS AND OTHER DRUGS VIA THE INTERNET, WHICH WILL ENABLE THE COUNTRY TO IDENTIFY ITS REGULATORY AND OPERATIVE NEEDS, A RECOMMENDATION REITERATED FROM THE FOURTH EVALUATION ROUND, 2005-2006.
19. IMPLEMENT A REGISTRY TO PROVIDE INFORMATION ON IMPORTATION, SEIZURE AND CONFISCATION OF FIREARMS, AMMUNITION, EXPLOSIVES AND OTHER RELATED MATERIALS.
20. ESTABLISH A MECHANISM FOR THE LEGAL DISPOSITION OF ASSETS CONNECTED WITH ILLICIT NARCOTRAFFICKING AND MONEY LAUNDERING ACTIVITIES.
21. IMPLEMENT AN INFORMATION SYSTEM ON THE NUMBER OF PERSONS FORMALLY CHARGED WITH AND CONVICTED OF MONEY LAUNDERING OFFENSES.
22. INCORPORATE IN NATIONAL LEGISLATION PROVISIONS ON THE USE OF SPECIAL INVESTIGATIVE TECHNIQUES FOR MONEY LAUNDERING.



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