



Integrated Country Strategy

Paraguay

FOR PUBLIC RELEASE

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1. Chief of Mission Priorities

A strong, independent, and democratic Paraguay is a natural U.S. partner. Embassy Asuncion is, therefore, prioritizing investment in making Paraguay's institutions efficient, sustainable, and focused on the good of the Paraguayan people. Paraguay is a young democracy, having emerged from the 35-year Stroessner dictatorship only in 1989. It continues to engage in building enduring institutions and formalizing a growing economy and faces unique challenges and opportunities in both areas.

The U.S.-Paraguay relationship has endured for decades. Paraguay remains a strong, pro-American bastion in South America, where, until recently, strong allies were few. Paraguay continues to be a strong ally against the erosion of democratic values in the hemisphere, particularly in Venezuela, and on the whole views the broader world from a lens that we, too, share. In 2017, we celebrated the fiftieth anniversary of the establishment of the Peace Corps in Paraguay and the seventy-fifth anniversary of the establishment of the U.S.-Paraguay Binational Center. In 2018, we celebrate the fiftieth anniversary of one of the most active and dynamic state partnerships in the world, Paraguay-Kansas. We will continue to invest in these cultural ties, through providing educational and travel opportunities and building a pipeline of alumni from basic English language learning to Fulbright scholarships for U.S. study. Embassy Asuncion is also building a public diplomacy strategy around the construction of our New Embassy Compound, due to open in 2021 – as a demonstration of our commitment to the future of this dynamic bilateral relationship. Our people-to-people connections will remain a top priority.

In April 2018, Paraguay held free and fair general elections. Paraguay now has two newly seated chambers of congress, a new president and vice president, and all-new department governors. President Mario Abdo Benitez has promised a reformist agenda to combat Paraguay's number one threat to democracy and internal security – corruption. Embassy Asuncion continues to report that corruption, and particularly judicial corruption, is Paraguay's number one problem. Corruption is eroding public confidence in democracy, weakening Paraguay's infrastructure through clientelism in public procurement, and allowing Paraguayan territory to be used for financial crime, intellectual property rights violations, extensive illicit smuggling, and terrorism and terrorist finance. Paraguayan democracy is still young and cannot be taken for granted. If the democratic experiment in Paraguay is to ultimately prosper, the Paraguayan people must see the benefits that democracy brings – stronger political institutions, a reduction in corruption, and a political class that has the interests of the people, rather than personal enrichment, at heart. As such, Embassy Asuncion will prioritize work with the Paraguayan government to reduce corruption and impunity.

Paraguay is physically located between the Bolivian and Peruvian cocaine production areas and some of the largest cocaine markets in Brazil, Argentina, and further afield in Europe and the Middle East. Paraguay needs support to properly monitor its airspace and borders. Dangerous international criminal organizations like Brazil's First Capital Command (PCC) have already

begun to take advantage of Paraguay's weaknesses, to formalize control over drug trafficking routes and corrupt public officials in significant areas of Paraguay. Clandestine runways abound as do substantial allegations of trade-based money laundering and contraband smuggling directly fueling international criminal organizations and indirectly benefitting terrorist organizations, in some cases. We want to maintain our status as the go-to partner for Paraguay as it seeks to improve domain awareness and deny use of its territory for illicit purposes, from better controlling the flow of people, aircraft, and goods to formalizing the very informal economy in Paraguay's section of the Tri-Border Area with Argentina and Brazil.

Success on any of our objectives requires political will and local champions. Embassy Asuncion will maintain a nimble footing, taking advantage of targets of opportunity within the parameters of our broader goals. The overarching objective for all engagements with Paraguay will continue to be to strengthen Paraguay to take on its challenges independently, in the near future.

2. Mission Strategic Framework

Mission Goal 1: Paraguay Becomes a Stronger Democracy and U.S. Partner by Building Better Government and Civil Society Institutions that Produce Benefits for the Paraguayan People.

Mission Objective 1.1: Improve Governance to Reduce Government Corruption and Impunity. (Incorporates CDCS DO 1)

Mission Objective 1.2: Paraguayans in government and civil society better their institutions through increased formal and informal interactions and cooperation with the United States.

Mission Objective 1.3: Paraguayan Government and Civil Society Institutions produce tangible social and economic benefits for the Paraguayan people. (Incorporates CDCS DO 2)

Mission Goal 2: Paraguay is a Strong Partner in Countering Illicit Domestic and Regional Networks.

Mission Objective 2.1: Keep Mala Fide Travelers Out of the United States

Mission Objective 2.2: Identify, prevent, and respond to terrorist and transnational criminal organization (TCO) threats that could affect the U.S. Homeland

Mission Goal 3: Protect and Expand U.S. Business Interests in Paraguay

Mission Objective 3.1: Support U.S. companies by increasing government enforcement efforts and reducing impunity in the commercial sphere.

Mission Objective 3.2: Expand U.S.-Paraguayan economic ties.

Management Objective 1: Create a respectful, welcoming, and healthy work environment where all are fairly treated, compensated, and provided learning opportunities.

Management Objective 2: Improve efficiency and customer service posture of the ICASS administrative platform.

Management Objective 3: Transition to the new Embassy Compound (NEC) and new Chief of Mission Residence (CMR) through organized site preparation, coordination, and post-occupancy evaluation.

3. Mission Goals and Objectives

Mission Goal 1 – Paraguay Becomes a Stronger Democracy and U.S. Partner by Building Better Government and Civil Society Institutions that Produce Benefits for the Paraguayan People

Description and Linkages: A strong, democratic Paraguay would naturally be one of the United States' strongest allies in the hemisphere. Corruption and weak institutions, however, are main drivers behind an erosion of public confidence in democracy. The Paraguayan people must realize more benefits from their democratically elected governments to maintain democracy and the rule of law. This Mission Goal upholds Pillar IV of the National Security Strategy (Advance American Influence) and Goals 1.3, 1.4, 2.2, 2.3, 3.2, and 3.4 of the State-USAID Joint Strategic Goal Framework. It links to Strategic Goals 1 (specifically 1.1 and 1.3), in addition to all Strategic Objectives contained in Strategic Goals 3 and 4 of the WHA/LAC Joint Regional Strategy Framework.

Mission Objective 1.1 – Improve Governance to Reduce Government Corruption and Impunity

Justification: The U.S. government has identified corruption, particularly in the judiciary, and impunity as two of the largest problems slowing the development of Paraguay. Risks associated with not achieving this Mission Objective include a continued erosion of public confidence in democracy and increasing calls for a return to more authoritarian state control, as Paraguay had under the Stroessner dictatorship until 1989.

Mission Objective 1.2 – Paraguayans in government and civil society better their institutions through increased formal and informal interactions and cooperation with the United States.

Justification: As strong allies, Paraguay and the United States share many overlapping priorities and areas of interest. Maintaining strong relations requires shared action on a broad array of issues from cultural and educational exchange to political and economic policies and best practices. Risks associated with not achieving this Mission Objective include a loss of long-term influence by the U.S. government and U.S. society and culture, to the benefit of other more engaged nations.

Mission Objective 1.3 – Paraguayan Government and Civil Society institutions produce tangible social and economic benefits for the Paraguayan people.

Justification: Even as a young democracy, Paraguay has made significant strides in building its democratic institutions. A strong, independent, self-reliant, and democratic Paraguay that protects the human rights of its citizens is a natural ally for the United States. Given that Paraguay's democracy came into existence only in 1989, risks associated with not achieving this Mission Objective include the possibility of Paraguay returning to a more authoritarian form of government or increased political and civil unrest.

Mission Goal 2 – Paraguay is a Strong Partner in Countering Illicit Domestic and Regional Networks

Description and Linkages: Though Paraguay has made progress on building its security-related institutions, more must be done to prevent bad actors from exploiting weaknesses for illicit profit, including border security and air domain awareness. This Mission Goal upholds Pillar I of the National Security Strategy (Protect the American People, the Homeland, and the American Way of Life) and Goals 1.2, 1.3, 1.4, and 1.5 of the State-USAID Joint Strategic Goal Framework. It links to all Strategic Objectives in Strategic Goal 1 of the WHA/LAC Joint Regional Strategy Framework.

Mission Objective 2.1 – Keep Mala Fide Travelers Out of the United States

Justification: Bad actors seeking to enter the United States for nefarious purposes often exploit weaknesses in third countries to enter the United States surreptitiously. An effective way to help maintain U.S. security is strengthening the security and border control of our regional partners where we find weaknesses, including in Paraguay. Risks associated with not achieving this Mission Objective include the use of Paraguayan migration documents and status to infiltrate the United States and our allies for nefarious or illicit purposes.

Mission Objective 2.2 – Identify, Prevent, and Respond to Terrorist and Transnational Criminal Organization Threats that could Affect the U.S. Homeland

Justification: Transnational criminal organizations seek to infiltrate Paraguay to benefit their international trafficking schemes. These same elements seek to traffic illicit products into the international community, including the United States, and often seek to use the U.S. financial system to facilitate these actions or use the United States as a destination for investments derived from illicit funds. Risks associated with not achieving this Mission Objective include an increased use of Paraguayan territory by TCOs to profit, grow, and further entangle themselves in legitimate international financial and trade systems, including those of the United States.

Mission Goal 3 – Protect and Expand U.S. Business Interests in Paraguay

Description and Linkages: The United States is a relatively weak trade partner for Paraguay and represents an opportunity for increased U.S. exports. Paraguay’s dynamic agriculture sector could benefit from the technological advances of the U.S. agriculture system, given that we produce many similar products. This Mission Goal upholds Pillar II of the National Security Strategy (Promote American Prosperity) and Goals 1.3, 2.1, and 2.2 of the State-USAID Joint Strategic Goal Framework. It links to all Strategic Objectives in Strategic Goal 2, in addition to Strategic Objectives 3.2 and 3.3 of the WHA/LAC Joint Regional Strategy Framework.

Mission Objective 3.1 – Support U.S. Companies by Increasing Government Enforcement Efforts and Reducing Impunity in the Commercial Sphere.

Justification: A U.S. company’s ability to access a fair and transparent judicial system to arbitrate commercial disputes is key to success in a foreign market. To improve market access for U.S. companies and level the playing field, Post seeks to improve the rule of law in the commercial sphere. Risks associated with not achieving this Mission Objective include increased illicit activity, including the violation of intellectual property rights by U.S. companies, and reduced space for U.S. commercial activities.

Mission Objective 3.2 – Expand U.S.-Paraguayan Economic Ties.

Justification: The Paraguayan market holds many opportunities for increased trade with the United States. To support the U.S. business community, Post seeks to expand access to the Paraguayan market for U.S. exports. Risks associated with not achieving this Mission Objective include the loss of potential market share to other countries, particularly Russia and China (as two major recent entrants to the Paraguayan market).

4. Management Objectives

Management Objective 1 - Create a respectful, welcoming, and healthy work environment where all are fairly treated, compensated, and provided learning opportunities.

Justification: In essence, an embassy is a group of people. Therefore taking care of the U.S. Mission's human resources should be the first priority.

Management Objective 2 - Improve efficiency and customer service posture of the ICASS administrative platform.

Justification: ICASS services are Management. Improving efficiency translates to better use of taxpayer funds and better support of Mission goals.

Management Objective 3 - Transition to the new Embassy Compound (NEC), new Chief of Mission Residence (CMR), and new Marine Security Guard Residence (MSGR) through organized site preparation, coordination, and post-occupancy evaluation.

Justification: Moving to the NEC is the biggest Embassy event in the past 50 years.