



SUPPORTING
AN ENABLING ENVIRONMENT
FOR CIVIL SOCIETY

Enabling Environment Snapshot

Paraguay

30 January 2025



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Context

Thirty-five years after the political opening in the country, following the military dictatorship (1954-1989), citizens do not have improved spaces for dialogue and interaction with governmental bodies. 43% percent of the Paraguayan population believes that democracy is preferable to any other form of government, while only 24% are satisfied with the performance of the democratic system. These are data collected by [Latinobarómetro 2024](#), following the last national elections of April 2023, which confirmed the Colorado Party candidate, Santiago Peña, as president of the country once again. This political force also obtained a majority in both chambers of Congress, as well as in the departmental government of the country, leaving the political representation of the opposition very reduced. The results of the elections were the subject of much discussion, and were finally closed with the ruling of the Electoral Justice. A factor to be highlighted in this scenario is that Congress has repeatedly been processing and approving new legislative instruments [with little space for consultation and debate](#).

Additionally, data provided by Latinobarómetro, is not very encouraging: 78% of the population do not feel represented in the parliament, while 84% believe that the elections have been fraudulent and 86% believe that the country is governed by powerful groups for their own benefit. The reduction of freedoms for an enabling environment through legal framework modifications [is not new](#). A previous attempt was made with the 2018 Bill "[That Creates and Regulates the Operation of the National Institute of Non-Governmental and Non-Profit Organizations \(INOGUFIL\) and Establishes its Organic Charter](#)." While this initiative failed to advance at the time, its core principles have been revived and implemented under the law "Establishing the Control, Transparency, and Accountability of Non-Profit Organisations" enacted in November 2024.

1. Respect and protection of fundamental freedoms

Paraguay's form of government is a representative, participatory and pluralist democracy, based on human dignity (National Constitution, Art. 1). In practice, fundamental freedoms are increasingly restricted. The violation of the right to peaceful demonstration reached a significant milestone at the end of 2023 with the [arrest of 31 workers, without any grounds whatsoever](#). They were participating in a demonstration in front of the Congress, to denounce a bill that was to be passed without debate, as is now customary in the legislative sphere. Protests or citizen initiatives using established institutional channels to address social issues in their communities are [criminalised](#). A prosecutor [ordered](#) the arrest of two peasant leaders, defenders of the environment, for actions to stop polluting mining activities. 33 [cases of violence](#) against journalists and infringement of the rights to freedom of the press and expression were documented in 2024. Restrictive conditions that threaten freedom of association were accelerated with the [enactment of the new law regulating civil society organisations](#). The [request of more than 60 CSOs to veto it](#) was ignored.

Indeed, the country is in a state of "partial freedom", with a worsening trend, as [Freedom House](#) notes with regard to civil liberties and political rights. The [Economist Group](#) calls it a "flawed democracy", with an "obstructed" civic space according to the [Civicus Monitor](#).

2. Supportive legal framework for the work of civil society actors

While under the previous government (2018-2023) the aforementioned draft bill “That Creates and Regulates the Operation of the National Institute of Non-Governmental and Non-Profit Organisations (INOGUFIL) and Establishes its Organic Charter” was rejected by various civil society organisations as a violation of the freedom of association and eventually shelved by the government, this did not happen under the current administration. In November 2024, [Law No. 7363](#) was enacted, establishing severe restrictions on the functioning of formally constituted civil society organisations despite the widespread and permanent call from different [social](#) and [business](#) sectors to duly analyse the legislative project.

The law introduces new and additional registration requirements for all organisations, including those already registered, and external cooperation organisations (Arts. 3°, 7°, 8°); an obligation that discretionary information be made available to public bodies (Arts. 9°, 11°); it lacks clarity on whether international remittances must be in the General Budget of the Nation (PGN), or of subnational governments (Art. 12); and imposes a rigid system of sanctions for both legal entities (the organisation) and individuals (their directors and/or members) (Arts. Chap. IV); among other requirements that violate freedom of association and expression, while curtailing the rights to citizen participation. These provisions create a climate of uncertainty and intimidation for civil society actors, undermining their independence, effectiveness and freedom of action, while opening the door to abuses of power and widespread fear.

There were also expressions of concern and warnings from international organisations, such as the [UN](#) Special Rapporteurs on Human Rights and the [IACHR](#), [Amnesty International](#), [CPJ](#) and [OGP](#), among others, about the impact of the legislation on fundamental rights.

Organisations and specialists state that the law, which will enter into force once it is operationalised through a secondary regulation, is [unconstitutional](#), [violates](#) the principle of legality due to its lack of precision and clarity, allowing arbitrary application and state interference in the spaces of civil society actors, specifically in their registration, operational activities and privacy rights. It has been [described](#) by the Human Rights Coordinating Committee as an advance of a totalitarian project.

3. Accessible and sustainable resources

Law No. 7363 on the control of Non-Governmental Organisations (NGOs) or Non-Profit Organisations (NPOs), whose regulation is still awaited, affects at the domestic level the very broad set of citizen or social associations generally registered, or to be registered, under the figures of *associations of recognised public utility*, *associations of restricted capacity* and *foundations* ([Civil Code, Art.91°](#)).

Currently, organisations that receive and manage financial resources are already accountable to various public institutions with numerous procedures, under already established rules, which have now been reformulated. This reformulation generates even more excessive bureaucracy, for example, organisations having to respond to requests for documents from any state agency, whether executive, legislative or judiciary, or to submit excessively detailed reports twice a year (Arts. 9, 10, 11, among others), therefore forcing organisations to allocate more financial and human resources to new administrative procedures, significantly reducing the funds available to develop activities for the benefit of society. In turn, it makes it more difficult for small or grassroots organisations to access funding and discourages the creation of new organisations.

The recent law has repercussions on the performance of the different groups that receive or administer public or private funds, both national and international, and/or public funds coming directly from other states (Art. 3°). [Organisations](#) and [specialists](#) have warned that the new provisions operate as a direct barrier to accessing resources, making their availability and execution more difficult. These barriers also extend to donors (Art. 7), who must register in the country in order to be able to make their contributions, discouraging both those currently operating in Paraguay and potential new donors contemplating allocating funds to the country, thus reducing the sources of financing available to the sector.

4. State openness and responsiveness

The interaction between social organisations and the government has historically been of low quality, with limited or no acknowledgment of the role and contributions of social actors, and a relatively open stance towards the private sector, as indicated by monitoring reports of the [AGCED 2016, 2018](#). Likewise, assessments of civil society-government relationships showed mostly *uncertain* or *modest* results in [Open Government](#) actions ([OGP](#)) for the [2018-2020](#) and [2022-2024](#) periods, with the pending challenge of achieving greater civil society participation.

This situation of hostility towards the demands of vulnerable groups (peasants, indigenous peoples, women's organisations, LGBTQI+, human rights defenders) was compounded during this past year by a sustained onslaught on NGOs, social organisations in general, and [journalists](#). These actions, mainly carried out by the pro-government faction in Congress, included the sanctions against civil society actors provided for by the "Anti-NGO Law" (No. 7363), passed [without consultation](#) and despite criticisms of CSOs - despite the various demands made by civil society actors to open spaces for dialogue and work - and the creation of a Bicameral Commission of Inquiry (CBI), composed of parliamentarians from the ruling party benches of Congress. The Transitional Commission was formed to investigate punishable acts of money laundering, against the property of the State, smuggling and other related crimes. Its promoters registered, among other concerns, the "[potential laundering of assets linked to political financing through NGOs](#)." From this instance, requests for reports were made to certain CSOs, and [data from the documentation provided were subsequently disclosed](#). This leak of private data was [denounced by civil society actors](#) as a political operation aimed at discrediting different sectors of civil society. This led different organisations to coordinate their response and efforts through a "Driving Group of CSOs in

Defence of Democracy".

5. Political Culture and Public Discourses on Civil Society

Under the new government, the majority of the ruling party blocs/seats in both chambers of Congress have constructed a narrative that discredits social organisations. The [discredit](#) focuses on NGOs working in the areas of anti-corruption, public transparency, education, gender and human rights, although the impact is collective. The [accusations are diverse](#): lack of control and transparency in the management of funds; working in the service of a globalist agenda that seeks to influence national policies; use of external funds to finance campaigns and political figures, etc. [The use of digital media and social media platforms](#) was incorporated into the construction of a narrative aimed at stigmatising organisations. The critical press is also under [attack](#).

At the same time, institutions of the Executive Branch, together with international organisations, are developing specific dialogue events and plans with some groups in rural and urban areas. However, this does not reflect an effective participation and inclusive agenda in a country whose economy is growing with extreme structural inequality.

While, on the one hand, certain institutions of the Executive Branch (such as Ministries of Industry and Commerce, Women or Environment and Sustainable Development) organise specific meetings, seminars or workshops with some groups in rural and urban areas - either for training or planning - on the other hand, this is not organised in a sustained manner as part of a dialogue agenda. These actions contradict laws such as the recent CSO control law and fail to account for effective participation and inclusion policies in a country whose economy is growing with extreme structural inequality. [CEPALSTAT](#) records that 50.1% of income is concentrated in the richest 20% of the population, while the poorest 20% receive only 4.4%. A difficult panorama in which to exercise rights.

Challenges and Opportunities

The outlook is still relatively uncertain as to the extent of the impact of Law 7363 on the enabling environment (EE). At the time of writing this report, the law has not yet been operationalised through a secondary regulation, which would put it into effect immediately.

While the presidency has indicated that the law will be regulated with citizen participation, [legal experts](#) and [civil society representatives](#) have stated that an unconstitutional law cannot be regulated. Thus, an alternative already announced by civil society actors is the presentation before the courts of an action of unconstitutionality (AI) with respect to said law. It is noted that the aforementioned legal instrument has direct adverse effects on the set of principles of the EE.

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