Opinion Paper

The Paraguayan Military and the Struggle Against Organized Crime and Insecurity¹

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In October 2018, Paraguayan security forces successfully foiled two attempts to free “Marcelo Piloto,” a local leader of the Brazilian criminal gang Comando Vermelho (CV) from Agrupación Especializada, a military prison in the capital Asuncion. The sophistication of the plots, which included a car bomb and assault rifles,² illustrates the evolution of the threat in Paraguay from transnational organized crime. At the same time, the successful resolution of the attempts, including intervention by the Paraguayan police special forces organization FOPE, illustrates some progress by Paraguayan security forces in addressing the organized crime challenge.

On August 15, 2018, Mario Abdo Benítez assumed the presidency of Paraguay,³ bringing with him to government a combination of well-known political figures, and dynamic new ones whose work has begun to show results in organizations such as the Paraguayan counter-drug

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organization SENAD, and Maria Gonzalez, new head of the nation’s counter-money laundering organization SEPRELAD.

On balance, the Abdo Benitez government inherits both an evolving set of security challenges including a quasi-insurgent group and organized crime, and deeply flawed institutions whose reform will be key to successfully meeting those challenges. This article analyzes the evolving security challenges facing the new Abdo Benitez government, including the threat from the Paraguayan People’s Army (EPP) and expanding challenges from the Brazil-based Comando Vermelho (CV) and First Capital Command (PCC) transnational criminal organizations, and the work of the Abdo Benitez government to adapt and reform the nation’s key security institutions to address them.

**Paraguay’s Evolving Security Challenges**

For most of the previous administration and beyond, the Paraguayan government has focused on the Paraguayan People’s Army (EPP), a group of 30-50 members operating in the relatively unpopulated departments of Concepcion and San Pedro, as the nation’s principal security threat. The United States, by contrast, has concentrated significant attention on illicit activities in the tri-border region defined by Ciudad del Este Paraguay, Foz do Iguaçu Brazil, and Iguazu Argentina, including some persons affiliated with the Middle Eastern terrorist organization Hezbollah, and the generation of some funds for the organization, and perhaps other terrorist groups, from the region.

Beyond its particular challenges, Paraguay’s strategic importance derives from its position in the center of the South American continent, with licit and illicit flows of drugs, other goods, money and people, and the evolution of the groups associated with those flows.

The April 2017 robbery of the Prosegur security facility in Ciudad del Este by an organized, well-armed force of more than 50 persons affiliated with the PCC, an attempt to build a long tunnel to liberate the more than 80 PCC members in prison in Pedro Juan Caballero, and the

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previously noted two attempts in October 2018 to liberate local CV leader Marcelo Piloto all highlight the emergence of transnational organized crime as a significant security challenge in Paraguay.

Linked to these violent groups, marijuana is now produced in virtually all parts of eastern Paraguay bordering the Paraguay and Parana river, and the border with Brazil.\(^{10}\) Such marijuana, which grows well in Paraguay’s rich soil, is believed to supply an estimated 50% of all consumption in South America.\(^{11}\) While most Paraguayan marijuana exported from the country goes to Brazil, a portion also is smuggled down the Paraguay and Parana rivers to Uruguay and Argentina, or through Bolivia to Chile. In addition, Paraguay is also an important transit country for cocaine and other illicit goods destined for Brazil and other markets.\(^{12}\)

**Paraguay’s Other Suitors**

In the context of profound institutional difficulties, terrorism, organized crime, and associated corruption that collectively undermine Paraguay’s governance and still young democratic culture, the Paraguayan government continues to be courted by extra-hemispheric actors such as the People’s Republic of China (PRC), the Russian Federation, and Iran, among others, in ways which while limited, potentially raise concerns in Washington.

While the Abdo Benitez government has reaffirmed its commitment to the Republic of China (Taiwan) and secured a commitment to double assistance from the country, the PRC continues to look for opportunities to expand its diplomatic and commercial openings there, pursuing meetings in forums like the United Nations General Assembly in 2018,\(^{13}\) as well as commercial work such as the presence of the PRC-based agricultural purchaser COFCO,\(^{14}\) which has operated locally in Paraguay since 2014.\(^{15}\) PRC-based companies have also participated in bids for highway and electricity generation projects, and have expressed interest in participating in construction of a train line crossing the north of the country, among others.\(^{16}\)

For its part, the Russian Federation has long sought military cooperation with Paraguay, including interest in transforming the Mariscal Estigarribia Airport in the Chaco region into a regional maintenance and repair hub for Russian military aircraft,\(^{17}\) as well as expressing interest

\(^{10}\) Based on interviews with Paraguayan security officials, November 2018.


\(^{12}\) Based on interviews with Paraguayan security officials, November 2018.

\(^{13}\) See Ellis, 2018.


\(^{16}\) See Ellis, 2018.

\(^{17}\) Interview with Paraguayan security sector experts, Asuncion, Paraguay, November 2018.
in selling the country transport aircraft and boats, possibly in exchange for agricultural goods. More concretely, it signed a defense cooperation agreement in April 2017, although it has yet to use the agreement to expand the Russia-Paraguay military relationship in significant concrete ways.

While Iran and other Middle Eastern states have been cautious regarding their relations with Paraguay, the Abdo Benitez government did meet with the Iranian and Turkish delegations during the UN General Assembly session in New York in 2018, while entering into a spat with the Israeli government over the decision by the incoming Abdo Benitez administration to reverse the decision of his predecessor Horacio Cartes, to move Paraguay’s embassy to Jerusalem.

**Challenges in and the Adaptation of Paraguayan Government Institutions**

*Non-Military Institutions.* With respect to the fight against organized crime, the incoming Abdo Benitez government inherits institutions whose effectiveness in the past has been severely eroded by corruption and neglect.

The grave situation of the Paraguayan police was highlighted by the November 2018 suspension of the deputy head of the organization, Luis Cantero, under charges of accepting a $70,000 bribe. Yet while the incoming administration has indicated its intentions to combat narcotraffickers and other criminal organizations, as of November 2018, it had not yet announced any major initiatives to undertake the enormously difficult problem of reforming the police or other parts of the interior ministry to help address the new challenge.

For its part, the national counterdrug organization, SENAD, under the new leadership of Minister Arnaldo Giuzzio, has achieved impressive early results against drug production and drug flows through the country, although it is arguably too soon to be certain whether such results are sustainable.

Paraguay’s independent anti-money-laundering organization, SEPRELAD is another bright spot in the nation’s efforts to tackle transnational organized crime. SEPRELAD’s new head, Maria

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18 See Ellis, 2018.
20 See Ellis, 2018.
24 Interview with Paraguay security sector experts, Asuncion, Paraguay, November 2018.
Gonzalez has earned a good reputation as a capable, independent actor, thus far free of serious accusations of corruption, and is working rapidly to reform and prepare her organization for an important upcoming review by the international peer organization, the Financial Action Task Force (GAFI in Spanish) in 2019. The task remains a daunting one, however, insofar as that, as of November 2018, Gonzalez estimated that the organization had addressed less than 50% of the items previously identified by GAFI as deficiencies.

Beyond the police, SENAD, and SEPRELAD, Paraguay has also created a new national-level intelligence secretariat (the SNI). The SNI was formally authorized by a law in July 2014, but was officially stood-up in 2018, with its first director, Esteban Aquino Bernal, named by and beginning work with the assumption of power of President Abdo Benitez in August 2018.

The SNI fills a real need in the country for civilian intelligence beyond that provide by the military and police and aspires to serve as a centralized repository for data on criminal actors and groups. Nonetheless, the organization is currently limited to having analytical, rather than operational capabilities, and is arguably politically vulnerable to concerns that it might be used for political intelligence against opponents of the regime, charges similarly made against the DAS in Colombia, the DINI in Peru, and CISEN in Mexico, among others. The protocols for coordination between the SNI, and the military and police entities which would provide it information are also still in the process of being worked out.

The Armed Forces and the EPP. The incoming Paraguayan government arguably inherits armed forces which impaired from addressing the nation’s security challenges by fundamental difficulties in all levels from its structure and doctrine to material and training. With respect to the military, the gravity of the situation is suggested by the inability of Paraguayan security forces during many years to find and eliminate the Paraguayan People’s Army, or EPP, a small group operating in a very limited, sparsely populated area in the departments of San Pedro and Concepción, whose attacks have taken over 60 lives since the group’s emergence in 2008, despite the government having a large dedicated inter-agency task force to operate in the area against the group during the previous administration, and having significantly expanded the effort in 2016.

26 Interview with Paraguayan security sector officials, Asuncion, Paraguay, November 2018.
30 Interview with Paraguayan security sector officials, Asuncion, Paraguay, November 2018.
Beyond the response to the EPP, the difficulties of the Armed Forces, as part of those security forces, are illustrated by the fact that, in the context of grave needs to acquire or modernize equipment, the Paraguayan military has little expectation to do so, beyond donations that may be received from partner nations. At the same time, the total Paraguayan defense budget for 2018 is a meager $280 million, and of that, approximately 80% of the defense budget is spent on personnel and retirement costs, while approximately half of the procurement budget is spent on non-military items such as office supplies.

In part, the situation reflects the legacy of the privileged position that the Paraguayan armed forces enjoyed during the period of military rule of General Alfredo Stroessner from 1954-1989. Within the Paraguayan military, the Army is divided into a structure of three “Corps” with nine associated divisions, sustaining leadership positions for 40 generals, although in reality those “corps” are smaller than most US infantry battalions.

Officials of the incoming government speak of a plan to restructure the military into a less top-heavy, more operationally-oriented force, but admit that the task will be extremely difficult politically, since the general officer positions that would have to be eliminated, are the desired culmination of the career paths those Paraguayan officers currently in service.

Beyond the unwieldy, geographically-centered organization of the Paraguayan Army, the ability of the Paraguayan military to reform itself institutionally, plan, and respond to current challenges is hampered by a series of serious structural issues.

To begin, Paraguay’s Minister of Defense is not actually in the chain of command over the Armed Forces, serving more of an advisory role to the President, limiting his or her ability to affect change. The Minister of Defense as of November 2018, General Bernardino Soto Estigarribia, had resigned from the same post (in which he served during the Cartes administration), reportedly in part over the Ministry of Defense lack of authority. A law to put the Ministry of Defense in the chain of command has reportedly been discussed but has not yet gone forward.

A second major structural problem for the Paraguayan military is the role of the National Defense Council (CODENA). CODENA was established under a 1997 statute, as the President’s tool of the President for National Security Issues, yet the institution has fallen into disuse, arguably in part because it no longer fully corresponds to the realities of the nation’s security challenges, or the evolved situation of the military. Although by statute, CODENA is to meet once a month, Former President Cartes rarely convoked it, and incoming president Abdo Benitez has

33 Interview with Paraguay security sector expert, Asuncion, Paraguay, November 2018.
35 Interview with Paraguay security sector expert, Asuncion, Paraguay, November 2018.
36 Interview with Paraguay security sector expert, Asuncion, Paraguay, November 2018.
not yet done so, although the President has met individually with its head, General Maximo Diaz Caceres.\textsuperscript{37}

The composition of CODENA, established by statute at a time when the challenges to Paraguay from transnational organized criminal groups such as the First Capital Command (PCC) and Comando Vermelho (CV) were less acute, does not include the head of Paraguay’s Anti-Drug organization SENAD, SEPRELAD, the Minister of Justice, or economic and social ministries, although such figures can be invited to meetings on an ad hoc basis by the President.\textsuperscript{38} Similarly, reflecting the era of military dominance in which the law was crafted, the President is expected to travel to the Ministry of Defense facility to convolve the council, rather than having his ministers come to him. In practice, the President has created his own informal “security cabinet” which meets more conveniently weekly in the President’s office (not the Defense Ministry), and which does include a broader set of ministries, but which does not have the statutory support or supporting bureaucracy that CODENA does.

With respect to the fight against the EPP, the prior government organized a special intra-institutional structure, the Internal Defense Operations Command (CODI), supported by police units, special prosecutors, and a military “Joint Task Force.” While the task force, in principle, facilitates whole-of-government solutions to the socioeconomic difficulties that contribute to the freedom of action of the EPP in San Pedro and Concepción, in actuality its impact is limited, insofar as that the ministries have retained authority over the allocation of resources, undercutting its efficacy as a coordinating entity.

Separate from CODI, an interagency project facilitating body, the “Coordinator for Joint Integrated Action” (CAICO) has been created, responding directly to the office of the President, to identify and facilitate projects that could resolve some of the socioeconomic challenges of the region, and thus help the government to strengthen its presence there. Unfortunately, the organization has no actual units or resources under its control to perform the work. Its head, an otherwise highly capable Major General, lacks both statutory authority and cabinet rank to persuade the ministries that would provide the resources, that they should follow his recommended prioritization, which likely differs from the ministry’s own.\textsuperscript{39}

Although the military Joint Task Force that supports CODI to help provide security in the area and operate against the EPP is, on paper, a significant force, it is limited by both a lack of knowledge and a lack of confidence in its police counterpart with which it must work (but which is organizationally separate and regarded as highly corrupt). Compounding the problem, the JTF’s development of knowledge of the community and terrain is limited by frequent rotations of its members in and out of the area.

\textsuperscript{37} Interview with Paraguay security sector expert, Asuncion, Paraguay, November 2018.
\textsuperscript{38} Interview with senior Paraguayan defense official, Asuncion, Paraguay, November 2018.
\textsuperscript{39} Interview with senior Paraguayan defense official, Asuncion, Paraguay, November 2018.
Finally, since the JTF was created by taking vehicles and other resources from the nation’s other military divisions (including those assigned to operate in the area), it thus has ironically left those locally-based forces, which presumably have accumulated the greatest knowledge of the area and its actors, in their barracks without the residual capabilities and resources to significantly contribute to the fight.

With respect to reforming the Paraguayan armed forces to more effectively fight the EPP or conduct other missions, the path that the Abdo Benitez administration intends to take is not yet clear. Nor has the new government set out the institutional vision that would define such roles and reforms or proposed specific legal changes that would facilitate such a role.

In the context of redefining the structure and purpose of the Paraguayan military, in 2012, the Ministry of Defense laudably wrote a “white book” outlining the roles and mission of the institution vis-à-vis Paraguayan society and other governmental institutions. While the new government has plans to update the document, Paraguayan defense officials suggest that such changes understandably must wait for the completion of the restructuring, if and when it occurs. In a similar fashion, the Ministry has generated a new Defense Strategy, although it has not yet been approved by the President.

**Materiel and Training Challenges in Paraguay’s Military.** Beyond issues of organization, roles and missions, and authorities, each of Paraguay’s military services faces serious material and training challenges.

With respect to land forces, although officially, the Paraguayan Army officially has approximately 14,000 persons receiving salaries, although the inflow of conscripts is limited by a high number of legal exemptions, a factor which the Abdo Benitez government has indicated an intention to address. Complicating matters, the actual number of serving personnel in the Armed Forces may be much lower than the official numbers, due to a practice in which organizations maintain “ghost persons” on the payroll collecting salaries, but those persons are not actually in the units.

In the arena of vehicles and weapon systems, Paraguay has a small number of World War II era halftracks and M3 and M4 tanks (including 14 M3s nominally returned to service as a stopgap capability measure), yet according to experts in Paraguay consulted for this study, very few, if any, of the tanks have functional guns, and for those which do, much of the tank

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40 See, for example, “Paraguay inició elaboración de su libro blanco de defensa nacional,” Youtube, October 3, 2012, https://www.youtube.com/watch?v=Lycl8B8mrA.
41 Interview with senior Paraguayan defense official, Asuncion, Paraguay, November 2018.
42 Interview with senior Paraguayan defense official, Asuncion, Paraguay, November 2018.
43 “Paraguay – Army.”
44 “Paraguay – Army.”
ammunition is of such an age, that it is no longer reliable, and potentially even dangerous to use.\textsuperscript{45}

Beyond tanks and halftracks, Paraguay has a limited number of older EE-9 Cascavel reconnaissance vehicles and EE-11 Urutu armored personnel carriers. These vehicles were supposed to have been upgraded with help from Brazil in 2009,\textsuperscript{46} but the resources were not available on the Paraguayan side, and the modernization never occurred. The Paraguayan military has discussed plans to obtain a new class of armored vehicles to replace both its tanks and some of the aging wheeled vehicles. While acquisition of the Brazilian “Guarani” light armored vehicle (LAV) was cited as the most realistic option by those consulted for this study, the funds are not believed currently available to take such a procurement forward.\textsuperscript{47}

The lack of functional vehicles in the Paraguayan Army is arguably compounded by limitations in training both at the unit level, and above, with regular combined-arms training almost nonexistent. Unit training within Paraguay often concentrates on rudimentary activities such as individual target practice.\textsuperscript{48} Much of the Paraguayan Army lacks its own doctrine manuals, using manuals from neighbors such as Brazil.\textsuperscript{49}

While the situation of the Paraguayan Navy is somewhat better than that of the Army, it is challenged to provide even a limited presence along the entirety of the nation’s 5,000 miles of navigable rivers. Adding to the challenge, the Navy is the only governmental body that has law enforcement authority on the water.

The Paraguayan Navy has a fleet of approximately 170 small aluminum hull boats to operate on the rivers, and a smaller number of larger boats including its flagship the P-05 Itaipu (acquired from Brazil in the 1980s), which is large enough to embark a small helicopter, and three relatively fast Croq-15 interceptor craft.\textsuperscript{50} Still, the Paraguayan Navy has little capability to inspect the large quantity of commercial barges that bring goods into and out of the country, and with the exception of the Croq-15s, has no capability against the fast boats used by more sophisticated criminal organizations operating in the country.

While most of Paraguay’s fleet is in relatively good condition, they are old. One of the boats in the Paraguayan Navy that is still in service, the Capitan Cabral, was initially built in 1908 (in Holland) as an ocean-going tugboat.\textsuperscript{51}

\textsuperscript{45} Interview with defense expert, Asuncion, Paraguay, November 2018.
\textsuperscript{46} “Paraguay—Army.”
\textsuperscript{47} Interview with defense experts, Asuncion, Paraguay, November 2018.
\textsuperscript{48} Interview with defense expert, Asuncion, Paraguay, November 2018.
\textsuperscript{49} Interview with defense expert, Asuncion, Paraguay, November 2018.
\textsuperscript{50} “Paraguay—Navy,” Jane’s Sentinel Security Assessment, April 25, 2018.
\textsuperscript{51} Interview with defense expert, Asuncion, Paraguay, November 2018.
The Paraguayan Navy also has a modest aviation capability, including a light Esquilo helicopters which it uses occasionally in its operations against narcotraffickers, and a six small Cessna fixed-wing aircraft confiscated from narcotraffickers.

The Paraguayan Navy maintains a small boat repair and manufacturing facility, Cavel, a floating dry docks donated by the US in the 1980s and another permanent one managed by the Navy, and a modest shipyard, Arsenal de Marina, which does maintenance on larger craft, but which has not actually built a ship in some time.

With respect to the Air Force, Paraguay has 2-4 aging Tucano interceptors which are still operational, that could be used to respond to detected narcotracking flights. Plans to acquire six additional aircraft, possibly Korean KT-1 fighters, Brazilian Super Tucanos, or U.S. AT-6 Wolverines, have been set aside for lack of resources.

While Paraguay has acquired mobile radars, they are operationally ineffective, insofar as they are stored in a known public site, and when they are brought out for use, word of their presence is quickly passed to the narcotraffickers, who cease their flights before the radars can be effective in detecting and intercepting targets. The Paraguayan civil aviation authority DINAC, is in the process of building a fixed radar site which could theoretically help the situational awareness of the Air Force against narco flights, but the process is going slowly.

**Recommendations**

While the Paraguayan government faces significant difficulties in responding to the evolving challenges of EPP terrorism and organized crime, it is important for the United States to continue its constructive engagement with the country, and to expand both its level of attention, and conditional engagement with its Paraguayan partners. The current grave situation of many of the nation’s security institutions is not necessarily a reflection on the country’s new leadership, but an indication of how much work remains to be done.

Paraguay’s country’s geography at the Center of South America, as a nexus for criminal flows of drugs, goods, money, and people, make it strategically important for the hemisphere, in controlling those flows and consequences, and avoiding the country’s devolution into an more weakly governed space whose criminal activities could contribute to undermine the security and affect the political dynamics of its neighbors. In addition, as noted previously, the attention that the PRC, Russia and Islamic groups pay to Paraguay is a reminder that if Paraguay’s government does not achieve results through working with Western democracies, other actors are all too ready to step in to fill the void.

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54 Interview with defense expert, Asuncion, Paraguay, November 2018.
55 Interview with defense expert, Asuncion, Paraguay, November 2018.
The United States should continue to work with Paraguay from the top down, beginning with a respectful but serious dialogue with the Presidency, Ministry of Defense and other government organizations to strongly encourage them to make and persist in the politically difficult decisions to achieve meaningful and transformative structural reform. Such work should include, but not be limited to, the critically needed reorganization of the Paraguayan Armed Forces, and the fight against corruption in government institutions.

With respect to the fight against the debilitating effects of corruption in Paraguayan institutions more broadly, the US, working with other interested partners such as the European Community, may wish to encourage the Paraguayan government to embrace, through its laws and policies, the assistance of external institutions capable of circumventing potentially compromised institutions, such as the Commission against Impunity in Guatemala (CICIG).

In engaging to help the Paraguayan government take the difficult steps to help itself to achieve results for its people, the United States must patiently and skillfully employ a combination of encouragement, material and technical support, and incentives. The US should seriously consider more resources for security sector assistance to Paraguay once Paraguayan institutions show the ability to integrate and make effective use of such help. The US should also consider a broader array of programs administered through the U.S. State Department to strengthen governance and help the country better market and achieve greater value added from its agriculture and other industries.

Hand in hand with such assistance, in order to encourage meaningful change, the US must also respectfully hold out the possibility of adverse consequences for failing to make a sincere effort to attack corruption and reform institutions, and thus more effectively address the nation’s security challenges. Indeed, the United States should respectfully, but firmly maintain the prospect of legal action against individuals found to be corrupt, including the possibility of targeted sanctions against them, if their wealth and influence prevents the Paraguayan judicial system from dealing with them appropriately.

In applying any policy which raises questions regarding Paraguay’s ability to police corrupt members within its own bureaucracy and political elite, the United States must understand that the natural tendency of both the “bad actors” (as well as some of those protective of the nation’s sovereignty) may be to threaten, or embrace alternatives such as the PRC and Russia, who are sometimes more disposed to provide assistance without the types of conditions and oversight that threaten the corrupt. The United States must be careful in navigating such delicate political terrain, to employ concrete information as its chief instrument of persuasion, and to respectfully built consensus among Paraguayan leadership committed to the fight against corruption against those who would use the embrace of extra-hemispheric actors to circumvent accountability and protect themselves. Only in this fashion can the US reasonably hope to guide the sovereign Paraguayans to decisions which advance their own institutional health.
Within the domain of working with the Paraguayan government to strengthen its institutions, the US should give particular attention to pushing for police and judicial reform. Such help should begin with assistance in identifying and clearing out corrupted officials at the top level. From there, however, it must continue with reforms across the institution, including expanded resources for regular confidence testing of its personnel, as well as the implementation and maintenance of databases to identify warning signs of corruption within the institution’s personnel, such as officials whose spending patterns do not correspond to their income.

The US must also go beyond helping Paraguay to identify and expel corrupt members, but also help their authorities to build databases for more rapidly resolving cases, and for tracking those expelled. Doing so will be critical to ensure that the reformed Paraguayan institutions, whether police and judicial organizations or the military, will not simply replace the problem of corrupt personnel, with the greater problem of thousands of angry, unemployed corrupt personnel, possessing knowledge of the system and motivation to exploit its weaknesses.

Beyond helping Paraguay with such reforms, the US should also strongly support the courage of competent individual leaders who avoid corruption and take initiative and providing them with the resources and political cover that they need to succeed. This may include encouragement and support for positive and courageous actions and initiative by individual Paraguayan leaders and organizations, such as those suggested to date by the new leadership of SENAD and SEPRELAD.

In the same vein, the US should work closely with, and support the fledgling new civilian intelligence agency SNI, providing training and resources, and sharing information with vetted parts of the organization, where appropriate. The US should further employ its leverage with other parts of the government to ensure that the SNI is effectively fed needed intelligence on a timely basis, to include helping with the technical aspects of constructing and maintaining a national database integrating information from other organizations. With respect to the intelligence focus of the SNI, the US should encourage the organization to focus on threats beyond the EPP (which was used in 2014 to pass the law enabling the organization). On the other hand, it should also resist the temptation to encourage the SNI to focus too heavily on just those issues prioritized by Washington, such as the question of Hezbollah in the tri-border region. Perhaps most importantly, the US must make it clear that all resources and support to the SNI could end abruptly if the organization allows itself to be used to gather political intelligence.

With respect to military reform, the United States should employ its resources and apply its leverage with the Paraguayan government to encourage it to complete its military restructuring, and simultaneously develop an updated Defense White Book, a national security policy and strategy, and perhaps most importantly, a planning system for applying limited resources in a rational, transparent fashion to identify needs and realistic solutions, and to

acquire and sustain them over time. To this end, US institutions such as the Ministry of Defense Advisors program (MODA), the Defense Institution Reform Initiative (DIRI), and the William J. Perry Center (WJPC), are among the useful tools that the US has to help on the Defense side. US-funded billets for training in institutions such as the Western Hemisphere Institute for Security Cooperation (WHINSEC), and the US Army War College, if appropriate to Paraguayan needs, may be particularly useful in this regard.

As an incentive for its Paraguayan counterparts to incur the discomfort of departing from the existing way of doing things, the US should offer them the realistic prospect of expanded and expedited assistance in actually developing material, technical, and personnel solutions identified through these processes.

For too long, Paraguay has received too little attention in Washington, except for the activities of a small number of criminals and terrorists in the tri-border area. Yet as noted in this paper, Paraguay is at the center of the licit and illicit flows that connect the continent. What happens in Paraguay with those criminal groups and flows is influential to the dynamics and wellbeing of its neighbors, and ultimately to the US, which remains connected to the continent by ties of commerce, geography and family. The US has everything to gain from helping the country to succeed.