

# Paraguay

Western Hemisphere / **South America**

<b>CAPITAL</b> Asunción	<b>TERRITORY</b> 397,300 km <sup>2</sup>	<b>POPULATION (2020)</b> 7,132,530.00	<b>GDP TOTAL (2020)</b> \$35.3B USD	<b>GDP PER CAPITA (2020)</b> \$4,949.74 USD	<b>INCOME GROUP</b> Upper middle income
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## Convention Implementation



In progress

20<sup>th</sup> of 31 western hemisphere  
10<sup>th</sup> of 12 South American countries

### Prevention



Core-deficient

### Criminalization and law enforcement

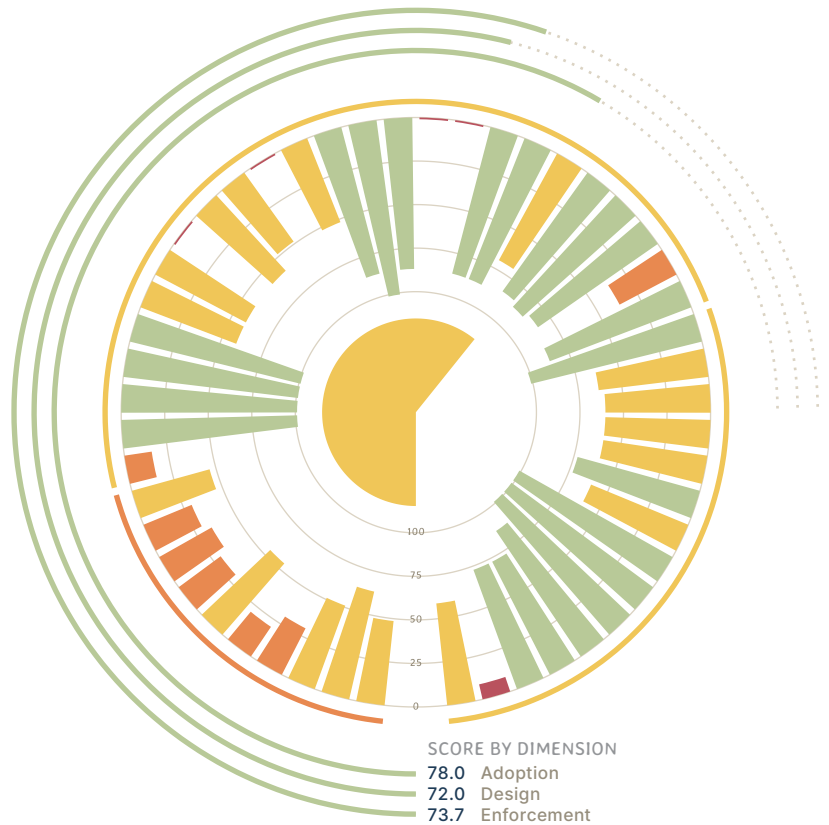


In progress

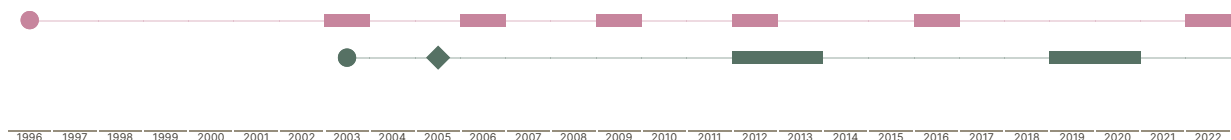
### International cooperation



In progress



## Anti-corruption conventions timeline



### CONVENTIONS

- IACAC - Inter-American Convention Against Corruption
- UNCAC - United Nations Convention against Corruption
- OECD Anti-Bribery Convention

### KEY EVENTS

- Signed
- Ratified/acceded
- Review rounds

# Prevention

Core-deficient

## 39.8

✓ Adoption 65.0    ✎ Design 53.3    ⌚ Enforcement 66.7

<b>Standards of Conduct</b> In progress <b>47.7</b> ✓ 75.0   ✎ 50.0   ⌚ 83.3	<b>Enforcement of Standards of Conduct</b> In progress <b>62.5</b> ✓ 100.0   ✎ 83.3   ⌚ 66.7	<b>Training of Public Officials</b> In progress <b>50.0</b> ✓ 75.0   ✎ 66.7   ⌚ 66.7	<b>Asset and Conflicts of Interests Declarations</b> Core-deficient <b>28.9</b> ✓ 50.0   ✎ 50.0   ⌚ 50.0	<b>Transparency in Government Contracting</b> Core-deficient <b>19.5</b> ✓ 50.0   ✎ 16.7   ⌚ 83.3
<b>Elimination of Favorable Tax Treatment</b> In progress <b>53.1</b> ✓ 100.0   ✎ 66.7   ⌚ 66.7	<b>Oversight Bodies</b> Core-deficient <b>28.9</b> ✓ 50.0   ✎ 50.0   ⌚ 50.0	<b>Measures to Deter Domestic and Foreign Bribery</b> Core-deficient <b>33.6</b> ✓ 75.0   ✎ 50.0   ⌚ 50.0	<b>Encouraging Participation by Civil Society</b> Core-deficient <b>28.9</b> ✓ 50.0   ✎ 50.0   ⌚ 50.0	<b>Study of Other Preventive Measures</b> In progress <b>45.3</b> ✓ 25.0   ✎ 50.0   ⌚ 100.0

# Criminalization and law enforcement

In progress

## 62.9

✓ Adoption 76.0    ✎ Design 70.7    ⌚ Enforcement 73.3

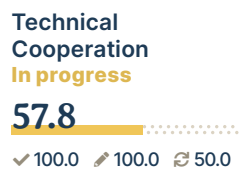
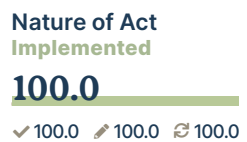
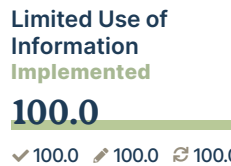
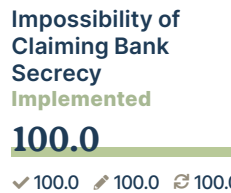
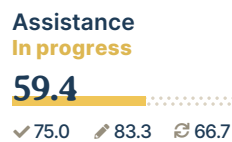
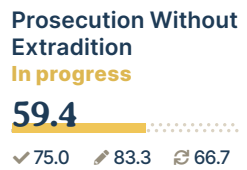
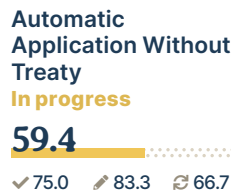
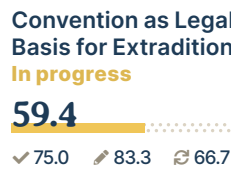
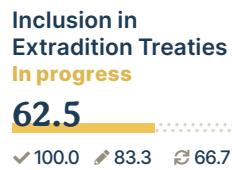
<b>Protection of Those who Report Acts of Corruption</b> Core-deficient <b>14.8</b> ✓ 50.0   ✎ 16.7   ⌚ 50.0	<b>Scope</b> Implemented <b>100.0</b> ✓ 100.0   ✎ 100.0   ⌚ 100.0	<b>Jurisdiction: Offense-in-Territory</b> Implemented <b>100.0</b> ✓ 100.0   ✎ 100.0   ⌚ 100.0	<b>Jurisdiction: Offense-by-National</b> Implemented <b>100.0</b> ✓ 100.0   ✎ 100.0   ⌚ 100.0	<b>Jurisdiction: Offender-in-Territory</b> Implemented <b>100.0</b> ✓ 100.0   ✎ 100.0   ⌚ 100.0
<b>Passive Public Bribery</b> In progress <b>57.8</b> ✓ 100.0   ✎ 100.0   ⌚ 50.0	<b>Active Public Bribery</b> In progress <b>57.8</b> ✓ 100.0   ✎ 100.0   ⌚ 50.0	<b>Abuse of Functions</b> No implementation <b>0.0</b> ✓ 0.0   ✎ 0.0   ⌚ 50.0	<b>Money Laundering</b> In progress <b>57.8</b> ✓ 100.0   ✎ 100.0   ⌚ 50.0	<b>Participation and Attempt</b> In progress <b>47.7</b> ✓ 75.0   ✎ 83.3   ⌚ 50.0
<b>Active Foreign Bribery</b> No implementation <b>0.0</b> ✓ 0.0   ✎ 0.0   ⌚ 0.0	<b>Illicit Enrichment</b> In progress <b>50.8</b> ✓ 100.0   ✎ 83.3   ⌚ 50.0	<b>Use of State Property</b> Implemented <b>85.9</b> ✓ 100.0   ✎ 83.3   ⌚ 100.0	<b>Illicit Acquisition of a Benefit</b> Implemented <b>100.0</b> ✓ 100.0   ✎ 100.0   ⌚ 100.0	<b>Public Embezzlement</b> Implemented <b>85.9</b> ✓ 100.0   ✎ 83.3   ⌚ 100.0
<b>Passive Foreign Bribery</b> No implementation <b>0.0</b> ✓ 0.0   ✎ 0.0   ⌚ 0.0	<b>Private Bribery</b> No implementation <b>0.0</b> ✓ 0.0   ✎ 0.0   ⌚ 0.0	<b>Private Embezzlement</b> Implemented <b>85.9</b> ✓ 100.0   ✎ 83.3   ⌚ 100.0	<b>Obstruction of Justice</b> Implemented <b>85.9</b> ✓ 100.0   ✎ 83.3   ⌚ 100.0	<b>Liability of Legal Persons</b> In progress <b>68.8</b> ✓ 75.0   ✎ 66.7   ⌚ 100.0
<b>Statute of Limitations</b> Implemented <b>82.8</b> ✓ 75.0   ✎ 83.3   ⌚ 100.0	<b>Prosecution, Adjudication and Sanctions</b> Implemented <b>85.9</b> ✓ 100.0   ✎ 100.0   ⌚ 83.3	<b>Consequences and Compensation</b> Implemented <b>82.8</b> ✓ 75.0   ✎ 83.3   ⌚ 100.0	<b>Cooperation With Law Enforcement</b> Core-deficient <b>35.9</b> ✓ 50.0   ✎ 33.3   ⌚ 100.0	<b>Asset Recovery</b> Implemented <b>85.9</b> ✓ 100.0   ✎ 83.3   ⌚ 100.0

# International cooperation

In progress

## 71.2

✓ Adoption 90.0   ✎ Design 86.7   ⌚ Enforcement 78.9

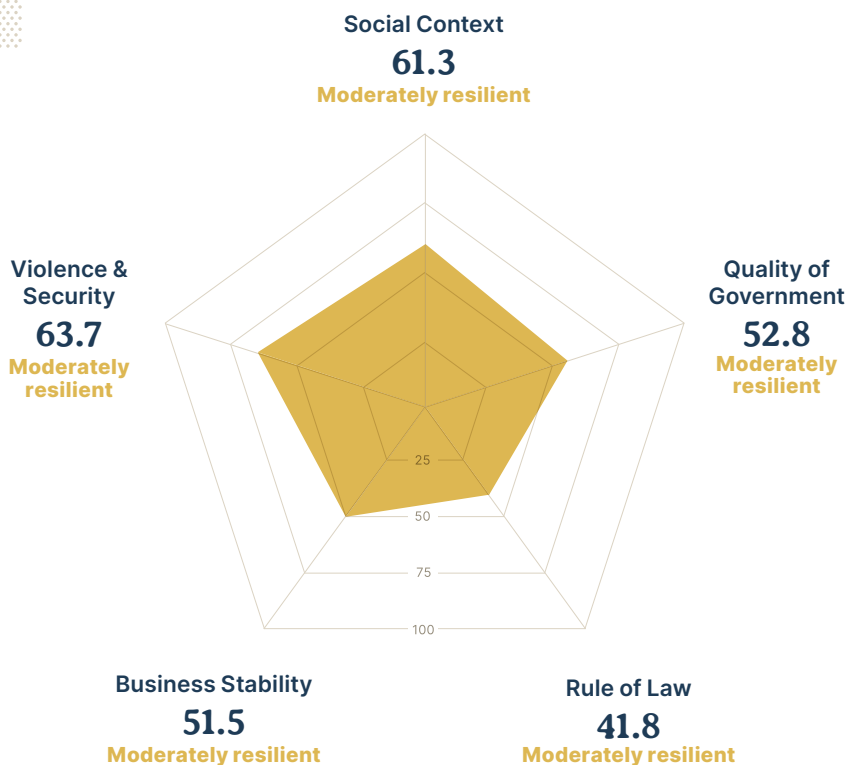


# Corruption Resilience

## 54.2

Moderately resilient

17<sup>th</sup> of 31 western hemisphere  
6<sup>th</sup> of 12 South American countries



# Analysis

## Convention Implementation

Paraguay signed the Inter-American Convention Against Corruption (IACAC) on March 29, 1996, and ratified it on November 29, 1996. It is a State Party to the Follow-Up Mechanism for the Implementation of the Inter-American Convention against Corruption (MESICIC) since June 4, 2001. The country also signed the United Nations Convention Against Corruption (UNCAC) on December 9, 2003, and subsequently ratified it on June 1, 2005. Accordingly, Paraguay has undergone six rounds of review under MESICIC (of which only the first five were considered here, as the final report for the sixth round was only adopted on March 11, 2021), and one round of review under the UNCAC review mechanism.

Paraguay's record in implementing its commitments to IACAC and UNCAC exhibits a number of successes but also a modicum of failures. With an overall score of 60.8, the measures adopted place the country at the lower middle point of compliance with international norms, surrounded by Belize (58.1), Haiti (58.2), Venezuela (61.0), and Bolivia (62.7). Despite achieving higher success in regard to criminalization and international cooperation (as is the case throughout the region) half of all preventive measures are found to be in progress while half of all failing measures concern criminalization and law enforcement (including all the ones classified as unimplemented). Consequently, Paraguay's efforts may be described as somewhat lacking across the range of measures related to prevention and criminalization, and only showing consistently positive results in the area of international cooperation.

The prevention of corruption is deficient but not completely lacking, classified as "core-deficient" by its average score and with half of its measures found deficient—transparency in government contracting (19.5), the systems for registering asset and conflict of interests declarations (28.9), the state of oversight bodies (28.9), initiatives to encourage the participation of civil society (28.9), and the actions to deter domestic and foreign bribery related to accounting regulations (33.6). Concerning government contracting, MESICIC identifies in its second round of review a number of issues which remained largely unaddressed by the time of its fourth round; among them, the report highlights the "the existence of two laws governing the civil service" and quotes the "chaotic situations where public servants are governed by one law or the other, depending on whether or not they brought an unconstitutionality action". Regarding control mechanisms, the report also notes "an absence of provisions establishing

sanctions for government servants and employees who fail to fulfill or infringe the provisions that govern the Government Procurement System." All other measures within this section remain in progress, including significant ones such as the adoption of standards of conduct (47.7) and their enforcement (62.5), and the training of public officials (50.0), among others. Otherwise, no preventive measure within this section is classified as either implemented or unimplemented.

In terms of criminalization and law enforcement, Paraguay shows better results than those regarding prevention, although significant deficiencies remain. The country has not adopted sufficient protection for those who report acts of corruption (i.e., whistleblower protection) (14.8) or sufficiently fostered the use of legal mechanisms to facilitate cooperation with law enforcement (e.g., plea bargain) (35.9). Moreover, significant measures remain fully unimplemented: the criminalization of abuse of functions, active and passive bribery of foreign officials, and bribery in the private sector. Other measures remain in progress. Despite these problems, over half of all the measures in this section are found to comply with Paraguay's international commitments, resulting in an average section score of 62.9 ("in progress").

Paraguay is found fully compliant in its commitments to establish jurisdiction over the offenses covered by the conventions, including those that have been committed inside its territory, committed by a national, or when the offender is present in its territory, among other required forms. The country also shows significant progress in its commitments regarding international cooperation, with an average section score of 71.1 and only one failing measure identified—the regulation and application of special investigative techniques such as electronic surveillance, undercover operations, and others (7.8).

## Corruption Resilience

Paraguay's social context indicator for 2020 declined by 1.4 points from the previous year, resulting in a score of 61.3, which exceeds the Western Hemisphere average (64.9) by 3.6 points. Throughout the decade, Paraguay's indicator score has varied, achieving its highest indicator score in 2019 with 62.7, and its lowest indicator score in 2012 with 59.3. Paraguay's social context indicator score for 2020 is mainly attributed to a consistent but partial respect for political rights and civil liberties. The country's constitution guarantees freedom of speech; however, media outlets have faced challenges when investigating and reporting corruption, crime, or government criticisms. They have also encountered

intimidation, harassment, and aggression from both public officials and criminal organizations. The country's protections for civil liberties also fall short of safeguarding Paraguay's indigenous population, which continues to face systemic discrimination.

With respect to the quality of governance and institutions, Paraguay's 2020 score declined by 1.3 points from the previous year. Despite the decline, Paraguay's indicator score is slightly above the Western Hemisphere country average of 50.6 by 2.2 points. Paraguay's indicator score has varied throughout the decade, where the decade range is 51.5 to 55.7, 2014 to 2017, respectively. The country's quality of government indicator is primarily attributed to widespread corruption, inefficiencies in government and administration, and poor constraints on government powers.

In 2020, Paraguay's rule of law indicator declined by 1.4 points from the previous year. The country's indicator score is below the Western Hemisphere country average of 51.1 by 9.3 points. Throughout the decade, the country's score has varied, where Paraguay attained the highest indicator score in 2019 with 43.2 and its lowest indicator score in 2010 with 39.2. The country's rule of law indicator for 2020 is mainly impacted by an uneven application of the law and lack of judicial independence. On paper, the judiciary is independent, but in practice, the judiciary is highly susceptible to political pressure and organized

crime, particularly those involved in drug trafficking and money laundering.

In terms of the country's business stability indicator, Paraguay's score decreased by 1 point from the previous year. Despite the decline in the country's indicator score, Paraguay exceeds the Western Hemisphere country average of 50.5 by 1 point. Throughout the decade, the country's indicator score has been wide-ranging, where it attained the highest indicator score in 2019 with 52.5 and the lowest indicator score in 2010 with 48.7. Paraguay's indicator score is largely attributed to corruption and issues associated with business freedom; however, the country does have an adequate regulatory system concerning their domestic private sector.

With regard to the country's violence and security indicator, Paraguay's 2020 score increased by 3.2 points from the previous year, resulting in a score of 63.7. The country's indicator score exceeds the Western Hemisphere average of 55.0 by 8.7 points for 2020. Since 2010, the country's score has experienced improvements, where the country had attained its highest indicator score in 2020 and its lowest score in 2011, with a range of 21.4. Paraguay's violence and security indicator score is primarily attributed to the serious problem of organized crime and criminal activities within the country, particularly in relation to drug trafficking.