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Translated from Spanish

Permanent Mission of Paraguay to the United Nations

Permanent Mission of Uruguay to the United Nations

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The Permanent Mission of Paraguay to the United Nations and the Permanent Mission of Uruguay to the United Nations have the honour to address the Chair of the Security Council Committee established pursuant to resolution 1540 (2004) in order to submit the report on the peer review exercise that they conducted in August and September 2019 to share with one another their experiences and good practices with regard to the implementation of resolution 1540 (2004).

The Permanent Mission of Paraguay to the United Nations and the Permanent Mission of Uruguay to the United Nations take this opportunity to convey to the Chair of the Security Council Committee established pursuant to resolution 1540 (2004) the renewed assurances of their highest consideration.

New York, 24 March 2020

Chair of the Security Council Committee established
pursuant to resolution 1540 (2004)

United Nations

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Report on the Paraguay - Uruguay peer review

Security Council resolution 1540 (2004)

2019

Introduction

The peer review is an exercise whereby two or more countries voluntarily agree to share information and experiences related to the implementation of Security Council resolution 1540 (2004).

To date, there have been five such reviews: Croatia and Poland in 2013; Belarus, Kyrgyzstan and Tajikistan in 2016; Chile and Colombia in 2017; Panama and the Dominican Republic in 2019; and the present review between Paraguay and Uruguay.

The peer review between Paraguay and Uruguay is the first in the Southern Common Market (MERCOSUR) bloc, the fifth worldwide and the third in the region.

The review was the result of the commitment made by the representatives of the Eastern Republic of Uruguay and the Republic of Paraguay at the subregional conference on strengthening border and customs controls and international and regional cooperation to prevent and combat terrorism and the proliferation of weapons of mass destruction and their means of financing, held in Montevideo, Uruguay, from 19 to 21 March 2018.

The first part of the review was conducted on 20 and 21 August 2019, in Montevideo, Uruguay. The second part of the review took place on 11 and 12 September 2019, in Asunción, Paraguay.

Paraguay and Uruguay are committed to combating terrorism and the proliferation of weapons of mass destruction. As a reflection of that commitment, both States advocate full and complete disarmament, and strongly support the implementation of resolution 1540 (2004). Accordingly, in order to promote the implementation of the resolution in the hemisphere, Paraguay and Uruguay have decided to collaborate on various relevant initiatives within the MERCOSUR framework.

The present report is the culmination of the joint work carried out during the peer review, which was supported by members of the Group of Experts of the Security Council Committee established pursuant to resolution 1540 (2004), and of the Inter-American Committee against Terrorism of the Organization of American States (OAS).

The purpose of the peer review was to exchange knowledge, experiences and ideas on the implementation of resolution 1540 (2004), and to establish inter-agency cooperation at the bilateral level (between Paraguay and Uruguay); at the international level (between the Security Council Committee established pursuant to resolution 1540 (2004), the OAS Inter-American Committee against Terrorism, and Paraguay and Uruguay); and at the national level (among the main actors in the ministries, institutions, public bodies, private-sector entities and academic institutions involved in different aspects of preventing and combating the proliferation of weapons of mass destruction).

The review strengthened and highlighted the already excellent relationship between the two countries, and demonstrated, once again, their steadfast adherence to international law and their unwavering commitment to disarmament and non-proliferation regimes.

In addition, the review between Paraguay and Uruguay was based on best practices identified in peer reviews between other countries in the hemisphere, which made it possible to develop a greater understanding of the common challenges faced in Latin America. In that regard, we invite other countries in the region to conduct peer reviews in order to obtain tangible and immediate results that will support the strengthening of national capacities and of bilateral, subregional and regional cooperation on matters related to resolution 1540 (2004).

Approach

To better coordinate field visits and discussion topics, both countries agreed on a work schedule, which included videoconferences and exchanges of preliminary information, and appointed focal points in their Ministries of Foreign Affairs in order to facilitate communication and preparations for the review.

It was decided to allocate two days for the review in each country: the first day would be dedicated to technical presentations by the host country, and the second to visits and exchanges of experiences in the field.

The presentations, delivered by representatives of ministries and institutions focusing on matters related to resolution 1540 (2004), addressed three agreed areas:

1. Legal framework for the criminalization and prosecution of offences connected with the proliferation and financing of weapons of mass destruction;
2. Best practices related to border and customs controls and response to chemical, biological, nuclear and radiological incidents;
3. Strategic trade regime and normative instruments on nuclear matters, with special reference to the system of control lists and the smuggling of nuclear material.

Participation

The following Uruguayan entities participated in the first part of the review, which took place in Montevideo: the Ministry of Foreign Affairs, the Ministry of Defence, the National Office for Combating Money-Laundering and the Financing of Terrorism, the National Customs Directorate, the National Regulatory Authority for Radiological Protection, the Ministry of the Interior and the Financial Intelligence and Analysis Unit of the Central Bank.

The Permanent Representative of Uruguay to OAS, experts from the OAS Inter-American Committee against Terrorism, members of the Group of Experts of the Security Council Committee established pursuant to resolution 1540 (2004) and the Ambassador of Canada to Uruguay also took part in the activity.

Participating Paraguayan entities included the Ministry of Foreign Affairs, the Radiological and Nuclear Regulatory Authority, the Ministry of the Interior, the Office of the Public Prosecutor, the National Customs Directorate, the National Commission for the Prevention of and Response to Biological Emergencies, the Ministry of Defence, the Office for the Prevention of Money and Assets Laundering, and the Embassy of Paraguay in Uruguay.

In addition to the Paraguayan entities that participated in the first part of the review in Montevideo, the National Administration of Navigation and Ports and the National Institute of Technology, Standardization and Metrology participated in the second part of the review in Asunción.

The Uruguayan entities that participated in the second part of the review included the Ministry of Foreign Affairs, the National Office for Combating Money-Laundering and the Financing of Terrorism, the Ministry of Defence, the Ministry of the Interior, the National Customs Directorate, the Ministry of Industry, Energy and Mining (National Regulatory Authority for Radiological Protection), and the Embassy of Uruguay in Paraguay.

Best practices

Paraguay has ratified 17 and Uruguay has ratified 18 of the 19 international legal instruments related to preventing and combating terrorism, proliferation and its means of financing, placing them among the countries with the highest ratification rates in the region. Ratification of the remaining instruments is under consideration by the parliaments of both countries.

Pursuant to Article 25 of the Charter of the United Nations, resolution 1540 (2004), adopted under Chapter VII of the Charter, is binding and directly applicable in the domestic laws of Paraguay and Uruguay, in view of their status as States Members of the United Nations.

The experience of Uruguay as a non-permanent member of the Security Council during the period 2016–2017 served as a catalyst for the extensive development of national laws on disarmament and combating proliferation and terrorism over a short period of time. Accordingly, most activities relating to the adoption of normative instruments and the establishment of specific national institutions took place between 2015 and 2018.

In 2018, Uruguay established the inter-agency working group on resolution 1540 (2004), whose joint work enabled the adoption of the national plan of action for the implementation of the resolution, which was officially submitted to the Security Council Committee established pursuant to resolution 1540 (2004) in May 2018 and published on the Committee's website on 21 June 2018.

Uruguay shared with the Paraguayan delegation the ways in which the experience of preparing the plan not only revealed gaps in national laws, but also demonstrated that, although the risks posed by terrorist threats and proliferation are very low in Uruguay, preventive action at the normative and operational levels is required to address vulnerabilities in border security and customs controls. Accordingly, Uruguay updated its laws and, to date, has implemented four of the eight objectives reflected in its action plan.

In 2019, Paraguay, for its part, established an inter-agency commission in order to coordinate activities to enforce and effectively implement resolution 1540 (2004). While at the time the peer

review was conducted the decree establishing the commission was under consideration, at the time of submission of this report the decree had been approved, and the commission has now been officially established.

In September 2019, following the commission's establishment, the Republic of Paraguay submitted an updated national report and a national action plan to the Security Council Committee established pursuant to resolution 1540 (2004). The peer review provided a critical opportunity to discuss the experience of Uruguay in developing its national action plan and in implementing resolution 1540 (2004).

Information was shared on the progress made by Uruguay in adopting national normative instruments, and on the intensive work being done by Paraguay to expeditiously adopt a package of 12 laws on combating terrorism and the proliferation of weapons of mass destruction and their means of financing.

There was also an in-depth discussion on nuclear matters, during which Uruguay shared its experience in establishing its national committee on nuclear security. Established pursuant to Decree No. 110/2018 of 24 April 2018, that entity is responsible for drawing up a plan of action in accordance with the country's needs, and for acting as an advisory body on matters related to nuclear security and sustainability.

The National Committee on Nuclear Security operates under the auspices of the Ministry of Industry, Energy and Mining through the National Regulatory Authority for Radiological Protection, which is the coordinating authority, and its permanent members are the Ministry of Defence, the Ministry of the Interior, the Ministry of Economic and Financial Affairs, and the Ministry of Foreign Affairs.

Paraguay noted that its committee on nuclear security was based on that of Uruguay, although, unlike the Uruguayan committee, the specific responsibilities of the member institutions are not set forth in the corresponding founding decree, but are rather determined in accordance with the internal rules of each body. This enables greater flexibility in response to potential changes in the structures of member institutions.

Paraguay has also implemented an integrated nuclear security support plan covering five functional areas: legislative and regulatory framework, prevention, detection, response and sustainability. At the first meeting of the National Committee on Nuclear Security, held in March

2017, the Paraguayan authorities identified priority activities to be carried out over the next three years; the decree establishing the Committee is currently under consideration.

Customs matters were also discussed. Uruguay shared its experience in implementing its integrated customs intelligence system, known as Lucía, which makes it possible to carry out controls automatically on the basis of information from the customs declaration and foreign trade operators.

Uruguay also discussed its around-the-clock satellite cargo monitoring system, which is aligned with its objective of becoming a regional strategic hub, as well as its Decree No. 323/2001 on electronic seals.

For its part, Paraguay described the computer management system implemented in its National Customs Directorate, known as the System for the Fiscal Organization of Customs Levies, which, taking into account the tariff heading, ensures special treatment. In addition, with varying degrees of impact, the aforementioned licences or authorizations are processed through interactive computer applications called one-stop shops, in effect for both imports and exports. The information obtained through such software tools allows for the use of the data obtained and the maintenance of lists of sensitive goods.

In the area of border inspections, the use of the online system for the fiscal organization of customs levies simplifies and facilitates goods inspection procedures to implement expeditiously and accurately the customs laws and regulations governing imports of goods subject to inspection (including ionizing energy and radiation sources) and the movement of firearms, gunpowder, explosives, ammunition and other related material. Paraguay is also taking steps to strengthen the administrative effectiveness and management capacity of the Customs Department, including the centralization of data in a single server. Based on international data on combating illicit trafficking, the Department has established an intelligence unit in the domain of fraud prevention and control.

Both countries are already cooperating in the area of customs and, with effect from 25 March 2020, the National Customs Directorate of Paraguay will begin to receive official electronic data on cargo leaving the National Customs Directorate of Uruguay for Paraguay. As a result, the possibility of falsification will be eliminated.

This information will be provided by the Uruguayan customs authority through the Computer-based International Customs Transit System.

Reference was also made to the establishment by Uruguay in 2009 of the National Office for Combating Money-Laundering and the Financing of Terrorism, which operates under the auspices of the Office of the President of the Republic (Decree No. 239/009 of 20 May 2009).

With regard to the national normative instruments of Uruguay on the financing of terrorism, mention was made of the recent adoption, on 15 May 2019, of Act No. 19.749, which formalized, systematized and updated existing normative instruments relating to the financing of terrorism and the implementation of targeted financial sanctions against individuals and entities linked to terrorism, its financing and the financing of the proliferation of weapons of mass destruction, in line with the 19 relevant international legal instruments, and with recommendations 5, 6, 7 and 8 of the Financial Action Task Force. The Act also provides for consideration of the recommendations made by the Security Council Committee established pursuant to resolution 1373 (2001) in its report on its follow-up visit to Uruguay, conducted in 2017.

With respect to combating money laundering, it is important to note the adoption by Uruguay of Act No. 19.574 of 20 December 2017, which updated current normative instruments and expanded the list of entities that are required to report suspicious transactions.

Moreover, Paraguay has the Office for the Prevention and Investigation of Terrorism, the specialized counter-terrorism unit of the National Police, responsible for preventing and investigating terrorist acts and related crimes, with jurisdiction throughout the country, which acts in coordination with other police units, the judiciary, the Office of the Public Prosecutor and other national and international bodies, if necessary. In addition to planning and implementing counter-terrorism measures in their various forms, in accordance with relevant national laws, treaties, agreements and international conventions, the Office processes, classifies and assesses information concerning terrorist activities, both related to individuals and to agencies, in an organized and systematic manner, to produce intelligence, maintaining continuous contact and exchanging information in real time with counterparts in third countries, and national or foreign agencies.

While Paraguay and Uruguay recognize the preventive approach of resolution 1540 (2004), during the peer review they also considered the status of the agencies that respond to nuclear, biological, chemical and radioactive incidents. The visits made it possible to exchange good practices in that area.

In Uruguay, the army will protect the population in the event of a chemical, biological, radiological or nuclear incident through a specialized sub-unit (section for protection against

chemical, biological, radiological and nuclear agents), which is part of the “Ansina” battalion No. 6 of combat engineers.

This is the only sub-unit in the armed forces with the specialist knowledge at the national level to address threats from radiological sources.

The sub-unit also provides, in coordination with the army’s School of Engineers, national courses on chemical, biological, radiological and nuclear incidents for members of the army and the other components of the armed forces. It has become a national and international point of reference for the training of specialists in this area.

The army also has an “Emergencies/14” Master Plan, which was drafted to address and respond to this type of incident, in particular annex No. 10 on radioactive accidents and incidents; annex No. 11 on accidents during the transport of dangerous goods; and annex No.14 on environmental and other forms of contamination.

It is also important to note Act No. 19.677, whereby the armed forces are authorized to perform surveillance in the border area, which consists of a 20 km-wide strip of land, not including towns. These tasks will support the other State agencies with jurisdiction and competence in the border area and include conducting patrols, identifying individuals and checking vehicles, and arresting those found committing an offence. Implementing regulations for the Act are being issued by the executive branch.

The peer review was particularly useful owing to its focus on preventing and combating proliferation financing, which provided the basis for a broad exchange of experiences and good practices relating to the Financial Action Task Force of Latin America mutual evaluations in the two countries, including both the evaluation currently under way in Uruguay and the evaluation that will be conducted in Paraguay in 2020.

During the Asunción phase, the delegations visited the Presidential Escort Regiment, whose function is to provide security to the President and Vice-President of the Republic, their family members and former presidents of the nation. The Regiment also provides protection to foreign leaders on official visits to the Republic of Paraguay, and engages in counter-terrorism operations, including hostage rescue and other actions limited to terrorist incidents. During the visit, they demonstrated the equipment used in the various security services provided by the Regiment for detection of chemical, bacteriological, radiological and nuclear material.

The delegations also visited the Intelligence Directorate of the National Police, which is dedicated exclusively to the collection and scientific analysis of information, as well as Silvio Pettirossi International Airport.

Challenges

During the review, it was clear that there were several challenges common to both countries, mainly with respect to the adoption of normative instruments on strategic trade (particularly in the area of drafting and adopting export and import control lists for dual-use goods, and establishing “catch-all” clauses), developing action protocols, enhancing legal and operational frameworks, and capacity-building in the area of biological threats.

One of the main challenges identified in both countries was the absence of export regulations fully compliant with paragraph 3 (d) of Security Council resolution 1540 (2004).

Neither country has laws on strategic trade or on control of exports and imports of defence and dual-use material which meet the standards underpinning export control regimes. Furthermore, neither country participates in such regimes. However, Paraguay has the Directorate of Military Equipment, which is responsible for granting weapons possession permits and for registering and screening all importers, exporters, manufacturers and users of weapons, ammunition and explosives, as well as any person involved in the marketing, industrialization and use of such materials, in accordance with relevant laws, their implementing regulations and decisions taken by the Directorate.

In view of the considerations mentioned above, both countries agreed to establish a priority objective to request international technical and legal assistance from the Group of Experts of the Security Council Committee established pursuant to resolution 1540 (2004) and from the OAS Inter-American Committee against Terrorism, in order to work together to efficiently implement paragraph 3 of resolution 1540 (2004).

With regard to capacity to respond to nuclear, biological, chemical and radiological incidents, both delegations identified the need for national procedures and protocols for action in those four areas.

Although Uruguay has protocols related to nuclear and chemical weapons, such as Decree No. 158 of 25 April 1985, “Regulations on operations and transport of dangerous goods,” and

Decree No. 180 of 11 June 2018, “National emergency response plan for radiological incidents and accidents,” normative and operational progress in the area of biological weapons is lacking.

The Intelligence Directorate of the National Police of Paraguay raised the possibility of establishing more fluid contact with intelligence entities in Uruguay, in order to jointly address border security and control issues. It is also important to note the good relationship that both countries have with Argentina and Brazil, with which they both share borders, and the need for the two countries to establish closer relations for their mutual benefit.

Opportunities for cooperation between Paraguay and Uruguay

The peer review highlighted the importance of enhancing cooperation between the two countries in addressing the challenges mentioned above, particularly with regard to the adoption of control lists, capacity-building in the area of biological threats, transit of dual-use goods, developing procedures, adopting national strategies and action protocols, and strengthening South-South and triangular cooperation.

In that connection, it is important to note the adoption by Uruguay of the 2017–2020 national strategy for combating money laundering, the financing of terrorism and the proliferation of weapons of mass destruction, which was identified as a good practice by the Security Council Committee established pursuant to resolution 1373 (2001) in its 2017 report on Uruguay.

Mutual benefits obtained

1. Improvement in coordination at all levels: The first benefit observed for both Paraguay and Uruguay was the strengthening of coordination with the OAS Inter-American Committee against Terrorism and members of the Group of Experts of the Security Council Committee established pursuant to resolution 1540 (2004), of bilateral cooperation between the two countries, and of coordination among domestic institutions in each country. The review provided an opportunity to gain an in-depth understanding of the functions of the personnel responsible for the national implementation of resolution 1540 (2004).

2. Recognition of achievements: Through the analysis and research carried out during the review, Uruguay and Paraguay learned more about each other’s achievements, mainly in terms of normative work. The review enabled mutual learning that helped to illuminate strengths which both countries already possessed but which had not been clearly observed. The review also helped to identify areas of work in which, although significant progress had been made, greater institutional

leadership was required, and to specifically focus on existing weaknesses, which were highlighted in the first part of the review, conducted in Montevideo.

3. Development of personal, peer-to-peer contacts between Paraguayan and Uruguayan delegates: These contacts have enabled an extremely fluid and continuous exchange of information and experiences between institutions based on personal friendships and mutual trust.

4. Clear identification of specific normative, operational and capacity-building needs in both countries in order to ensure the full implementation of resolution 1540 (2004) at the national level, and in the context of bilateral, subregional and regional relations.

5. Confidence-building between the two countries, which has enabled open, sincere and transparent dialogue on areas in which stronger collaboration is required.

Strengths of both countries

The review highlighted the strengths of both countries. The main strengths observed were the high level of political and technical will on the part of both countries to implement resolution 1540 (2004), and the deep commitment of the experts participating in the review.

The on-site visits revealed similarities and correspondences with respect to the level of training of defence personnel in matters related to chemical, nuclear and biological weapons, as well as both countries' shortcomings in terms of equipment. In that regard, Uruguay and Paraguay are very interested in receiving international assistance from the donor community so that they can obtain the appropriate material and equipment to develop the capacities and knowledge that they have acquired.

It is also important to note the good relationship between the authorities of the two countries, the fluidity of mutual communication and the future prospects for leveraging the inter-agency relationships established for mutual benefit in connection with the implementation of resolution 1540 (2004) and other related objectives.

Conclusions

With regard to the current conditions in each country for the implementation of resolution 1540 (2004), there is a difference in their overall situation. Uruguay has more legal tools at its disposal than Paraguay, but less equipment for implementation at the operational level.

The efforts made by Paraguay and Uruguay to implement resolution 1540 (2004) are complementary, although there is still work to be done, particularly in relation to paragraph 3.

Lastly, Uruguay and Paraguay wish to thank the Government of Canada, the Security Council Committee established pursuant to resolution 1540 (2004) and its Group of Experts, and the OAS Inter-American Committee against Terrorism for their support and valuable contributions, which made it possible to conduct the peer review properly and contributed decisively to the progress made by both countries in implementing resolution 1540 (2004).
