



OAS

More rights for more people

MULTILATERAL EVALUATION MECHANISM (MEM)

*Evaluation Report on Drug Policies:
Measures to Control and Counter the Illicit
Cultivation, Production, Trafficking, and
Distribution of Drugs, and to Address their
Causes and Consequences*

Panama

Inter-American Drug Abuse Control Commission (CICAD)
Secretariat for Multidimensional Security (SMS)

2022



MULTILATERAL EVALUATION MECHANISM (MEM)

PANAMA

Evaluation Report on Drug Policies:

Measures to Control and Counter the Illicit Cultivation, Production, Trafficking, and Distribution of Drugs, and to Address their Causes and Consequences

EIGHTH EVALUATION ROUND

2022

OEA/Ser.L/XIV.2.72
CICAD/doc.2676/22

ISBN 978-0-8270-7586-3

PREFACE

The Multilateral Evaluation Mechanism (MEM), established by a mandate from the Second Summit of the Americas (Santiago, Chile - 1998), is a unique multilateral evaluation tool designed to measure the progress made and challenges faced by the member states of the Organization of American States (OAS) in implementing the Hemispheric Plan of Action on Drugs of the OAS Hemispheric Drug Strategy, currently in force.

The Inter-American Drug Abuse Control Commission (CICAD) of the Secretariat for Multidimensional Security (SMS) is the OAS specialized agency in charge of implementing this Mechanism.

The current MEM round is based on the objectives of the Hemispheric Plan of Action on Drugs 2021-2025 of the Hemispheric Drug Strategy 2020 and their respective priority actions. These documents take into account the recommendations of the outcome document of the United Nations General Assembly Special Session on the World Drug Problem (UNGASS 2016) and the United Nations 2030 Agenda on Sustainable Development, as well as cross-cutting issues, such as the gender perspective and human rights, cultural context, and social inclusion approaches, among others.

Seven evaluation rounds have been completed from 1998 to 2019 and, during 2020, the MEM Intergovernmental Working Group (IWG), composed of member state delegates, agreed on a new methodology for the eighth round, consisting of annual thematic evaluations with the support of independent technical consultants, as follows: 2021 – Measures for Prevention, Treatment, and Recovery Support; 2022 – Measures to Control and Counter the Illicit Cultivation, Production, Trafficking, and Distribution of Drugs, and to Address their Causes and Consequences; 2023 – Institutional Strengthening; Research, Information, Monitoring, and Evaluation; International Cooperation; and 2024 – Comprehensive Evaluation based on updated information from all thematic areas.

MEM evaluations are carried out based on information provided by the member states' National Coordinating Entities (NCEs), which is analyzed by the MEM Governmental Expert Group (GEG), composed of experts designated by the countries, who do not participate in their own country's evaluation, thus ensuring the transparency and impartiality of the process. The GEG is always supported by the group of independent technical consultants and the MEM Unit. The eighth round represents a more rigorous evaluation process, in which countries are requested to provide valid means of verification to support the information submitted and ensure compliance of each priority action.

Specifically, the GEG's work for the thematic assessment for the area of "Measures to Control and Counter the Illicit Cultivation, Production, Trafficking, and Distribution of Drugs, and to Address their Causes and Consequences" was conducted during 2022, and covers the 2019 to 2022 period (unless otherwise specified). This work was adapted to the COVID-19 pandemic with

the use of technology and virtual tools, as well as taking it into consideration in the evaluation assessments.

Finally, it should be noted that one of the main purposes of MEM evaluation reports is to serve as a useful diagnostic tool to identify opportunities for improvement in drug policies and strategies, both at the national and regional levels.

OBJECTIVE**1**

DEVELOP AND/OR STRENGTHEN NATIONAL- AND REGIONAL-LEVEL INTERDICTION CAPACITY, AS WELL AS THE CAPACITY TO REDUCE THE ILLICIT CULTIVATION, PRODUCTION, TRAFFICKING, AND DISTRIBUTION OF PLANT-BASED AND SYNTHETIC DRUGS THROUGH THE USE OF COMPREHENSIVE AND BALANCED PROGRAMS IN ACCORDANCE WITH THE REALITIES OF EACH COUNTRY'S DOMESTIC LEGISLATION AND RESPECT FOR HUMAN RIGHTS.

Priority Action 1.1: Develop or strengthen intelligence and interdiction capabilities to detect, investigate, and dismantle laboratories or facilities used in the illicit manufacture of drugs.

Panama participates in ongoing training programs to detect, investigate, and dismantle laboratories or facilities used in the illicit manufacture of drugs, for personnel involved in interdiction operations.

The country has protocols and operating procedures to detect and investigate clandestine laboratories or facilities for the illicit processing or manufacture of drugs.

Priority Action 1.2: Implement policies that promote gender mainstreaming in agencies and organizations in charge of drug control.

Agencies in charge of drug control in Panama do not implement policies that promote gender mainstreaming. However, Law No. 4 of 1999 establishes equal opportunities for women in order to develop public policy against gender discrimination; Executive Decree No. 31 of 2001 creates the National Gender Training System to train personnel from governmental and non-governmental organizations on gender issues; and Law No. 71 of 2008 creates the National Institute for Women to coordinate programs and projects with public and private institutions aimed at eliminating the structural causes of gender inequality.

Priority Action 1.3: Design, implement, and strengthen programs aimed at land, riverine, maritime, and aerial interdiction.

Panama has programs and strategies aimed at land, maritime, and aerial interdiction, through monitoring, inspections, or checkpoints. However, the country does not have programs or strategies for riverine drug interdiction.

Priority Action 1.4: Review and update, as appropriate, legal frameworks related to the use of specialized investigation tools and techniques.

Panama has Law No. 23 of 1986, Law No. 121 of 2013, the Penal Code, the Penal Procedure Code and Law No. 23 of 2015, which consider the use of specialized investigative tools and techniques

to prevent and reduce illicit drug trafficking.

Priority Action 1.5: Review and/or update mechanisms countries use to monitor the evolution of drug trafficking and related crimes, for the purpose of identifying and responding to new trends and threats.

Panama, through the National Police, does not conduct updated assessments or studies to identify new trends and threats related to drug trafficking and related crimes.

Priority Action 1.6: Define and implement coordinated actions between national and regional entities to dismantle organized criminal groups involved in drug trafficking and related crimes.

Panama implements actions to identify organized crime groups involved in drug trafficking and related crimes. In this respect, institutions share information officially and confidentially for conducting operations to identify groups involved in drug trafficking.

The country carries out inter-institutional collaboration and cooperation mechanisms to coordinate actions aimed at dismantling organized crime groups involved in drug trafficking and related crimes, such as the Regional Naval Air Operations Center (CROAN), which directs, monitors and executes at the tactical level the command and control of the anti-narcotics operations carried out by the Joint Maritime Force - Panama (FMC-P); the Directorate of Judicial Investigation, an auxiliary body of the Public Ministry and the Judicial Branch; the Police Force and investigative agencies, such as assistants to the Public Ministry or the courts; and the Interinstitutional Cooperation Agreement between the National Migration Service (SNM) and the National Border Service (SENAFRONT).

Panama has participated in joint operations and investigations with other countries aimed at dismantling organized criminal groups involved in drug trafficking and related crimes through the provision of international assistance.

Priority Action 1.7: Enhance the capacity of national and regional forensic laboratories or similar investigation entities to analyze and identify chemical substances, precursors, pharmaceutical products, and synthetic drugs, including new psychoactive substances (NPS) and facilitate information sharing with global repositories and across governmental counterparts.

Panama has the Institute of Legal Medicine and Forensic Sciences, the Controlled Substances Laboratory, and the Chemical Control Unit, which are responsible for and capable of analyzing chemical substances, precursors, pharmaceutical products, and synthetic drugs, including new psychoactive substances (NPS).

The country has ongoing training programs for personnel involved in the analysis of chemical substances, precursors, pharmaceutical products, and synthetic drugs, including NPS. In this sense, the Controlled Substances Laboratory of Panama, for being accredited under the ISO/IECC 17025 standard, annually carries out ongoing training programs on chemical substances for expert personnel, in order to keep up-to-date on issues related to synthetic drugs, including NPS. In 2022, a series of teaching sessions were held on different topics such as morphology of the marijuana plant (*Cannabis sativa* L.), chemical analysis of drugs with infrared, chemical analysis with gas chromatography with mass detector and analysis of new synthetic drugs.

Panama has mechanisms to facilitate and share information at the national level across governmental counterparts, as well as with global repositories on chemical substances, precursors, pharmaceutical products, and synthetic drugs, including NPS. The agencies involved in these mechanisms are the Institute of Legal Medicine and Forensic Sciences, the Controlled Substances Laboratory, the Chemical Control Unit, and the National Commission for the Study and Prevention of Drugs (CONAPRED).

Priority Action 1.8: Enhance the capacity of relevant drug control and financial regulatory competent authorities to identify and address new challenges whereby synthetic drugs and their precursors and pharmaceutical products, being illicitly sold online and shipped through land, riverine, maritime, and aerial means.

Panama has mechanisms to investigate and disrupt drug trafficking through the Internet. In this respect, the National Police, the National Aeronaval Service (SENAN), and the National Border Service (SENAFRONT) conduct intelligence operations, such as surveillance and monitoring, controlled purchases, seizure of correspondence and undercover operations.

Priority Action 1.9: Enhance coordination with private sector entities to prevent diversion of chemical substances and precursors and deny criminals access to the materials, platforms, and services of the licit supply chain, which are exploited by criminal organizations for the illicit manufacture, sale, and trafficking of drugs.

Panama does not have partnerships and information exchange mechanisms with private sector entities to prevent access to materials and services exploited for illicit drug trafficking purposes.

The country uses tools and resources of the International Narcotics Control Board (INCB) to strengthen cooperation with the private sector to prevent the diversion of chemicals.

Priority Action 1.10: Enhance capacities for forfeiture, seizure, and management of assets, tools, or products related to illicit drug markets.

Panama has national authorities with the appropriate budget, human and material resources for the forfeiture, seizure, and management of assets, tools, or products related to illicit drug markets.

Competent personnel do not receive ongoing training on the forfeiture, seizure, and management of assets, tools, or products related to illicit drug markets, which includes courses on confiscation; operational needs and legal requirements; a guide for the investigation of the crimes of smuggling and customs fraud; the illicit finances behind the corruption; and aspects related to the prevention, combat and investigation of crimes of money laundering and financing of terrorism.

OBJECTIVE

2

STRENGTHEN NATIONAL MEASURES TO ADDRESS THE CHALLENGES POSED BY NPS AND ILLICIT SYNTHETIC DRUGS, AND THE THREAT OF FENTANYL-RELATED SUBSTANCES, NON-MEDICAL SYNTHETIC OPIOIDS, AND ILLICIT AMPHETAMINE DERIVATIVES.

Priority Action 2.1: Establish and/or strengthen early warning systems (EWS) at the national level to promote collaboration and the exchange of information with other existing regional or international systems.

Panama does not have an early warning system (EWS) to identify and trace new psychoactive substances (NPS), illicit synthetic drugs, and the threat of fentanyl-related substances, non-medical synthetic opioids, illicit amphetamine derivatives, and other substances subject to international control.

Priority Action 2.2: Improve domestic capabilities to detect and analyze NPS by making resources and tools available for those responsible in this area.

Panama improves its capabilities to detect and analyze NPS through the use of special investigative techniques, updated equipment, and the acquisition of new technologies. In this respect, the country uses undercover agents and makes controlled purchases, monitored controlled deliveries, intelligence operations, telephone intercepts, and data intercepts. The country also uses infrared spectrometry and gas chromatography coupled with mass spectrometry.

Priority Action 2.3: Design and implement, when appropriate, national regulatory tools to address the challenges posed by NPS and national controls on emerging illicit synthetic drugs and their precursor chemicals.

Panama has the following regulatory frameworks or guidelines to identify and address the challenges posed by the onset of NPS and emerging synthetic drugs:

- Law No. 23 of 1986, the “Drug Law”
- Penal Code
- Law No. 121 of 2013 on organized crime

Priority Action 2.4: Promote participation in the Project ION Incident Communication System (IONICS) to facilitate real-time communication of incidents involving suspicious shipments of, trafficking in, or illicit manufacture or production of NPS, including fentanyl-related substances and other non-medical synthetic opioids and amphetamine derivatives.

Panama does not participate in International Narcotics Control Board (INCB)'s (International Operations on NPS Project (Project ION).

Priority Action 2.5: Develop innovative regulatory approaches, such as generic controls, analogue legislation, and temporary or emergency controls, to enhance national controls on synthetic opioids for non-medical use, and NPS, particularly when scheduling fentanyl-related substances by class.

Panama does not have innovative legislation or regulatory approaches to control synthetic opioids for non-medical use and NPS.

OBJECTIVE
3

STRENGTHEN OR DEVELOP LEGAL AND INSTITUTIONAL FRAMEWORKS FOR THE EFFECTIVE MONITORING AND CONTROL OF ESSENTIAL CHEMICAL SUBSTANCES AND PRECURSORS TO PREVENT DIVERSION OF THESE SUBSTANCES TO THE MANUFACTURING OF ILLICIT DRUGS AND COUNTER ITS TRAFFICKING, INCLUDING PERIODICALLY UPDATING NATIONAL LISTS OF CONTROLLED CHEMICAL SUBSTANCES.

Priority Action 3.1: Promote inter-agency coordination with industry to prevent diversion of controlled chemical substances.

Panama has the Chemical Control Unit (UCQ) as the competent national authority responsible for developing guides, codes of conduct, or other instruments to inform industry and users in general of controlled chemical substances.

The country has developed the following instruments and mechanisms to inform industry and users in general of applicable controls and cooperation methods to prevent the diversion of controlled chemical substances:

- Law No. 19 of 2005
- Agreement No. 07-2012 of 2012
- Law No. 40 of 2012, amending articles of the Penal Code and issuing another provision related to the diversion of chemical substances
- Each year, importing companies and/or wholesale distributors, when applying for the license to handle precursors for medical use, agree to submit reports on their handling and to report any suspicion or irregularity in the handling of these products

Panama has an updated register of all individuals and corporations handling controlled chemical substances.

The country’s competent authorities carry out regular inspections and audits of the establishments of individuals and corporations authorized to handle controlled chemical substances, as shown in the following table:

Name of the competent national authority	Does it carry out regular inspections and audits? (Yes/No)	Is it responsible for controlling domestic trade?	Does it consider the CICAD Model Regulations?
Chemical Control Unit	Yes, inspections are conducted for first entry and followed up every six months.	Yes	Yes
National Directorate of Pharmacy and Drugs of the Ministry of Health	Inspections and audits are conducted on pharmaceutical corporations to verify compliance with standards. Their frequency is determined after a risk analysis and the reports received.	Yes	No

Priority Action 3.2: Conduct analyses, including through existing mechanisms of information exchange, on substances, their analogues, and precursors, which pose a threat to public health in member states, to identify substances for expedited international control.

Panama carries out analyses that include the exchange of information through existing international mechanisms on substances, their analogs, and precursors which pose a threat to public health. This information is exchanged via e-mail, telephone, or physical documentation.

Priority Action 3.3: Strengthen the existing international control system to prevent the diversion of controlled chemical substances, pharmaceutical products, and precursors used in the illicit manufacture of drugs, as well as interdiction to counter the trafficking of chemical substances.

Panama has Law No. 19 of 2005 and Law 1 of 2001, which incorporate control measures listed in Article 12, Paragraphs 8 and 9 of the 1988 United Nations Convention to prevent diversion of controlled chemical substances towards illicit activities.

Priority Action 3.4: Strengthen or develop appropriate domestic controls over precursors including measures to control the international trade in precursor chemicals and other controlled chemical substances, consistent with the framework established in the United Nations Drug Conventions, and law enforcement measures.

Panama has incorporated in its legislation the following control measures listed in Article 12, Paragraph 8 of the 1988 United Nations Convention:

Control measures	Yes	No
Control of all persons and enterprises engaged in the manufacture and distribution of controlled chemical substances	X	
Control, under license, the establishment and premises in which manufacture or distribution of controlled chemical substances may take place	X	
Require that licensees obtain a permit for manufacturing or distributing controlled chemical substances	X	
Prevent the accumulation of controlled chemical substances in the possession of manufacturers and distributors, in excess of the quantities required for the normal conduct of business and the prevailing market conditions	X	

Panama has incorporated in its legislation the following control measures listed in Article 12, Paragraph 9 of the 1988 United Nations Convention:

Control measures	Yes	No
A system to monitor international trade in controlled chemical substances to facilitate the identification of suspicious transactions	X	

The monitoring system shall be used by manufacturers, importers, exporters, wholesalers, and retailers to inform the competent authorities of suspicious orders and transactions	X	
Any controlled substance is seized if there is sufficient evidence that it will be used in the illicit manufacture of narcotics or psychotropic substances	X	
The competent authorities are notified, as soon as possible, if there is reason to believe that the import, export, or transit of a substance is destined for the illicit manufacture of narcotic drugs or psychotropic substances, including, in particular, information about the means of payment and any other essential elements which led to that belief	X	
Requirements to ensure that imports and exports are properly labelled and documented. Commercial documents such as invoices, cargo manifests, customs, transport, and other shipping documents must include the names of the substances, the quantity, and the name and address of the exporter, the importer and, when available, the consignee. These documents are kept for a period of no less than two years and may be made available for inspection by competent authorities	X	

Panama asks for the information in Article 12, Paragraph 10 of the 1988 United Nations Convention.

In addition, the country implements the following national measures to control chemical precursors:

- Continuous implementation of a “soft law” policy in the control of chemical substances with industrial operators, in which voluntary compliance and timelines prevail to ensure fluid trade
- Promotion of a culture of shared commitment, favoring the ethics of industrial conduct, safeguarding the information that stakeholders may provide
- Maintenance of training, seminars, and discussions with the regulated sector, promoting corporate and commercial freedom

Priority Action 3.5: Promote participation in the Pre-Export Notification (PEN) Online system and Precursor Incident Communication System (PICS) to facilitate information exchange on controlled chemical substances.

Panama uses the International Narcotics Control Board’s (INCB) information system for pre-export notifications (PEN Online) of controlled chemical substances.

The country does not use the INCB’s Precursor Incident Communication System (PICS).

Priority Action 3.6: Train relevant drug investigation, control and interdiction personnel and researchers on the identification and handling of precursors and other controlled chemical substances used in the illicit manufacture of drugs.

Panama does not receive training for drug control personnel on the identification and handling of controlled chemical substances.

Priority Action 3.7: Allocate resources to acquire necessary equipment and supplies for the preliminary identification of substances, and the protective equipment required by personnel in charge of these tasks.

In Panama there are no budgetary mechanisms to ensure allocation of resources to acquire necessary equipment and supplies for the preliminary identification of substances or the protective equipment required by personnel in charge of these tasks.

Priority Action 3.8: Use, as appropriate, CICAD's Model Regulations for the control of Chemical Substances Used in the Illicit Production of Narcotic Drugs and Psychotropic Substances (2019) in the formulation of national chemical control regulations.

Panama uses the OAS/CICAD Model Regulations for the Control of Chemical Substances Used in the Illicit Manufacture of Narcotic Drugs and Psychotropic Substances. In this respect, the National Commission for the Study and Prevention of Drugs' (CONAPRED) UCQ maintains official communications via mail with national authorities and international organizations and measures the levels of chemical substances present in mixtures.

OBJECTIVE

4

ENSURE ADEQUATE AVAILABILITY AND ACCESSIBILITY OF SUBSTANCES SUBJECT TO INTERNATIONAL CONTROL FOR MEDICAL AND SCIENTIFIC PURPOSES, WHILE ALSO PREVENTING THEIR DIVERSION TOWARDS ILLICIT ACTIVITIES, IN ACCORDANCE WITH INTERNATIONAL DRUG CONTROL CONVENTIONS.

Priority Action 4.1: Streamline, in accordance with national legislation and international obligations, the process for issuing authorizations for national production, and to import and export controlled substances for medical and scientific purposes.

Panama has special processes for issuing authorizations for the national production, import, and export of substances subject to international control for medical and scientific purposes. The average time it takes to issue import or export authorization is shown in the following table:

Product type	Average time to issue import permits	Average time to issue export permits
Narcotic or psychotropic raw materials for the manufacture of medicines	5-10 days	5-10 days To date there have been no re-exports of raw material
Medication containing narcotic or psychotropic drugs	5-10 days	5-10 days
Analytical patterns classified as narcotic or psychotropic	5-10 days	5-10 days
Medication classified as narcotic or psychotropic for the personal use of travelers entering or leaving the country	2-10 days (entering the country)	2-10 days (leaving the country)

The country has an updated register of individuals or companies importing or exporting substances subject to international control for medical and scientific purposes.

Priority Action 4.2: Adopt measures, in accordance with national laws, to train competent authorities and health professionals on ensuring access to substances subject to international control for medical and scientific purposes.

Panama has training or awareness activities for competent national authorities and health professionals on proper access to substances subject to international control for medical and scientific purposes. In this sense, the country has a Study Group for the rational use of controlled substances, which regularly carries out outreach activities on the subject and provides face-to-face and virtual training for health professionals from the public and private sectors who handle controlled substances, focusing on established regulations and procedures. Additionally, within the framework of the United Nations Office on Drugs and Crime's (UNODC) GLOK67 "Access to controlled substances for medical purposes" project, a socialization workshop was held for the new guide for the rational use of controlled medicines from the Ministry of Health, in different

Panamanian cities.

Priority Action 4.3: Improve access to controlled substances for medical and scientific purposes by addressing existing barriers, including those related to laws, regulations, and measures to promote access and build capacity for health care systems.

Panama has Law No. 14 of 2016 and its regulations, through Decree No. 183 of 2018, which govern the acquisition of substances subject to international control for medical and scientific purposes.

OBJECTIVE

5

ADOPT OR STRENGTHEN CONTROL MEASURES TO PREVENT DIVERSION OF CONTROLLED PHARMACEUTICAL PRODUCTS CONTAINING NARCOTIC DRUGS AND/OR PSYCHOTROPIC SUBSTANCES, AND THOSE CONTAINING PRECURSOR SUBSTANCES USED IN THE PRODUCTION OF CONTROLLED SUBSTANCES.

Priority Action 5.1: Strengthen or implement control measures on pharmaceutical products containing precursor substances, narcotics, or controlled psychoactive substances, to prevent their diversion for non-medical purposes, abuse, and trafficking.

Panama has an updated register of individuals and corporations handling pharmaceutical products containing precursor substances, narcotics, or psychotropic substances. The register is maintained in Microsoft Excel and provides the following information: name of pharmaceutical establishment, number of license to operate, controlled substances license, license expiration dates, type of activity carried out (import, export, re-export, distribution), type of controlled substances or products handled (psychotropics, narcotics, precursors), whether they have a control book and security area for storing products, name and number of Chief Pharmacist, name of Legal Representative of the establishment, location of the establishment, telephone number and e-mail address of establishment or Chief Pharmacist.

The country issues licenses to manufacturers and distributors of pharmaceutical products containing precursors, narcotics, or psychotropic substances.

Panama carries out regular inspections and audits of establishments of individuals and corporations authorized to handle pharmaceutical products containing precursor substances, narcotics, or psychotropic substances.

Priority Action 5.2: Update existing and other regulations and control measures to prevent diversion of pharmaceutical products containing narcotic drugs and/or psychotropic substances.

Panama has the following penalties for infractions or violations by individuals or corporations that handle pharmaceutical products containing precursor substances, narcotics, or psychotropic substances:

Type of Penalty	Year when it was last updated
Criminal	2021
Civil	1994
Administrative	2001

Priority Action 5.3: Strengthen national capacity and regional cooperation to prevent trade in and diversion of materials and equipment for illicit production or manufacture of narcotic drugs and psychotropic substances, including pill presses and encapsulating equipment.

Panama does not offer periodic training programs for personnel responsible for preventing trade in and diversion of materials and equipment for illicit production or manufacture of narcotics and psychotropic substances.

The country does not share information with other regional or global systems on the diversion of materials and equipment for illicit production or manufacture of narcotic drugs and psychotropic substances.

Priority Action 5.4: Promote the incorporation of competent national authorities to the International Import and Export Authorization System (I2ES) of the International Narcotics Control Board, a secure online platform, ready to issue, load, and exchange expeditiously import and export authorizations of narcotic drugs and psychotropic substances for medical use, between countries.

Panama does not use the International Narcotics Control Board's (INCB) International Import and Export Authorization System (I2ES). However, it has alternative mechanisms that are ready to issue, load, and exchange expeditiously import and export authorizations of narcotic drugs and psychotropic substances for medical use among countries. In this respect, a copy of the re-export permit is sent by mail for the corresponding endorsement of the health authority of the importing country.

The country has not received training on the INCB's I2ES system.

OBJECTIVE

6

STRENGTHEN OR DEVELOP SPECIFIC OPERATIONAL AND INTELLIGENCE GATHERING AND SHARING MECHANISMS TO DETECT METHODS USED BY CRIMINAL ORGANIZATIONS, INCLUDING THE EXPLOITATION OF LAND, RIVERINE, MARITIME, AND AERIAL ROUTES.

Priority Action 6.1: Train law enforcement personnel involved in drug investigations in specialized investigative techniques and intelligence collection, analysis, and operations, including through the use of existing information systems and intelligence data exchanges.

Panama implements and participates in periodic training programs for personnel involved in drug investigations on specialized investigative techniques and intelligence collection, analysis, and operations, through seminars, talks, international courses, and the Ibero-American Antidrug Prosecutors' Network online training platform.

Priority Action 6.2: Enhance the capabilities of law enforcement agencies that investigate and counter drug trafficking and the crimes that facilitate and are associated with trafficking, such as corruption and money laundering, through ongoing training of the involved personnel.

Panama implements and participates in periodic training programs or other capacity-building activities to investigate and counter crimes associated with drug trafficking, such as corruption and money laundering, through seminars, talks, international courses, and the Ibero-American Antidrug Prosecutors' Network online training platform.

Priority Action 6.3: Strengthen cooperation and the exchange of information among the domestic, regional, and international law enforcement agencies to carry out operations and investigations to counter drug trafficking and related crimes.

Panama has information gathering mechanisms to exchange intelligence information at a domestic, regional, and international level, to detect routes and methods used by drug trafficking criminal organizations. This information is shared with counterparts in international prosecutors' networks, through secure e-mails, chats and secure phone calls in real time.

Priority Action 6.4: Promote and strengthen the exchange of information and intelligence on matters of drug interdiction and effective border control measures to prevent drug trafficking by land, river, sea, and air.

Panama has the following tools that promote and strengthen cooperation and the exchange of information and intelligence among domestic law enforcement agencies responsible for drug interdiction and effective border control:

- Law No. 121 of 2013 on organized crime
- Law No. 23 of 1986 on drugs
- Law No. 11 of 2015 on international assistance
- Law No. 23 of 2015 on money laundering

Priority Action 6.5: Improve the information systems on drug trafficking and related crimes, including alerts on changing behavior patterns and modus operandi of criminal drug trafficking organizations.

Panama has a national information system on drug trafficking and related crimes, including alerts on changing behaviors and modus operandi of criminal organizations. The institutions that provide information for this system are the National Police Intelligence Directorate, the Anti-Narcotics Directorate, the special units of various entities of the National Police, the National Aeronaval Service (SENAN), and the National Border Service (SENAFRONT).

OBJECTIVE
7

ESTABLISH, UPDATE, OR REINFORCE, AS APPROPRIATE, THE LEGISLATIVE AND INSTITUTIONAL FRAMEWORKS IN THE AREAS OF PREVENTION, DETECTION, INVESTIGATION, PROSECUTION, AND CONTROL OF MONEY LAUNDERING DERIVED FROM DRUG TRAFFICKING, SUCH AS THE RECOMMENDATIONS OF THE FINANCIAL ACTION TASK FORCE (FATF).

Priority Action 7.1: Strengthen implementation of the legal, regulatory, and operational frameworks in the areas of prevention, detection, investigation, prosecution, and control of money laundering associated with drug trafficking.

Panama has the following regulatory framework to counter money laundering derived from drug trafficking:

- Law No. 254 of 2021
- Law No. 121 of 2013 on organized crime
- Law No. 23 of 1986 on drugs
- Law No. 23 of 2015 on money laundering
- Law No. 11 of 2015 on international assistance
- Other criminal provisions (Penal Code and Code of Criminal Procedure)

Priority Action 7.2: Develop and implement specialized ongoing training in areas of prevention, detection, investigation, prosecution, and control of money laundering derived from drug trafficking, consistent with known and emerging risks.

Panama has periodic training programs for officials and those in vulnerable sectors on prevention, detection, investigation, and prosecution of money laundering derived from drug trafficking. In this respect, each regulatory or supervisory entity of the vulnerable sectors designs and implements its periodic training program on prevention, detection, control, investigation, and prosecution of money laundering:

- **Superintendency of Banks (SBP)**
Each year, the Superintendency of Banks of Panama organizes training on the prevention of money laundering, financing of terrorism, and the proliferation of weapons of mass destruction, for all subject entities or supervised institutions and for the team of supervisors of the Directorate for the Prevention and Control of Illicit Operations. In addition, it participates each year in training provided by national and international organizations on the subject in order to keep personnel up-to-date on international standards and typologies of money laundering, as well as the subjects of tax evasion, terrorism, terrorism financing, on digitization topics and new technological trends.
- **Superintendency of the Securities Market (SMV)**
The annual training program on prevention of money laundering, financing of terrorism, and the proliferation of weapons of mass destruction seeks to update the institution's officials and

subject financial entities regulated by the SMV on different topics, giving priority to risk management and mitigation, supervision and audits, follow-up and monitoring of transactions, suspicious transaction reports, new technologies, knowledge of securities market financial products, and the risks of being used by criminal organizations in the commission of the crime of money laundering, handling of technological tools for follow-up and monitoring of transactions, importance of proper identification of clients and final beneficiaries, and examples of warning signs and typologies, among others.

- **Superintendency of Non-Financial Subjects**

The Superintendency of Non-Financial Subjects primarily trains non-financial subjects, in accordance with the Annual Training Plan; it also conducts training for members of representative unions of non-financial subjects. The training program for 2022 focuses on the following:

- Update of Chapter V, on National Risk Assessment of Panama (Terrorism Financing)
- Risk Analysis of liberal professions subject to supervision
- Risk Analysis of free zones, real estate and construction, casinos and games of chance, purchase and sale of new and used automobiles, pawnshops and precious metals, securities transport, lottery, mails, and telegraph
- Measures to prevent money laundering, financing of terrorism, and the proliferation of weapons of mass destruction consistent with the current legal framework on this subject, and according to the sector being trained
- Guides to compliance with prevention and control mechanisms on the subject of preventing money laundering, financing of terrorism, and the proliferation of weapons of mass destruction
- Guides on Suspicious Transaction Reports
- Summary of Risks Assessment of Legal Entities and Trusts in the Republic of Panama
- New adjustments to legislation on international fiscal transparency and prevention of money laundering, financing of terrorism, and the proliferation of weapons of mass destruction, pursuant to Law No. 254 of 2021

- **Superintendency of Insurance and Reinsurance of Panama (SSRP)**

The Superintendency of Insurance and Reinsurance of Panama (SSRP), in its role as regulator, remains in constant communication and contact with the insurance sector in order to provide subject entities with guidance, technical assistance, and information needed to broaden their knowledge and understanding of the risks of money laundering, financing of terrorism, and the proliferation of weapons of mass destruction, through the Annual Training Program. The subjects presented notably include the following:

- Terrorism Financing, warning signs, due diligence
- Dissemination of update of Chapter V of the National Risk Assessment, Methodology
- Response to United Nations (UN) List and preventive freezing: How to respond to UN List update notices, Preventive Freezing Process, Why is it necessary to respond to the UN List?
- Importance of the sector for sending Suspicious Transaction Reports (STRs)
- Importance of having quality STRs
- Responsibility of subject entities to report to the Financial Intelligence Unit (FIU): Cash Transaction Report (CTR), STR, UN List and notes

- Understanding the level of confidentiality among subject entities, the FIU, and the client
- How to manage the risk of money laundering, financing of terrorism, and the proliferation of weapons of mass destruction in insurance, given the accelerated process of digitization imposed by the pandemic
- **Financial Analysis Unit (UAF)**

Develops annual training sessions aimed at providing the financial and non-financial regulated entities with the necessary knowledge and tools, in order to guide and accompany them in complying with the regime for the prevention of money laundering, terrorist financing and financing of crimes. the proliferation of weapons of mass destruction, contained in Law 23 of April 27, 2105, its modifications and its regulations.

Priority Action 7.3: Enhance investigations by competent authorities into drug trafficking cases linked to money laundering and illicit use of assets.

Panama has the Practical Guide for Parallel Financial Investigations, adopted in 2019, which allows the Public Ministry to carry out financial and asset investigations parallel to drug trafficking investigations, facilitating the identification of the proceeds of crime, the tracking of assets, the initiation of asset forfeiture measures, the initiation of money laundering investigations, the identification of financial and economic structures, the dismantling of transnational networks, and the collection of information on criminal patterns.

Priority Action 7.4: Strengthen interagency coordination and cooperation in relation to the development of national anti-money laundering strategies, including through coordinating committees and task forces.

Panama has mechanisms allowing for inter-agency coordination and cooperation in the area of preventing and controlling money laundering. In this respect, the country creates links for cooperation with public institutions, for the purpose of adopting reciprocal technical assistance and joint action for preventing money laundering and terrorism financing.

Priority Action 7.5: Strengthen the exchange of financial intelligence as related to money laundering, including through the standardization of information systems.

Panama has the UAF as its financial intelligence unit.

The country has information systems aimed at case analysis in the investigation and prosecution of money laundering deriving from drug trafficking. In this respect, the FIU uses the technological platform called “FIU Online” whereby subject entities send the FIU their respective STRs, which is a secure channel of communication between subject entities and the FIU and at the same time a mechanism for direct feedback between the FIU, the subject entities, and the Supervisory

Agencies.

Priority Action 7.6: Identify and analyze money laundering threats to mitigate risks through public policies that strengthen the regime for preventing and countering money laundering, in accordance with applicable international instruments.

Panama has mechanisms for analyzing money laundering risks, in accordance with the Financial Action Task Force (FATF) recommendations. Consistent with FATF Recommendation 1, the country has implemented the following actions:

- Development of risk self-assessments and updates – Law 23 of 2015, Art. 8
- Creation of National Coordinator against Money Laundering (CNBC) – Law 23 of 2015, Art. 5
- Adoption of a risk-based approach – Law 23 of 2015, Arts. 4 and 40
- Definition and implementation of strategies for mitigating identified risks – Law 23 of 2015, Art. 8

Priority Action 7.7: Strengthen partnerships with the financial industries to identify and investigate illicit transactions and money laundering operations related to the proceeds of drug trafficking activities.

Panama has not established partnerships with the financial industries to identify and investigate illicit transactions and money laundering operations related to the proceeds of drug trafficking activities, because the financial industries are required to report events, transactions, operations or attempts to suspicious operations to the UAF, in accordance with Law 23 of 2015, modified by Law 70 of 2019.

OBJECTIVE
8

ESTABLISH AND/OR STRENGTHEN AGENCIES FOR THE ADMINISTRATION AND DISPOSITION OF SEIZED AND/OR FORFEITED ASSETS IN CASES OF DRUG TRAFFICKING, MONEY LAUNDERING, AND OTHER RELATED CRIMES, IN LINE WITH APPLICABLE INTERNATIONAL LAW, AND IN LINE WITH RELEVANT STANDARDS, SUCH AS THE FATF RECOMMENDATIONS AND THE RECOMMENDATIONS ON PREVENTIVE FREEZING OF ASSETS.

Priority Action 8.1: Establish and/or strengthen, as appropriate, national entities responsible for the administration and disposition of assets seized and/or forfeited in cases of drug trafficking, money laundering, and other related crimes.

Priority Action 8.2: Establish specialized agencies and appropriate mechanisms for the transparent administration of seized and forfeited assets, in accordance with national laws and international standards.

Panama has the Directorate for the Management of Seized Assets as the designated competent authority responsible for the administration and disposition of seized and forfeited assets, under Law No. 23 of 1986, Law No. 57 of 2013, Executive Decree No. 24 of 2015, and Executive Decree No. 359 of 2015.

The country has the following regulations to facilitate the accountability and transparency of the management of seized and forfeited assets:

- Law No. 57 of 17, 2013
- Law No. 32 of November 8, 1984, Organic Law of the Office of the General Comptroller of the Republic
- Judicial, Code, Book Two, Title II
- Law No. 6 of January 22, 2002

Priority Action 8.3: Develop and implement specialized, ongoing training programs for law enforcement officials charged with the administration and disposition of seized and forfeited assets.

Panama participates in the following specialized periodic training programs for the administration and disposition of seized and forfeited assets:

	Name and type of training received
National agencies	Successful Experiences in the Implementation of the Ownership Termination Law of Colombia - 2021
International organizations	Confiscation of Assets and Termination of Ownership – 2021 Seizure of Assets in the Process of Terminating Ownership - 2020

Priority Action 8.4: In accordance with each country's constitutional principles, apply legislative and regulatory measures to facilitate the seizure, forfeiture and management of assets, instruments, or products of illicit drug-related activities.

Panama has the following legislation, in accordance with international conventions and treaties, to facilitate the seizure, forfeiture, and management of assets and instruments derived from drug trafficking and other related crimes:

- Law No. 23 of 1986
- Law No.57 of 2013
- Executive Decree No. 24 of 2015
- Executive Decree No. 359 of 2015
- Single Text of Law No. 22 of 2006
- Law No. 153 de 2020
- Executive Decree No. 439 of 2020.

OBJECTIVE

9

DESIGN, IMPLEMENT, AND STRENGTHEN COMPREHENSIVE AND BALANCED NATIONAL PROGRAMS TO REDUCE THE ILLICIT CULTIVATION, PRODUCTION AND MANUFACTURE OF DRUGS THROUGH THE ADOPTION OF EFFECTIVE MEASURES, SUCH AS COMPREHENSIVE AND SUSTAINABLE ALTERNATIVE DEVELOPMENT, ENHANCED LAW ENFORCEMENT COOPERATION, AND OTHER APPROPRIATE POLICIES AND PROGRAMS, TAKING INTO ACCOUNT THE PARTICULAR NEEDS OF SUB-NATIONAL REGIONS OF EACH COUNTRY, RESPECTING HUMAN RIGHTS.

Priority Action 9.1: Design, implement, and update national policies and programs to prevent and decrease illicit cultivation, production, and manufacture of drugs.

Panama has not designed, implemented, and/or updated national policies and programs to prevent and decrease illicit cultivation, production, and/or manufacture of drugs.

Priority Action 9.2: Establish budgetary mechanisms to ensure sufficient and consistent allocation of resources to counternarcotics programs.

Panama does not direct budgetary allocations towards financing counternarcotics programs.

Priority Action 9.3: Promote supply reduction measures that take into account licit traditional uses, whenever there is historical evidence of such uses, as well as environmental protection.

Panama does not take into account licit traditional uses when designing and implementing policies and programs to reduce the illicit supply of drugs.

The country does not include environmental protection measures in its policies and programs to reduce the illicit supply of drugs.

Priority Action 9.4: Strengthen interagency cooperation to provide a comprehensive response against the illicit production of drugs, including collaboration among the public and private sectors and the international community.

Panama has not established mechanisms for interinstitutional cooperation between public and private institutions to provide a comprehensive response to the illicit production of drugs.

Priority Action 9.5: Support supply reduction programs with crime prevention initiatives, in cooperation with civil society and other stakeholders, as appropriate, to address social and economic risk factors.

Panama does not support the development of supply reduction programs with drug-related crime prevention initiatives that address social and economic risk factors.

OBJECTIVE

10

DESIGN, IMPLEMENT OR STRENGTHEN LONG-TERM ALTERNATIVE DEVELOPMENT PROGRAMS, INCLUDING RURAL AND URBAN ALTERNATIVES, COMPREHENSIVE AND SUSTAINABLE ALTERNATIVE DEVELOPMENT PROGRAMS, AND, AS APPROPRIATE, PREVENTIVE ALTERNATIVE DEVELOPMENT, IN ACCORDANCE WITH THE POLICIES, LAWS AND NEEDS OF EACH COUNTRY, AS APPROPRIATE, WHILE RESPECTING HUMAN RIGHTS.

Priority Action 10.1: Design and implement comprehensive and sustainable alternative development programs, including preventive alternative development, as appropriate, while respecting human rights.

Panama has not designed and implemented comprehensive and sustainable alternative development programs or preventive alternative development, as appropriate, as part of the strategies to control and reduce illicit crops.

Priority Action 10.2: Exchange experiences and best practices in the design and implementation of comprehensive and sustainable alternative development programs, including preventive alternative development, as appropriate.

Not applicable.

Priority Action 10.3: Promote and disseminate the results of comprehensive and sustainable alternative development programs, and the benefits they provide to affected communities.

Not applicable.

Priority Action 10.4: Design and/or strengthen monitoring and evaluation systems for comprehensive and sustainable alternative development programs aimed at reducing illicit crop cultivation and improving the well-being of communities, through the use of indicators that measure programs' effectiveness.

Not applicable.

Priority Action 10.5: Strengthen state presence in areas affected by or at risk of illicit drug cultivation, consistent with the circumstances of each member state.

Not applicable.

Priority Action 10.6: Promote, in accordance with national realities, the participation of local communities and relevant organizations in the development of comprehensive and sustainable alternative development programs, taking into account their needs and capabilities.

Not applicable.

Priority Action 10.7: Promote partnerships and innovative cooperative initiatives with the private sector, civil society, and international financial institutions to spur investment and job creation in areas and communities affected by or at-risk of illicit drug cultivation and production, and share related practices, lessons learned, expertise, and skills.

Not applicable.

OBJECTIVE
11**DESIGN AND IMPLEMENT PLANS AND/OR PROGRAMS TO MITIGATE AND REDUCE THE IMPACT OF ILLICIT CROPS AND DRUG PRODUCTION ON THE ENVIRONMENT, IN COOPERATION WITH LOCAL COMMUNITIES AND NATIONAL POLICIES OF MEMBER STATES.**

Priority Action 11.1: Conduct research and studies on the environmental impact of illicit crop cultivation and illicit production of drugs.

During the period of evaluation (2019-2022), Panama did not carry out research or studies to determine the characteristics and extent of the environmental impact caused by the illicit cultivation of crops and illicit drug production.

Priority Action 11.2: Design and implement specific research-based plans to mitigate the environmental impact of illicit crop cultivation and drug production, with the participation of local communities.

Not applicable.

Priority Action 11.3: Promote and strengthen the use of environmental management tools, as appropriate.

Not applicable.

OBJECTIVE
12**ADDRESS THE EFFECTS OF SMALL-SCALE DRUG TRAFFICKING ON PUBLIC HEALTH, THE ECONOMY, SOCIAL COHESION, AND CITIZEN SECURITY.**

Priority Action 12.1: Develop and implement local approaches for controlling micro-trafficking and related crimes.

Priority Action 12.4: Encourage the development and implementation of comprehensive intervention strategies to counter local illicit distribution and sale of drugs.

Panama has developed and implemented local approaches for controlling micro-trafficking or related crimes, which include methodologies for characterization and territorial and socioeconomic considerations, that take into account effects on public health, the economy, social cohesion, and citizen security.

Priority Action 12.2: Promote the interagency exchange of information at the national level to better understand the scope and adverse effects of small-scale drug trafficking, including on health, society, the economy, and security.

Panama promotes the exchange of information on the effects of small-scale drug trafficking on the health, social, economic, and security sectors, through the project presentations and meetings of National Commission for the Study and Prevention of Drugs (CONAPRED) commissioners.

Priority Action 12.3: Promote programs and strategies to prevent the exploitation of at-risk populations by drug trafficking networks, at the national and international level.

Panama has programs and strategies that prevent the exploitation of at-risk populations by drug trafficking networks at the national and international level, such as the SECOPA-MINGOB-MINSA Program, aimed at minor offenders; the "Familias Fuertes" program; the Ministry of Public Security's Program "Cambia a Tiempo"; the Comprehensive Intervention Model (MII) for Adolescents in Conflict with the Law; the "Therapeutic Community" pilot program; and the technical regulation for mental health care for migrants and refugees in Panama.

EVALUATIVE SUMMARY

Objective 1

Develop and/or strengthen national- and regional-level interdiction capacity, as well as the capacity to reduce the illicit cultivation, production, trafficking, and distribution of plant-based and synthetic drugs through the use of comprehensive and balanced programs in accordance with the realities of each country's domestic legislation and respect for human rights.

CICAD notes that Panama participates in ongoing training programs to detect, investigate, and dismantle laboratories or facilities used in the illicit manufacture of drugs, for personnel involved in interdiction operations; moreover, it observes that the country has protocols and operating procedures to detect, investigate, and dismantle clandestine laboratories or facilities for the illicit processing or manufacture of drugs. On the other hand, CICAD observes that the agencies in charge of drug control in Panama implement policies that promote gender mainstreaming. CICAD notes that the country has programs or strategies aimed at land, maritime, and aerial interdiction, through monitoring, inspections, or checkpoints. Likewise, CICAD observes that Panama has laws providing for the use of specialized investigation tools and techniques to prevent and reduce drug trafficking. CICAD also notes that the country has updated assessments and studies to identify new trends and threats on drug trafficking and related crimes. Moreover, CICAD observes with satisfaction that Panama implements actions to identify organized crime groups involved in drug trafficking and related crimes, carries out inter-institutional collaboration and cooperation mechanisms to coordinate activities aimed at dismantling organized crime groups involved in these crimes, and has participated in operations and investigations in cooperation with other countries aimed at dismantling these groups. Additionally, CICAD notes that the country has institutions responsible for, and capable of, analyzing chemical substances, precursors, pharmaceutical products, and synthetic drugs, including new psychoactive substances (NPS), and has ongoing training programs for personnel involved in the analysis of these substances. CICAD also observes that Panama has mechanisms to facilitate and share information at the national level across relevant governmental counterparts, as well as with global repositories on these substances. CICAD recognizes that the country has mechanisms to investigate and disrupt drug trafficking through the Internet. However, CICAD observes that the country does not have partnerships or information exchange mechanisms with private sector entities to prevent access to materials and services exploited for illicit drug trafficking purposes; however, it uses tools and resources of the INCB to strengthen cooperation with the private sector to prevent the diversion of chemicals. On the other hand, CICAD notes that Panama has national authorities with the appropriate budget, human and material resources for the forfeiture, seizure, and management of assets, tools, or products related to illicit drug markets and its competent personnel receive ongoing training in this matter.

Objective 2

Strengthen national measures to address the challenges posed by NPS and illicit synthetic drugs, and the threat of fentanyl-related substances, non-medical synthetic opioids, and illicit amphetamine derivatives.

CICAD observes that Panama does not have an early warning system (EWS) to identify or trace new psychoactive substances (NPS), illicit synthetic drugs, or the threat of fentanyl-related substances, non-medical synthetic opioids, illicit amphetamine derivatives, not other substances subject to international control. However, CICAD notes that the country improves its capabilities to detect and analyze NPS through the use of special investigative techniques, updated equipment, and the acquisition of technology. Additionally, CICAD observes that Panama has regulatory frameworks or guidelines to identify and address the challenges posed by the onset of NPS and emerging synthetic drugs. On the other hand, CICAD notes that the country does not participate in the INCB's ION Project. Additionally, CICAD observes that Panama does not have innovative legislation or regulatory approaches to synthetic opioids for non-medical use or NPS.

Objective 3

Strengthen or develop legal and institutional frameworks for the effective monitoring and control of essential chemical substances and precursors to prevent diversion of these substances to the manufacturing of illicit drugs and counter its trafficking, including periodically updating national lists of controlled chemical substances.

CICAD notes with satisfaction that Panama has a competent national authority responsible for developing guides, codes of conduct, or other instruments to inform the industry and users in general of controlled chemical substances and has developed such instruments and mechanisms. CICAD also observes that the country has an updated register of all individuals and corporations handling controlled chemical substances and the competent authorities carry out regular inspections and audits of the establishments of individuals and corporations authorized to handle these substances. Moreover, CICAD notes that Panama carries out analyses that include the exchange of information through existing international mechanisms of substances, their analogs, and precursors, which pose a threat to public health. Additionally, CICAD observes that Panama has legislation incorporating the control measures in Article 12, Paragraphs 8 and 9 of the 1988 United Nations Convention to prevent diversion of controlled chemical substances towards illicit activities, which include all of the control measures in paragraph 8, all of the control measures in paragraph 9, and requests for information set forth in Paragraph 10. Likewise, CICAD notes that the country uses the PEN Online system for pre-export notifications of controlled chemical substances; however, it does not use the PICS system. CICAD observes that Panama does not receive training for drug control personnel and for the identification and handling of controlled chemical substances. Moreover, CICAD notes that the country does not have budgetary mechanisms to ensure allocation of resources to acquire necessary equipment or supplies for the preliminary identification of substances and the protective equipment required by personnel in charge of these tasks. On the other hand, CICAD observes that Panama uses the

OAS/CICAD Model Regulations for the Control of Chemical Substances Used in the Illicit Manufacture of Narcotic Drugs and Psychotropic Substances.

Objective 4

Ensure adequate availability and accessibility of substances subject to international control for medical and scientific purposes, while also preventing their diversion towards illicit activities, in accordance with international drug control conventions.

CICAD notes with satisfaction that Panama has special processes for issuing authorizations for the national production, import, and export of substances subject to international control for medical and scientific purposes and an updated register of individuals or companies importing and exporting these substances. Additionally, CICAD observes that the country has training or awareness activities for competent national authorities and health professionals on the proper access to substances subject to international control solely for medical and scientific purposes. CICAD also notes that the country has the following regulatory framework to govern the acquisition of substances subject to international control for medical and scientific purposes.

Objective 5

Adopt or strengthen control measures to prevent diversion of controlled pharmaceutical products containing narcotic drugs and/or psychotropic substances, and those containing precursor substances used in the production of controlled substances.

CICAD notes that Panama has an updated register of individuals and corporations handling pharmaceutical products containing precursor substances, narcotics, or psychotropic substances, issues licenses to manufacturers and distributors authorizing the handling of these products and carries out regular inspections and audits of the establishments of individuals and corporations authorized to handle them. CICAD observes that the country has criminal, civil, or administrative penalties for infractions or violations by individuals or corporations that handle pharmaceutical products containing precursor substances, narcotics, or psychotropic substances. However, CICAD notes that Panama does not offer periodic training programs for personnel responsible for preventing trade in and diversion of materials and equipment for illicit production or manufacture of narcotic drugs and psychotropic substances and does not share information with other regional or global systems on this matter. Additionally, CICAD observes does not use the INCB's I2ES system; however, it has alternative mechanisms that are ready to issue, load, and exchange expeditiously import and export authorizations of narcotic drugs and psychotropic substances for medical use; on the other hand, it has not received training on the I2ES system.

Objective 6

Strengthen or develop specific operational and intelligence gathering and sharing mechanisms to detect methods used by criminal organizations, including the exploitation of land, riverine, maritime, and aerial routes.

CICAD notes with satisfaction that Panama implements and participates in periodic training programs for personnel involved in drug investigations in specialized investigative techniques and intelligence collection, analysis, and operations. Moreover, CICAD observes that the country implements and participates in periodic training programs and other capacity-building activities to investigate and counter crimes associated with drug trafficking, such as corruption and money laundering. Additionally, CICAD notes that Panama has information gathering mechanisms to exchange intelligence information, at a domestic, regional, and international level, to detect routes and methods used by drug trafficking criminal organizations. CICAD also observes that the country has tools that promote and strengthen cooperation and the exchange of information and intelligence among domestic law enforcement agencies responsible for drug interdiction and effective border control. Moreover, CICAD notes that Panama has a national information system on drug trafficking and related crimes, including alerts on changing behaviors and modus operandi of criminal organizations.

Objective 7

Establish, update, or reinforce, as appropriate, the legislative and institutional frameworks in the areas of prevention, detection, investigation, prosecution, and control of money laundering derived from drug trafficking, such as the recommendations of the Financial Action Task Force (FATF).

CICAD notes with satisfaction that Panama has a legislative network to counter money laundering derived from drug trafficking. Moreover, CICAD observes that the country has periodic training programs for officials and those in vulnerable sectors on prevention, detection, investigation, and prosecution of money laundering derived from drug trafficking. Also, CICAD notes that Panama has protocols that enable the authorities to conduct financial and asset investigations parallel to drug trafficking investigations. Additionally, CICAD observes that the country has mechanisms allowing for inter-agency coordination and cooperation in the area of preventing and controlling money laundering. CICAD recognizes that Panama has a financial intelligence unit and information systems aimed at the investigation and prosecution of money laundering in analyzing cases deriving from drug trafficking. CICAD observes that the country has mechanisms for analyzing money laundering risks, in accordance with the FATF. However, CICAD notes that Panama does not have partnerships with the financial industries to identify or investigate illicit transactions and money laundering operations related to the proceeds of drug trafficking activities.

Objective 8

Establish and/or strengthen agencies for the administration and disposition of seized and/or forfeited assets in cases of drug trafficking, money laundering, and other related crimes, in line with applicable international law, and in line with relevant standards, such as the FATF recommendations and the recommendations on preventive freezing of assets.

CICAD notes with satisfaction that Panama has a designated competent authority responsible for the administration and disposition of seized and forfeited assets and regulations to facilitate the accountability and transparency of the management of seized and forfeited assets. Moreover, CICAD observes that the country participates in specialized, periodic training programs for the management and disposition of seized and forfeited assets. Additionally, CICAD recognizes that Panama has legislation, in accordance with international conventions and treaties, to facilitate the seizure, forfeiture, and management of assets and instruments derived from drug trafficking and other related crimes.

Objective 9

Design, implement, and strengthen comprehensive and balanced national programs to reduce the illicit cultivation, production and manufacture of drugs through the adoption of effective measures, such as comprehensive and sustainable alternative development, enhanced law enforcement cooperation, and other appropriate policies and programs, taking into account the particular needs of sub-national regions of each country, respecting human rights.

CICAD notes that Panama has not designed, implemented, or updated national policies or programs to prevent and decrease illicit cultivation, production, or manufacture of drugs. Moreover, CICAD observes that the country does not direct budgetary allocations towards financing counternarcotics programs. Additionally, CICAD notes that Panama does not take into account the licit traditional use in designing and implementing policies and programs to reduce the illicit supply of drugs and does not include environmental protection measures in these policies and programs. CICAD observes that the country has not established mechanisms for interinstitutional cooperation between public and private institutions to provide a comprehensive response to the illicit production of drugs. Moreover, CICAD notes that Panama does not support the development of supply reduction programs with drug-related crime prevention initiatives that address social and economic risk factors.

Objective 10

Design, implement or strengthen long-term alternative development programs, including rural and urban alternatives, comprehensive and sustainable alternative development programs, and, as appropriate, preventive alternative development, in accordance with the policies, laws and needs of each country, as appropriate, while respecting human rights.

CICAD notes that Panama has not designed or implemented comprehensive and sustainable

alternative development programs or preventive alternative development, therefore, the priority actions of this objective are not applicable.

Objective 11

Design and implement plans and/or programs to mitigate and reduce the impact of illicit crops and drug production on the environment, in cooperation with local communities and national policies of member states.

CICAD notes that Panama has not carried out, during the evaluation period (2019-2022), research or studies to determine the characteristics and extent of the environmental impact caused by the illicit cultivation of crops and illicit drug production, therefore, the priority actions of this objective are not applicable.

Objective 12

Address the effects of small-scale drug trafficking on public health, the economy, social cohesion, and citizen security.

CICAD notes with satisfaction that Panama has developed and implemented approaches for controlling micro-trafficking and related crimes, that take into account effects on public health, the economy, social cohesion, and citizen security. Moreover, CICAD observes that the country promotes the interagency exchange of information on the effects of small-scale drug trafficking in the health, social, economic, and security sectors. Additionally, CICAD notes that Panama has programs and strategies that prevent the exploitation of at-risk populations affected by drug trafficking networks, at the national and international level.



**ORGANIZATION OF AMERICAN STATES (OAS)
INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION (CICAD)**

1889 F Street NW
Washington, D.C. 20006
www.cicad.oas.org