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ORGANIZATION OF AMERICAN STATES
Inter-American Drug Abuse Control Commission (CICAD)

Multilateral Evaluation Mechanism (MEM)
Governmental Expert Group (GEG)

PARAGUAY

EVALUATION OF PROGRESS IN DRUG CONTROL
2003-2004



INTRODUCTION

Paraguay has a total area of 406,750 km² and 3,920 km of border (1,880 km with Argentina; 750 km with Bolivia; 1,290 km with Brazil). The country has a population of 5,922,000 (2003), its main ethnic group being mestizo, and a literacy rate of 94%. Paraguay is a constitutional republic divided into 17 different departments and a district capital. The country has a per capita GDP of US\$1,474 (2003 est.) and an inflation rate of 10.50% (2002). Paraguay's annual exports total US\$2.727 billion, which is 31.24% of its GDP (2003). Its principal exports are soybeans, cotton, meat, edible oil, electricity, wood and leather.

I. INSTITUTIONAL BUILDING/NATIONAL ANTI-DRUG STRATEGY

A. National Anti-Drug Plan and National Commission

Paraguay has a National Anti-Drug Plan, approved in February 2001, which remains in force until March 2006. The Plan includes the following areas: demand reduction, supply reduction, alternative development, control measures, institutional framework, and program evaluation.

The country does not have a specific budget to fund the National Anti-Drug Plan. The Plan's activities are funded from international cooperation resources, that is, the Inter-American Drug Abuse Control Commission (for epidemiological research) and the Inter-American Development Bank (to support implementation of the Plan). However, the central government makes a direct allocation, contained in the General Budget of the Nation, which covers the National Anti-Drug Secretariat's (SENAD) administrative activities, staffing, and operations.

SENAD is the national entity coordinating the Plan, although that plan provides for a decentralization component, mainly in the demand reduction area. SENAD coordinates the areas of demand reduction, supply reduction, alternative development, control measures, institutional framework, and program evaluation areas.

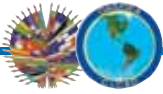
SENAD has an separate annual budget whose funds are drawn from the following sources: government allocation, self-funding through application of law, and international cooperation. The budget approved for 2003 was US\$1,668,024; for 2004, this was reduced to US\$1,270,675. The country considers that this budget is inadequate, as it is faced with difficulties as a producer of marijuana and a country through which cocaine is transited. The inadequate budget only enables the country to implement conventional activities, and it is not in a position to carry out activities requiring additional investment.

CICAD views with concern that although the central government makes direct allocations to SENAD and it receives income through application of the law, the National Plan is funded virtually exclusively from international cooperation resources. This undermines its full application and long term funding.

B. International Conventions

Paraguay has ratified the following Inter-American and United Nations conventions:

- The Inter-American Convention on Mutual Assistance in Criminal Matters (1992);
- The Inter-American Convention against Corruption (1996);



- The Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and other Related Material (1997);
- The United Nations Single Convention on Drugs, 1961, as amended by the 1972 Protocol
- The United Nations Convention on Psychotropic Substances (1971);
- The United Nations Convention against Illicit Traffic of Narcotic Drugs and Psychotropic Substances (1988);
- The United Nations Convention against Transnational Organized Crime and the Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children (2000).

The country has not signed the Protocol against Illicit Smuggling of Migrants by Land, Sea and Air or the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, its Parts and Components, and Ammunition.

Paraguay has signed bilateral cooperation agreements within the framework of the international conventions on drugs with Argentina, Brazil, Colombia, Costa Rica, Chile, Ecuador, Spain, the United States, France, Great Britain, Mexico, Peru, Portugal, Uruguay and Venezuela.

CICAD notes with satisfaction the ratification of the Inter-American Convention on Mutual Assistance in Criminal Matters in October 2004. It notes with concern, however, that the country has not yet signed or ratified the Protocol against Illicit Smuggling of Migrants by Land, Sea and Air, or the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, its Parts and Components, and Ammunition, a recommendation that was already made in the Second Evaluation Round in 2001-2002.

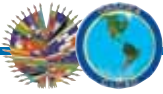
RECOMMENDATION:

1. RATIFY THE FOLLOWING PROTOCOLS TO THE UNITED NATIONS CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME, A RECOMMENDATION REITERATED FROM THE SECOND EVALUATION ROUND, 2001-2002:
 - A) PROTOCOL AGAINST ILLICIT SMUGGLING OF MIGRANTS BY LAND, SEA AND AIR
 - B) PROTOCOL AGAINST THE ILLICIT MANUFACTURING OF AND TRAFFICKING IN FIREARMS, ITS PARTS AND COMPONENTS, AND AMMUNITION

C. National Information System

Paraguay has a centralized office for organizing, compiling, and coordinating statistics and other drug-related information, which is the Paraguayan Observatory on Drugs (OPD). The country participates in the Inter-American Uniform Drug Use Data System (SIDUC). In the 2003-2004 period, it conducted a survey of secondary students and a national household survey. It also participates in the Uniform Statistical System on Control of the Supply Area (CICDAT), and has gathered and reported all statistics included in this system. The country regularly submits information to the International Narcotics Control Board and the United Nations Office on Drugs and Crime.

The country does not have a formal mechanism to evaluate its data compilation capability and is encountering problems related to lack of human and financial resources. However, negotiations are under way with CICAD/OAS to obtain resources to strengthen the Observatory.



The country disseminates drug-related information via web pages, schools, universities and research institutes; the press, e-mail, national authority publications, and publications of NGOs and professionals working in this area.

Paraguay's SENAD has two telephone lines providing 24 hour a day institutional support that is specifically geared toward responding to police, as well as dealing with case treatment issues. The country does not have budgetary resources to disseminate information.

CICAD acknowledges the efforts made by Paraguay through its Observatory on Drugs to compile information and the adjustments it has made to meet the requirements of the uniform statistical systems in the Hemisphere. However, it is considered essential for the country to evaluate the possibility of having a budget specifically aimed at improving its information dissemination capability in this area, particularly in connection with the general public.

II. DEMAND REDUCTION

A. Prevention

Paraguay informs that although it is not implementing a national prevention program that targets key populations, it carries out prevention activities in coordination with governmental and non-governmental agencies. These activities are aimed at primary school, high school and college students; women between the ages of 12 and 18; employees and managers of the public sector; and prison inmates. In the period under evaluation, the following activities and programs were carried out: the "Basic Prevention in Schools Program: School and a Healthy Life" (for children between the ages of 9-13 and 9-15, with 4,500 and 3,400 primary school participants respectively); the Personal and Social Development Preventive Health, Youth and Volunteerism Program (for Secondary school students between 15-20); Prevention Workshops (for people over 20, tertiary level); "Prevention Program of drug use at work and in the family" (aimed at 144 employees and managers) and the "Self Help and Spiritual Program" for approximately 550 prisoners. It should be noted that implementation of prevention activities targeting the primary and secondary school population as well as inmates has been under way since the Second Evaluation Round.

As regards Paraguay's capacity to provide professional training in prevention and treatment of drug abuse, the country has offered, during the evaluated period, short refresher courses to health care workers, police officers, teachers and community leaders. More specifically, in the Alto Paraná Department, Training Modules have been offered in Youth Monitors Training Workshops. The following courses have been offered: Training Seminar on Violence, Psychoactive substances and Reproductive Health (for 196 Health care workers, prosecutors, Judicial Branch and Police); Drug abuse prevention workshop (for 1,630 teachers), courses for operators and directors of addiction treatment and rehabilitation centers, and courses for operators and directors of addiction treatment and rehabilitation centers (181 participants). The country does not have careers awarding diplomas, university careers, postgraduate and MA or Ph.D. programs or regional and international training exchange programs in the specific areas of drug abuse prevention and treatment. However, the country informs of the participation of an OAS-funded student working on the on-line Master's Degree in Drug Dependency. The country considers that the existing supply of courses available at the national and international levels do not meet existing demand.

As regards the evaluation of prevention programs, in 2003 the country evaluated programs and projects in the area of drug demand reduction, through the identification and qualification of indicators as well as through participative workshops, focal groups and interviews.



No research has been carried out on the impact of prevention programs during the evaluation period. However, the country reports that the National Prevention Program includes an element to conduct impact evaluation studies of its programs.

CICAD views with concern that the supply of courses available on prevention and treatment do not meet the demand and that specialized training is unavailable at the undergraduate and graduate levels. In addition, although the country reports that it has a system for accreditation or licensing of demand reduction professionals, this has not yet been implemented. Lastly, although the initial steps have been taken by the country to evaluate prevention programs, it is felt that full implementation of such programs is necessary.

RECOMMENDATION:

2. **EXPAND THE AVAILABILITY OF COURSES AVAILABLE IN THE PREVENTION AND ADDICTION TREATMENT AREAS, ESPECIALLY AT THE UNDERGRADUATE AND GRADUATE LEVELS.**

B. Treatment

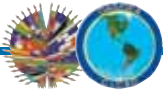
Paraguay established minimum national standards of care for drug abuse treatment on August 16, 2002, which are mandatory (Ministerial Resolution N° 625). The government has a national register of services and treatment programs, and the necessary instruments for the accreditation of the treatment centers and programs within the scope of the Health Ministry. There also exists a national mechanism to verify compliance with the standards in charge of this Ministry. Evaluations are carried out each year, but the country does not provide information as to their results because it is at implementation stage.

Paraguay develops ambulatory patient treatment programs, for in-patients, and in semi-residential clinics (AM or PM). These are both public and private and are aimed at adult and minor patients, both men and women. There are public and private detoxification, treatment and rehabilitation services. The country has not developed a network for early detection, training of patients, and case deferral, nor does it have services for social re-integration and follow-up of patients.

In the year 2002, 549 patients sought and received treatment, and in 2003, this figure rose to 833. These patients were assisted within the framework of four treatment programs existing in the country. The country reports that all patients who requested care in treatment centers received it. The treatment programs offered are outpatient, day clinic, and residential.

No studies have been carried out to evaluate the efficiency of the different treatment programs, but the country informs that a framework agreement has been signed between SENAD and the Ministry of Public Health and Social Welfare for the implementation of specific projects. That framework provides for the design of studies to evaluate the effectiveness of different treatment programs in connection with minimum standards of care in drug use treatment.

CICAD views with concern that progress has not been made in fully implementing the minimum standards of care approved in 2002. This is essential to ensure the quality of care provided. Likewise, CICAD also considers it important to introduce early detection, rehabilitation, and social reintegration services for drug dependents. Lastly, although CICAD acknowledges the initial steps taken by the country to evaluate treatment programs, CICAD considers it necessary for them to be fully implemented.



RECOMMENDATIONS:

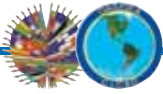
3. IMPLEMENT THE MINIMUM STANDARDS OF CARE IN DRUG USE TREATMENT.
4. DEVELOP STUDIES TO EVALUATE THE EFFECTIVENESS OF EXISTING TREATMENT PROGRAMS.

C. Statistics on Consumption

The country provides estimates of the prevalence of drug abuse among the general public and in the school population of 12-18 years of age. Both studies correspond to 2003.

Prevalence in the General Population, 2003

Type of drug	Age Group Surveyed:								
	12 to 65								
	Lifetime (percentage)			Last 12 months (percentage)			Last 30 days (percentage)		
	M	F	Total population	M	F	Total population	M	F	Total population
Alcohol	88.6	75.4	81.2	77.4	55.8	65.3	60.9	32.9	45.2
Tobacco	55.9	26.2	39.3	28.4	10.5	18.3	23.6	7.9	14.9
Solvents & Inhalants	0.5	0.2	0.4	0.1	0.1	0.1	0.0	0.1	0.1
Cannabis Type									
Hashish	0.4	0.1	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Marijuana	4.6	0.9	2.5	0.8	0.2	0.5	0.5	0.2	0.3
Other Cannabis Type									
Hallucinogens	0.1	0.1	0.1	0	0.0	0.0	0	0.0	0.0
Opioids									
Heroin	0.1	0.0	0.1	0.0	0	0.0	0	0	0.0
Morphine	0	0	0	0	0	0	0	0	0
Opium	0	0.1	0.0	0	0	0	0	0	0
Cocaine Type									
Basuco, or coca paste	0.3	0.0	0.1	0.1	0.0	0.1	0.0	0.0	0.1
Cocaine Hydrochloride	1.1	0.3	0.7	0.2	0.2	0.7	0.1	0.2	0.7
Crack	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Cocaine Type									
Tranquilizers / Sedatives/ Depressants	4.3	6.5	5.6	1.6	2.7	2.2	0.9	1.4	1.2
Stimulants	0.9	1.1	1.1	0.5	0.3	0.4	0.1	0.2	0.2
MDMA (Ecstasy)	0.1	0.1	0.1	0.0	0.1	0.1	0	0.1	0.1
Other drugs	1.1	0.3	0.6	0.4	0.1	0.3	0.2	0.1	0.1



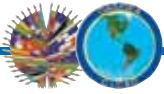
Prevalence in Specific Populations, 2003

Type of drug	Students between 12 and 18 years old, 2003								
	Lifetime (percentage)			Last 12 months (percentage)			Last 30 days (percentage)		
	M	F	Total	M	F	Total	M	F	Total
Alcohol	63.9	61.6	62.7	51.1	48.9	50.0	40.8	39.1	40.0
Tobacco	35.5	29.5	32.4	23.0	17.7	20.3	17.0	11.5	14.2
Solvents & Inhalants	1.4	1.0	1.2	0.6	0.6	0.6	0.3	0.3	0.3
Cannabis Type									
Hashish	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1
Marijuana	5.1	2.0	3.6	2.4	1.0	1.7	1.1	0.4	0.7
Hallucinogens	0.6	0.5	0.5	0.3	0.3	0.3	0.1	0.1	0.1
Opioids									
Heroin	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.0
Morphine	0.1	0.2	0.2	0.0	0.0	0.1	0.0	0.0	0.0
Opium	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Cocaine Type									
Basuco, or coca paste	0.9	0.7	0.8	0.5	0.4	0.4	0.2	0.3	0.2
Cocaine Hydrochloride	1.2	0.7	1.0	0.6	0.6	0.6	0.3	0.3	0.3
Crack	0.5	0.0	0.3	0.2	0.0	0.1	0.1	0.0	0.1
Tranquilizers / Sedatives/ Depressants	12.2	17.4	14.8	6.6	9.9	8.3	5.0	7.0	6.0
Stimulants	6.8	6.7	6.7	4.1	3.1	3.6	2.9	2.4	2.7
Amphetamines									
MDMA (Ecstasy)	0.4	0.3	0.3	0.3	0.1	0.2	0.2	0.1	0.1

Regarding average age of first use of drugs, this information is based on the aforementioned studies carried out among the general population and students from 12 to 18 years of age. The country also has estimates on the perception of youth regarding the harmfulness of drug use. Among youth 10-19 years of age, 74.8% perceive drug use as harmful to their health and welfare.

AVERAGE AGE OF FIRST USE OF DRUG ABUSE, 2003

Type of drug	GENERAL POPULATION Household Survey			STUDENTS 12 – 18 YRS		
	M	F	Average	M	F	Average
Alcohol	18.0	19.6	18.8	13.7	13.9	13.8
Tobacco	17.5	18.8	17.9	13.7	14.0	13.8
Solvents & Inhalants	15.3	17.7	16.2	13.4	13.1	13.3
Cannabis Type						
Hashish	19.0	22.3	19.9			
Marijuana	19.1	19.0	19.1	14.9	14.6	14.8
Hallucinogens	19.7	16.8	18			14.9
Opioids						
Heroin	12.5	21.0	15.3			15
Morphine	0	0	0			13.9
Opium	0	18.0	18			14.6
Cocaine Type						
Basuco, or coca paste	22.0	17.0	21.3	14.8	14.2	14.6
Cocaine Hydrochloride	20.9	18.7	20.3	15.1	14.1	14.7
Crack	18.0	13.0	15.5			13.7
Tranquilizers / Sedatives/ Depressants	26.0	27.8	27.2	12.6	13.4	13.1
Stimulants	22.0	24.3	23.4	12.9	13.7	13.3
MDMA (Ecstasy)	11.5	25.0	20.5			14.1
Other drugs	17.4	16.5	17.2			13.8



The country has estimates as to morbidity and association relationship between drug dependants and diseases related with the use of drugs, although it only provides information relating to HIV.

New drug abuse trends have been observed in the country, the use of free base paste, ecstasy and Gamma Hydroxybutyrate (GHB) being the most notable. New means of administration have also been verified, such as injecting.

The country does not have information concerning mortality associated with drug use, nor concerning crimes, and traffic or workplace accidents. As regards this last point, although blood analysis are performed in traffic accidents cases in several regions of the country, the information received is not computerized. On the other hand, the samples sent to the Toxicology Laboratory by the police or government attorney offices, are not accompanied by information on origin and cause.

CICAD acknowledges the efforts made by the country to improve the availability of drug use data, and urges the country to take steps gather data on drug use-related mortality, crime, and work accidents.

RECOMMENDATION:

5. DEVELOP A SYSTEM TO OBTAIN DATA ON DRUG USE-RELATED MORTALITY, CRIME, AND WORK ACCIDENTS.

III. SUPPLY REDUCTION

A. Drug Production and Alternative Development

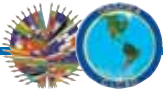
Paraguay has registered an increase in the areas cultivated with cannabis plants. In 2000, 500 hectares were registered, while in the year 2001 this surface tripled (1,500 hectares), and doubled in 2002, reaching 3,500 hectares in the year 2003. The production potential of raw material was 18 million kilograms in the year 2002, and 21 million kilograms in 2003. No plantations of coca leaves or poppy have been detected.

Over the last years there has been a gradual increase in the forced manual eradication of illegal cannabis crops with the destruction of 579.5 hectares in 2000, and 932 hectares in 2001. An increase in the eradicated areas was again detected in 2002 (1,570 hectares) although 2003 registered a new decrease (1,017 hectares). The total cost of eradication activities was US\$317,748.18 in 2002 and US\$393,819.79 in 2003.

Average production of marihuana has been 2,000 kilogram/hectare in 2002, and 3,000 kilogram/hectare in 2003. The country does not provide the reasons for the indicated increase in per hectare productivity.

No indoor-grown marijuana plants have been detected in Paraguay during this evaluation period.

The country reports that it has alternative and integral development plans. Its alternative development plans are of the following types: agricultural, agroindustrial, forestry, industrial, and livestock. However, the country reports that only one pilot project was in operation in 2002, and that none were in 2003 and 2004. Moreover, the country reports that, since 2003, SENAD has been designing and formulating a high priority integral rural development program as a viable alternative in the illicit cannabis crop area. This comprehensive rural development program defines objectives, policies, and substantiation for implementation, production enhancement,



marketing, and processing of products with a view to overcoming rural poverty and making rational use of natural resources. The total cost of the program is US\$46,000,000, and its estimated execution period is 10 years.

CICAD considers that, in view of the increase in cannabis crops and the increase in their per hectare productivity, it is essential for the country to persevere further with its implementation of alternative or integral development plans. CICAD considers it essential for the country to improve its methods for measuring planted areas and their yields, to include evaluation of variation in such areas during the year.

RECOMMENDATION:

6. IMPROVE SYSTEMS FOR MEASURING AREAS PLANTED WITH CANNABIS AND THEIR YIELDS, TO INCLUDE ESTIMATES OF VARIATION IN SUCH AREA DURING THE YEAR.

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

No illicit laboratories producing organic or synthetic drugs have been found in the country.

Pharmaceutical Products

The National Board of Sanitary Surveillance of the Ministry of Health and Social Welfare, the National Customs Board of the Treasury Department, and the National Anti-Drug Secretariat are the national entities in charge of controlling the export, import, production, and distribution of pharmaceutical products listed in the UN Conventions, and of preventing their diversion. The country controls all the pharmaceutical products listed in the international conventions. There is also an additional list of controlled products.

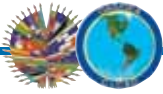
Controls cover all the areas of the commercial field (control of import/export, control of licenses, distribution monitoring, inspection, investigation, regulatory control, administrative sanctions, registers of licensees, and control of transport), and all the following areas of the health care field: control of licenses, distribution monitoring, control of the issue of medical prescriptions, inspection, investigation, regulatory control, administrative sanctions, register of licensees, register and issuance of license to practice, license to operate, and control of health care institutions.

Although there is no formal mechanism to evaluate the effectiveness of such entities, mechanisms are in place for coordination and exchange among them in the form of periodic meetings and different types of communication. According to the country, one of the main obstacles facing these entities is the lack of human and financial resources.

The country has a mechanism that controls and regulates the use and distribution of pharmaceutical products by the health care professionals, which includes the requirement of the medical prescription, licenses or special permits to prescribe certain drugs, distribution through authorized points of sale, inspections, investigations and registers of licensees. The mechanism does not include monitoring the issuance of prescriptions nor the application of administrative sanctions.

Paraguay does not have a formal mechanism to evaluate the effectiveness of such controls.

The country has in place provisions for the imposition of penal and administrative sanctions for diversion of pharmaceutical products, although it does not have records of the number of sanctions imposed.



The country reports that 27,377 tablets of various pharmaceutical products were seized in 2003, although it does not have records to enable these to be broken down by type of product. Such products include both those seized under prosecutions pertaining to smuggling and those past their expiration dates. The method used to dispose of all seized pharmaceutical products is incineration.

CICAD expresses its concern for the absence, on the subject of pharmaceutical product diversion, of controls applied to health care professionals, specifically control of prescriptions and the application of administrative sanctions. Likewise, CICAD considers it convenient that there exist some form of formal mechanism that will allow the evaluation of the effectiveness of existing controls. Another essential element, in the area of pharmaceuticals product control, is the possibility of having information on the quantity of sanctions that were applied on the subject, especially penal sanctions.

RECOMMENDATIONS:

7. IMPLEMENT CONTROLS OF PRESCRIPTION RENEWALS AND PROVIDE FOR THE IMPOSITION OF ADMINISTRATIVE SANCTIONS AS PART OF THE CONTROL FRAMEWORK FOR THE USE AND DISTRIBUTION OF PHARMACEUTICAL PRODUCTS BY HEALTH PROFESSIONALS.
8. ESTABLISH A REGISTER TO COMPILE DATA ON THE NUMBER OF ADMINISTRATIVE AND PENAL SANCTIONS IMPOSED FOR THE DIVERSION OF PHARMACEUTICAL PRODUCTS.

Controlled Chemical Substances

The National Board of Sanitary Surveillance of the Ministry of Health and Social Welfare, the National Customs Board of the Treasury Department, and the National Anti-Drug Secretariat are the national entities in charge of controlling the export, import, production, and distribution of controlled chemical substances listed in the United Nations Conventions, and of preventing their diversion. All controlled chemical substances listed in the international conventions are controlled by the country.

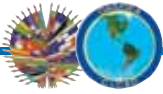
Controls cover the following areas: control of import/export, control of licenses, distribution monitoring, inspection, investigation, regulatory control, administrative sanctions, registers of licensees, control of transport and pre-export notifications.

Although there is no formal mechanism to evaluate the effectiveness of such entities, mechanisms are in place for coordination and exchange among them in the form of periodic meetings and different types of communication. The country also reports that the bill to expand Decree 18.425/02 would include a mechanism to evaluate the effectiveness of the said entities.

The country has legal norms and regulations authorizing the application of criminal, civil and administrative sanctions against the diversion of controlled chemical substances in accordance with international conventions. Penal sanctions range from two to 25 years' imprisonment.

The country reports that administrative sanctions were imposed on nine occasions in 2003 and six in 2004.

Paraguay reports it is not an exporter of controlled chemical substances nor are such substances transited through its territory. Therefore, it does not issue prior notifications.



The country reports that it received 70 pre-export notifications in 2003, but indicates that it does not have mechanisms to compile information that would enable replies to be made, and indicates as a limitation the lack of available means of communication. The country indicates that it does not have information as to seized and disposed of controlled chemical substances.

CICAD observes that the country does not have any information on the application of any type of sanctions, particularly penal, on the subject of controlled chemical substances.

In addition, CICAD views with concern that effective controls are not in place in the country for the importation of controlled chemical substances as, although prior notifications are received, they are not duly processed. In addition, there is a lack of information on chemical substances seized, which indicates deficiencies in the system for control of potential diversion of such substances.

RECOMMENDATIONS:

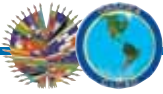
9. ESTABLISH A REGISTER TO COMPILE INFORMATION ON THE NUMBER OF PENAL SANCTIONS IMPOSED IN CASES OF DIVERSION OF CONTROLLED CHEMICAL SUBSTANCES.
10. INTRODUCE MECHANISMS ENABLING EFFECTIVE REPLIES TO BE MADE TO PRE-EXPORT NOTIFICATIONS OF CONTROLLED CHEMICAL SUBSTANCES RECEIVED BY THE COUNTRY.
11. IMPLEMENT A SYSTEM ENABLING SYSTEMATIC INFORMATION TO BE OBTAINED ON QUANTITIES OF CONTROLLED CHEMICAL SUBSTANCES SEIZED BY THE COMPETENT AUTHORITIES.
12. APPROVE THE NECESSARY LEGISLATION FOR THE IMPLEMENTATION OF THE FORMAL MECHANISMS FOR EVALUATION OF EXISTING CONTROLS IN THE AREA OF CONTROLLED CHEMICAL SUBSTANCES.
13. APPROVE THE NECESSARY LEGISLATION FOR THE IMPLEMENTATION OF THE FORMAL MECHANISMS FOR THE EVALUATION OF THE ENTITIES INVOLVED IN THE AREA OF CONTROLLED CHEMICAL SUBSTANCES.

IV. CONTROL MEASURES

A. Illicit Drug Trafficking

In 2003, the number of drug seizures by the control and interdiction agencies has generally increased, when compared with the year 2002. In the case of cocaine hydrochloride, there was also an increase in the quantity of drugs seized during the last two years. As regards cannabis leaves there has been an increase in the quantities seized from 2002 (48,140.946 kg) to 2003 (76,975.463 kg), although this is lower than in 2001 (93,957 kilograms). On the other hand, there is a decrease in the quantity of cannabis plants and seeds seized. No seizures of other drugs occurred during the period under evaluation.

Type of drugs	Number of drug seizures		
	2002	2003	2004
Cocaine Hydrochloride	34	56	56
Cannabis plants	33	41	36
Leaf Cannabis (grass)	63	90	59
Cannabis resin (hashish)	9	5	8
Cannabis Seed	26	23	8



Type of drugs	Unit of Measurement	Quantities of drugs seized		
		2002	2003	2004
Cocaine Hydrochloride	Kg.	230.152	278.991	462.283
Cannabis plants	Has.	1,662	1,019.025	2,271.000
Leaf Cannabis (grass)	Kg.	48,140,946	76,975.463	25,622.703
Cannabis Resin (hashish)	Kg.	11	3.72	3,316
Cannabis Seed	Kg.	1,478.586	807.000	1,459

The country uses the incineration method to dispose of all illicit drugs seized.

In 2002, 215 persons were arrested for illicit drug trafficking, and 317 persons tried, while 8 were convicted for the same crime. In 2003, there was an increase in the number of arrests (317) and a decrease in persons tried (200) and those convicted (3).

Paraguay informs that it has laws that allow the possession of drugs for personal use. According to article 30 of Act 1340, there are limited quantities allowed: 10 grams in the case of marijuana, and 2 grams in the case of cocaine. Therefore, the criterion used to distinguish the possession for personal consumption from possession for illicit trafficking, is quantitative.

The country does not have a system to maintain records of arrests, trials, and convictions in connection with possession of illicit drugs, although it reports that steps are being taken to obtain this information.

Paraguay promotes the timely exchange of operative information and collaboration between the authorities in charge of illicit drug trafficking control through joint forces and operations, but there is no formal mechanism to evaluate the efficiency of the method used. The country informs that the main obstacle to ensure efficient information exchange and collaboration, is the lack of execution of a cooperation agreement between the authorities in charge of illicit drug trafficking control.

The country does not have information on the number of requests for mutual legal assistance sent or received.

Paraguay has signed extradition treaties with 20 countries. However, it has only received one request in connection with illicit drug trafficking that is still being processed, and has received four requests, for which final implementation is pending in only one case. The country does not have information on the date when such requests were made.

CICAD views with concern that the country continues to encounter difficulties in obtaining systematic information on arrests, trials, and convictions in connection with illicit drug trafficking and illicit drug possession, as well as possession for personal use, especially as the recommendation was made to the country in the Second Evaluation Round, 2001-2002 that it create records of trials and convictions in connection with these types of offense.

RECOMMENDATION:

14. IMPLEMENT A CENTRALIZED SYSTEM TO MAINTAIN RECORDS OF ARRESTS, TRIALS, AND CONVICTIONS IN CONNECTION WITH ILLICIT DRUG TRAFFICKING AND ILLICIT DRUG POSSESSION, AS WELL AS POSSESSION FOR PERSONAL USE, A RECOMMENDATION REITERATED FROM THE SECOND EVALUATION ROUND, 2001-2002.



B. Firearms and Ammunition

With respect to firearms and ammunitions, the Military Material Directorate (DIMABEL) of the Defense Ministry is the national entity responsible for the keeping of records, the issuance and cancellation of licenses and import and in-transit permits; the confiscation or forfeiture of illicitly trafficked firearms or ammunition; the exchange of information and of technical training and assistance. The Attorney General's Office and the National Police collaborate with DIMABEL in some of these activities. The exchange of information and collaboration is ensured between these entities through an inter-institutional committee and joint forces and operations. However, there is no formal mechanism to evaluate their efficiency. DIMABEL, the Attorney General's Office and the National Police, together with the Ministry of Foreign Affairs, are responsible for information exchange and collaboration with other countries' institutions in this field.

According to the country, the main obstacles faced for an efficient exchange between these authorities, is the lack of resources.

Act N° 1910/02 on Firearms, Ammunition and Explosives, criminalizes the illicit possession, trafficking and manufacture of firearms, ammunition, explosives and other related materials. The regulations contained in this Act are at present being studied.

The country does not have records of arrests, trials, and convictions in connection with possessing and illicit trafficking of firearms. Paraguay reports that this is due to a lack of mechanisms for information exchange between the National Police and the judiciary.

The country has regulations that require the issuance of import or in-transit licenses or permits before authorizing the entry of a shipment of firearms, ammunition and other related material. The laws also impose the same requirement for the cases of export and transit. There are no cases where the entry or export of a shipment was not authorized due to the absence of licenses or permits.

There were no confiscations of firearms or explosives over the last years. As regards ammunition, only 15,000 units were seized in the year 2004.

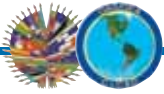
Paraguay reports that according to its laws, firearms marking is required in the moment of manufacture or importation.

The country does not keep records on the number of firearms, ammunition and explosives confiscated due to illicit drug trafficking offenses, nor is it able to estimate this link. According to provisions in force, confiscated firearms must be destroyed or donated to government institutions.

Paraguay only has one computerized data base on import of firearms, ammunition, explosives and other related materials, lacking computerized information as to exports and in-transit material.

Only five requests were made to obtain information on shipments to other countries having only obtained one answer in reply to the requests. However, an agreement has been signed between Paraguay and Brazil for the exchange of information on this issue. The country received 11 requests for information, and replied to 9 during the years under evaluation. The main obstacle stated by the country for the efficient exchange of information is the absence of a sole contact point.

CICAD views with concern that, although this recommendation was made in the First Evaluation Round, 1999 – 2000, the country has not yet begun to maintain records of arrests, trials, and convictions in connection with illicit trafficking in firearms, and that difficulties in coordination with the judiciary persist. The country also lacks information on the number of firearms, ammunition, and explosives seized in connection with illicit drug trafficking. Lastly, the country does not have records of exports or transit of firearms, ammunition, explosives, and other related materials.



RECOMMENDATIONS:

15. IMPLEMENT A SYSTEM TO MAINTAIN RECORDS OF ARRESTS, TRIALS, AND CONVICTIONS IN CONNECTION WITH ILLICIT TRAFFICKING IN FIREARMS, A RECOMMENDATION REITERATED DURING THE SECOND EVALUATION ROUND, 2001-2002.
16. ESTABLISH A REGISTER TO BE OBTAINED ON THE NUMBER OF FIREARMS, AMMUNITION, AND EXPLOSIVES SEIZED IN ILLICIT DRUG TRAFFICKING CASES.
17. ESTABLISH RECORDS ON THE TRANSIT OF FIREARMS, AMMUNITION, EXPLOSIVES, AND OTHER RELATED MATERIALS.

C. Money Laundering

Act 1160/97 criminalizes money laundering offenses with imprisonment for up to five years, which can be increased up to ten years when the perpetrator acts commercially or as a member of an association formed for the continued commission of the punishable act. According to the law of Paraguay, predicate offenses are those that constitute a crime for penal law or those carried out by a criminal association. Thus, predicate offenses are: illicit drug trafficking, prostitution, kidnapping, and aggravated extortion, being excluded the traffic of firearms, traffic of persons, organ trafficking, pornography, extortion, offenses against the administration, corruption, terrorism and its financing, and fraud. The country reports that the preliminary draft law to amend Law 1015/97 includes, as predicate offenses, any unlawful act for which imprisonment of six months or more may be imposed. This expansion would make it possible to include all sanctionable acts that are not now money laundering predicate offenses. The Bill is now before the Senate, and will subsequently be sent to the Chamber of Deputies.

In Paraguay, it is possible to initiate a money laundering case against the person who has been convicted for the predicate offense; and in order to be convicted for money laundering it is necessary for the person to have a prior conviction for the predicate offense. This is because criminalization requires the existence of a punishable act carried out by a member of a criminal association, for which there must be a court judgment. Money laundering is not criminalized as an autonomous offense in Paraguay.

There are no national laws that include the use of undercover operations, electronic surveillance, informants, controlled delivery or sentence reduction for cooperating witnesses for cases of money laundering, although the Bill to amend Law 1015/97 provides for the incorporation of these special investigation techniques.

The country has national laws that establish administrative controls that include several sectors, but excluding the lawyers, public notaries, accountants, and the transfer of money in cash or securities across the borders. These administrative controls include sanctions in case of lack of fulfillment. The said bill to amend Law 1015/97 provides for additional administrative controls of sectors not now included.

The country reports that, during the evaluation period, there were no arrests or trials for money laundering-related offenses. There was one conviction for this offense in 2003.

National laws require financial institutions and other subjects responsible to report suspicious or unusual transactions, and many other administrative control measures, with exception of the know-your-employee policies. The country reports that the bill to amend Law 1015/97 provides for the implementation of such policies.



In 2002, 79 suspicious transactions were reported before the competent authorities, and 28 investigations were started. In 2003, 43 transactions were reported and only 13 investigations were carried out. From the investigations carried out, no action was brought.

The country does not have a system to track suspicious transaction reports and their outcome, and there is no method to evaluate the efficiency of the system.

No sanctions have been imposed for non-compliance with the obligation to report suspicious transactions or for lack of fulfillment of other control measures concerning money laundering.

The country is analyzing the possibility of lifting bank secrecy with the purpose of financial intelligence, although over the last years there were no money laundering cases.

No property was forfeited in cases of money laundering. The country points out that this is a consequence of the weakness of the legislation that criminalizes and sanctions money laundering.

The country does not have an entity in charge of the administration and/or disposition of the property forfeited and confiscated due to illicit drug trafficking and money laundering, although the Bill to amend Law 1015/97 provides for one to be established.

SEPRELAD, the Financial Information Unit of Paraguay, is under the authority (Money and Assets Laundering Prevention Secretariat) of the Office of the President although it has its own budget of US\$376,000. It consists of 24 officers and is responsible for analyzing, investigating and regulating, although it may not impose sanctions. It has access to all type of information in possession of the subjects responsible, although it must request its authorities for banking information. It is also competent to exchange information with other national and foreign institutions, being a member of the Egmont Group and having signed Memoranda of Understanding with some countries.

In 2003, the number of cases analyzed by the Unit increased from the previous year (79 and 46, respectively). However, these investigations led to no criminal charges. The country has not provided data for the year 2004.

Money laundering is extraditable in Paraguay in compliance with the country's Code of Penal Procedures. During the period under evaluation, no requests were made or received in relation to this issue, and there is no central authority responsible for making and receiving such requests. Likewise, no requests were made nor received to freeze assets nor to lift bank secrecy, in money laundering cases.

Only four prosecutors and 30 administrative officers during the last three years received specialized training to administer money laundering cases.

CICAD views with concern that a series of problems remain in the legislation in force in the money laundering area, which must be resolved for international standards to be met in this area. These issues mainly involve expansion of the list of predicate offenses, introduction of special investigative techniques, expansion of the list of obligated subjects, and introduction of know-your-employee policies. The country lacks an entity to administer and dispose of the assets from the illicit drug trafficking and related crimes cases. This is essential given the need for the country to diversify current sources of funding for its national drug plan.

It is likewise essential for the system of administrative controls to include mechanisms for follow-up of reports of suspicious transactions in order to be able to evaluate its operation. Lastly, although



a recommendation was made during the Second Evaluation Round, 2001-2002 in this regard, insufficient numbers of judges and prosecutors receive specialized training to administer money laundering cases.

RECOMMENDATIONS:

18. ENACT THE PROVISIONS NECESSARY TO EXPAND THE LIST OF PREDICATE OFFENSES, INTRODUCE SPECIAL INVESTIGATIVE TECHNIQUES, EXPAND THE LIST OF OBLIGATED SUBJECTS, AND INTRODUCE KNOW-YOUR-EMPLOYEE POLICIES, AND ESTABLISH THE ENTITY TO ADMINISTER AND DISPOSE OF ASSETS IN CASES OF ILLICIT DRUG TRAFFICKING AND RELATED OFFENSES.
19. IMPLEMENT A SYSTEM TO FOLLOW-UP ON REPORTS OF SUSPICIOUS TRANSACTIONS AND THEIR RESULTS.
20. INCREASE THE NUMBER OF JUDGES AND PROSECUTORS RECEIVING SPECIALIZED TRAINING ON THE SUBJECT OF MONEY LAUNDERING, A RECOMMENDATION REITERATED FROM THE SECOND EVALUATION ROUND, 2001-2002.

D. Corruption

At present a draft bill against corruption is being reviewed by the National Congress.

Paraguay has no information on the number of public officials arrested, tried, or convicted of corruption-related offenses in connection with illicit drug trafficking, nor for offenses related to illicit drug trafficking.

CICAD notes that the country has no records of arrests, trials, or convictions for illicit drug trafficking offenses or for corruption offenses related to illicit drug trafficking.

RECOMMENDATION:

21. IMPLEMENT A SYSTEMATIC REGISTER OF ARRESTS, TRIALS, OR CONVICTIONS FOR ILLICIT DRUG TRAFFICKING OFFENSES AND/OR FOR CORRUPTION OFFENSES RELATED TO ILLICIT DRUG TRAFFICKING.

E. Organized Crime

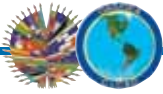
With regard to the existence of legal mechanisms to combat transnational organized crime in connection with illicit drug trafficking, Paraguay reports that Law 2298/03 was approved in November 2003. It also reports that national legislation provides for the following offenses: money laundering, obstruction of justice, trafficking in persons, manufacture and illicit trafficking in firearms, kidnapping, and hostage taking. National legislation provides for extradition and reciprocal judicial cooperation, and for the following special investigative techniques: undercover operations, interception of telecommunications, controlled deliveries, and interception and confiscation of correspondence.

The main institutions charged with applying laws against transnational organized crime in connection with illicit drug trafficking are SENAD and SEPRELAD.



The country does not have training programs for officials responsible for enforcing laws against transnational organized crime as related to illicit drug trafficking, and considers them essential, especially in connection with special investigative techniques.

CICAD notes that the country has a general framework on the subject of organized crime in relation to illicit drug trafficking and urges the country to continue improving its capacity to control organized crime.



V. CONCLUSIONS

Paraguay has a national anti-drug plan, which is valid until March 2005. Funding for the National Plan comes almost exclusively from international cooperation contributions, which undermines its full application and sustainability over time.

Paraguay has ratified most of the international conventions relating to the drug problem. Particular mention should be made of its ratification of the Inter-American Convention on Mutual Assistance in Criminal Matters in October 2004. Nevertheless, CICAD notes with concern that the country has not yet ratified the Protocol against Illicit Smuggling of Migrants by Land, Sea and Air, or the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, its Parts and Components, and Ammunition, a recommendation made in the Second Evaluation Round in 2001-2002.

CICAD acknowledges the country's efforts, through its Drugs Observatory, to gather information on drug consumption and urges the country to make progress with obtaining information on mortality, crime, and work accidents related to drug abuse.

With reference to demand reduction, CICAD views with concern that the country has not made progress with the full implementation of the Minimum Standards of Care adopted in 2002.

CICAD notes that given the increase in the land turned over to cannabis cultivation and the country's estimates for increased per-hectare yields, it is essential that the current measuring methods are improved to include the evaluation of the variation in crop amounts during the year.

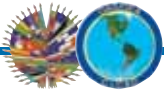
In reference to the diversion of pharmaceuticals products, CICAD believes it is important that the country extend its existing controls over health professionals, specifically as regards the issuing of medical prescriptions and the enforcement of administrative sanctions, elements which are currently excluded from the control system. Moreover, CICAD highlights the fact that the country lacks the mechanisms that allow for the evaluation of the effectiveness of current controls, and also lacks information on the applied sanctions, both of which would help improve the current control system.

In relation to controlled chemical substance, CICAD notes with concern that the country has no effective means to process received pre-notifications, as well as, not having information on seized controlled chemical substances.

CICAD observes that the country continues to encounter difficulties in obtaining systematic information on arrests, trials, and convictions in connection with illicit drug trafficking, illicit drug possession, and for illicit firearms trafficking, which was recommended in the previous evaluation rounds. Finally, the country has no register of its public officials arrested, tried, and convicted for illicit drug trafficking offenses or related corruption offenses.

CICAD recognizes the achievements obtained in the area of money laundering; although there are still a series of problems that must be resolved if the applicable international standards are to be met. These issues mainly involve expansion of the list of predicate offenses, introduction of special investigative techniques, expansion of the list of obligated subjects, and the existence of an entity to administer confiscated assets. It must be noted, however, that the numbers of administrative officials receiving such training has increased.

CICAD expresses its satisfaction with the country's participation in the Multilateral Evaluation Mechanism and urges it to persevere with its efforts, particularly in those areas in which weaknesses are currently to be found.



VI. SUMMARY OF 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 BUILDING

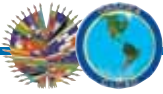
1. RATIFY THE FOLLOWING PROTOCOLS TO THE UNITED NATIONS CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME, A RECOMMENDATION REITERATED FROM THE SECOND EVALUATION ROUND, 2001-2002:
 - A) PROTOCOL AGAINST ILLICIT SMUGGLING OF MIGRANTS BY LAND, SEA AND AIR
 - B) PROTOCOL AGAINST THE ILLICIT MANUFACTURING OF AND TRAFFICKING IN FIREARMS, ITS PARTS AND COMPONENTS, AND AMMUNITION

DEMAND REDUCTION

2. EXPAND THE AVAILABILITY OF COURSES AVAILABLE IN THE PREVENTION AND ADDICTION TREATMENT AREAS, ESPECIALLY AT THE UNDERGRADUATE AND GRADUATE LEVELS.
3. IMPLEMENT THE MINIMUM STANDARDS OF CARE IN DRUG USE TREATMENT.
4. DEVELOP STUDIES TO EVALUATE THE EFFECTIVENESS OF EXISTING TREATMENT PROGRAMS.
5. DEVELOP A SYSTEM TO OBTAIN DATA ON DRUG USE-RELATED MORTALITY, CRIME, AND WORK ACCIDENTS.

SUPPLY REDUCTION

6. IMPROVE SYSTEMS FOR MEASURING AREAS PLANTED WITH CANNABIS AND THEIR YIELDS, TO INCLUDE ESTIMATES OF VARIATION IN SUCH AREA DURING THE YEAR.
7. IMPLEMENT CONTROLS OF PRESCRIPTION RENEWALS AND PROVIDE FOR THE IMPOSITION OF ADMINISTRATIVE SANCTIONS AS PART OF THE CONTROL FRAMEWORK FOR THE USE AND DISTRIBUTION OF PHARMACEUTICAL PRODUCTS BY HEALTH PROFESSIONALS.
8. ESTABLISH A REGISTER TO COMPILE DATA ON THE NUMBER OF ADMINISTRATIVE AND PENAL SANCTIONS IMPOSED FOR THE DIVERSION OF PHARMACEUTICAL PRODUCTS.
9. ESTABLISH A REGISTER TO COMPILE INFORMATION ON THE NUMBER OF PENAL SANCTIONS IMPOSED IN CASES OF DIVERSION OF CONTROLLED CHEMICAL SUBSTANCES.
10. INTRODUCE MECHANISMS ENABLING EFFECTIVE REPLIES TO BE MADE TO PRE-EXPORT NOTIFICATIONS OF CONTROLLED CHEMICAL SUBSTANCES RECEIVED BY THE COUNTRY.
11. IMPLEMENT A SYSTEM ENABLING SYSTEMATIC INFORMATION TO BE OBTAINED ON QUANTITIES OF CONTROLLED CHEMICAL SUBSTANCES SEIZED BY THE COMPETENT AUTHORITIES.



12. APPROVE THE NECESSARY LEGISLATION FOR THE IMPLEMENTATION OF THE FORMAL MECHANISMS FOR EVALUATION OF EXISTING CONTROLS IN THE AREA OF CONTROLLED CHEMICAL SUBSTANCES.
13. APPROVE THE NECESSARY LEGISLATION FOR THE IMPLEMENTATION OF THE FORMAL MECHANISMS FOR THE EVALUATION OF THE ENTITIES INVOLVED IN THE AREA OF CONTROLLED CHEMICAL SUBSTANCES.

CONTROL MEASURES

14. IMPLEMENT A CENTRALIZED SYSTEM TO MAINTAIN RECORDS OF ARRESTS, TRIALS, AND CONVICTIONS IN CONNECTION WITH ILLICIT DRUG TRAFFICKING AND ILLICIT DRUG POSSESSION, AS WELL AS POSSESSION FOR PERSONAL USE, A RECOMMENDATION REITERATED FROM THE SECOND EVALUATION ROUND, 2001-2002.
15. IMPLEMENT A SYSTEM TO MAINTAIN RECORDS OF ARRESTS, TRIALS, AND CONVICTIONS IN CONNECTION WITH ILLICIT TRAFFICKING IN FIREARMS, A RECOMMENDATION REITERATED DURING THE SECOND EVALUATION ROUND, 2001-2002.
16. ESTABLISH A REGISTER TO BE OBTAINED ON THE NUMBER OF FIREARMS, AMMUNITION, AND EXPLOSIVES SEIZED IN ILLICIT DRUG TRAFFICKING CASES.
17. ESTABLISH RECORDS ON THE TRANSIT OF FIREARMS, AMMUNITION, EXPLOSIVES, AND OTHER RELATED MATERIALS.
18. ENACT THE PROVISIONS NECESSARY TO EXPAND THE LIST OF PREDICATE OFFENSES, INTRODUCE SPECIAL INVESTIGATIVE TECHNIQUES, EXPAND THE LIST OF OBLIGATED SUBJECTS, AND INTRODUCE KNOW-YOUR-EMPLOYEE POLICIES, AND ESTABLISH THE ENTITY TO ADMINISTER AND DISPOSE OF ASSETS IN CASES OF ILLICIT DRUG TRAFFICKING AND RELATED OFFENSES.
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21. IMPLEMENT A SYSTEMATIC REGISTER OF ARRESTS, TRIALS, OR CONVICTIONS FOR ILLICIT DRUG TRAFFICKING OFFENSES AND/OR FOR CORRUPTION OFFENSES RELATED TO ILLICIT DRUG TRAFFICKING.