



Paraguay Country Focus Report September 2025



TABLE OF CONTENTS

- A. An Introduction to the Enabling Environment
- **B. Assessment of the Enabling Environment**
 - 1. Respect and Protection of Fundamental Freedoms
 - 2. Supportive Legal and Regulatory Framework
 - 3. Accessible and Sustainable Resources
 - 4. Open and Responsive State
 - 5. Supportive Public Culture on Discourses on Civil Society
 - 6. Access to a Secure Digital Environment
- C. Recommendations
- D. Research Process



A) An Introduction to the Enabling Environment

What we understand by an Enabling Environment is the combination of laws, rules and social attitudes that support and promote the work of civil society. Within such an environment, civil society can engage in political and public life without fear of reprisals, openly express its views, and actively participate in shaping its context. This includes a supportive legal and regulatory framework for civil society, ensuring access to information and resources that are sustainable and flexible to pursue their goals unhindered, in safe physical and digital spaces. In an enabling environment, the state demonstrates openness and responsiveness in governance, promoting transparency, accountability, and inclusive decision-making. Positive values, norms, attitudes, and practices towards civil society from state and non-state actors further underscore the supportive environment.

To capture the state of the Enabling Environment, we use the following six principles:

SIX ENABLING PRINCIPLES

- 1. Respect and Protection of Fundamental Freedoms
- 2. Supportive Legal and Regulatory Framework
- 3. Accessible and Sustainable Resources
- 4. Open and Responsive State
- 5. Supportive Public Culture and Discourses on Civil Society
- 6. Access to a Secure Digital Environment

In this Country Focus Report, each enabling principle is assessed with a quantitative score and complemented by an analysis and recommendations written by our Network Members. Rather than offering a singular index to rank countries, the report aims to measure the enabling environment for civil society across the six principles, discerning dimensions of strength and those requiring attention.

The findings presented in this report are grounded in the insights and diverse perspectives of civil society actors who came together in a dedicated panel with representatives from civil society to discuss and evaluate the state of the Enabling Environment. Their collective input enriches the report with a grounded, participatory assessment. This primary input is further supported by secondary sources of information, which provide additional context and strengthen the analysis.

Brief Overview of the Country Context

Paraguay's economy continues to be characterised by high levels of inequality. "No one left behind" is therefore a compass that can successfully guide development efforts, but it raises questions and poses major challenges in a country whose economy is growing steadily, along with its public debt (41.2% of GDP), and which nevertheless continues to have significant socio-economic gaps, such as inadequate levels of reduction in poverty. Paraguay's GDP is well above the regional average, with a <u>projected growth rate</u> of 4.0% for 2025 and 2026, compared to the average of 2.2% and 2.3% for Latin America and the Caribbean for those years. However, these advances have not been reflected in income distribution, where inequality is close to the regional average. While income inequality for the region remains at a <u>Gini Index of 0.452 for 2023</u>, in Paraguay it stands at <u>0.444</u> for both 2023 and 2024.

Based on the above factors, the government has accumulated social debts with its citizens in key areas such as social security, reducing informal employment, narrowing gender gaps, and improving income levels. These debts also include the need to address the <u>structural problem of access to land</u>, compounded by shortcomings in the rule of law. Transparency International's Corruption Perceptions Index (CPI) 2024 gives Paraguay a score of 24/100, ranking it 149th out of 180 countries evaluated. Within the Southern Common Market (Mercosur) regional bloc, the country ranks lowest, compared to Uruguay with a score of 76 and a ranking of 13/180, Argentina with 37 (99/180) and Brazil with 34 (107/180). The measurement of principles relating to accountability, fair laws, open government, and accessible and impartial justice, carried out using the <u>World Justice Project</u> index, gives Paraguay a score of 0.46 out of 1 for 2024. This places it in one of the lowest positions, 24th out of 32 in the region. It has fallen to 100th place among 142 countries internationally, also scoring low compared to Mercosur countries, with Uruguay ranked 1st (0.72), Argentina 13th (0.52), and Brazil 17th (0.50).

In this context, the enabling environment for civil society is restricted. The legal framework remains a threat, given the enactment of Law 7363/24 on the control of social organisations, which is not yet in force due to a lack of regulations - a situation that could quickly change when the Executive Branch decides to implement this requirement. This process is accompanied by narratives from public bodies that have sought to challenge the contribution of civil society organisations (CSOs). There is further a trend of criminalising CSOs, with some CSOs specifically targeted in the context of disputes between ruling party parliamentarians and international cooperation agencies. Likewise, controversies about the "woke" agenda have also reached the country, driven especially by sectors of the ruling party.

These conditions and recent events have led to a visible decline in Paraguay's democratic rating. In The Economist's Index, it has gone from the already low category of "flawed democracy" in 2023 to "hybrid regime" in 2024. Its average score fell from 5.23 to 5.17. In

terms of organised crime, Paraguay ranks 3rd in <u>the Organised Crime Ranking</u> of 35 countries in the Americas, 2nd in South America and 4th in a measurement carried out for 193 countries worldwide.

The limitations of the enabling environment cannot cancel out the progress and efforts of civil society organisations in the country. Despite adversities, civil society continues to build paths that reduce setbacks and, at the same time, allow advances in democracy and the rule of law, with inclusive social development, based on collaborative work.

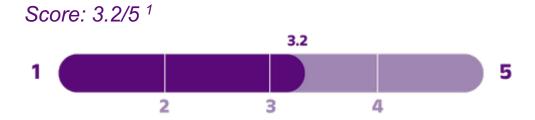
The conditions of the enabling environment for civil society in the country are largely disabling and have shown setbacks in various principles.

In order to record the current status of the enabling environment, consultations have been carried out with experts and leaders from different social sectors, who have given their time and shared their valuable experience and knowledge to examine the situation and challenges in the country. Data provided by secondary sources, especially civil society organisations, has also been reviewed, including reports from the EU SEE Programme and the Enabling Environment Baseline Snapshot.

B) Assessment of the Enabling Environment

PRINCIPLE SCORE

1. Respect and Protection of Fundamental Freedoms



New regulations governing civil society organisations sparked widespread debate, warnings and complaints about the right to freedom of association in the country. Law No. 7363, enacted in November 2024, affects a wide range of "non-profit organisations (NPOs)", which are subject to the obligations set out therein "regardless of their legal status." It refers to "all those that receive or administer national public or private funds, international private funds and/or public funds coming directly from other States" and whose purpose is to contribute to, influence, impact, or in any way act on public policies, plans and programmes or the activities of the State. The regulation thus applies to all organised civil society units, with certain exclusions such as international organisations, multilateral organisations, churches, sports organisations, trade unions, rural sector organisations, and neighbourhood committees, among others (Art. 3). The law requires registration in a new national registry, which overlaps with existing requirements in this area, increasing the bureaucracy for formalisation, adding requirements for detailed reporting, and maintaining ambiguous terms on the activities of CSOs, subject to further regulation. As discussed in more detail in the assessment of Principles 2, 4, and 5, the unrest spread to various social sectors and prompted national, regional, and international statements calling on the State to protect constitutional norms and fundamental rights. The law is not yet in force due to the absence of regulations, which have yet to be issued by the executive branch, but its effects on the enabling environment are already felt. The threat of the incoming law has resulted in limitations on participation, increased difficulties for the functioning of civil society organisations (CSOs) or for the formation of new associations, as well as the spread of narratives and public actions that have sought to stigmatise and criminalise CSOs.

¹This is a rebased score derived from the CIVICUS Monitor rating published in December 2024.

In the context of freedom of association, the right to unionise, which <u>is demanded by organisations in the sector</u>, is of particular concern. In a market with a high level of informal employment, affecting more than 60% of the working population, guarantees of the right to unionise are weak, even in the formal sector. In many cases, companies resort to reprisals against those who join unions, which generates <u>complaints from workers</u>.

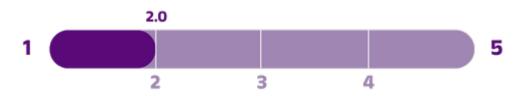
In rural and urban areas across Paraguay, protests by various citizen groups continue to seek public attention and solutions to community problems of various origins, including restrictions on small-scale production, violence against the rural population, the State's failure to fulfil public commitments to the indigenous population, environmental pollution and lacking roads for small rural communities. There are also citizen protests for justice reform and against corruption. The demonstrations are not exempt from censorship or police violence. This was the case in July 2025, when the Conference of Religious Men & Women of Paraguay (CONFERPAR) marched in downtown Asunción and a priest had a small sign taken from him by police officers on the grounds that the slogan "Reform public transport now" was contaminating the procession. The incident prompted the Conference to denounce the censorship. Another situation involved students from the town of Villa Ygatimí, in the east part of the country, who were demanding access to public transport for their daily commute to their universities in a neighbouring city. This protest was harshly dispersed by riot police at the end of August, characterised by excessive use of force, including beatings and rubber bullets.

Threats and attacks against journalists continue. On 26 April, Journalists' Day, the Paraguayan Journalists' Union (SPP) urged the National Congress to approve the bill "On the Protection of Journalists and Human Rights Defenders", which has been under consideration since 2023. Similarly, on 1 May, Labour Day, the SPP demanded an end to attacks by politicians and other powerful figures against workers and the media. Various incidents were reported during 2025. Among them was that of radio journalist A. Gómez C., from the border department of Pedro Juan Caballero, who received threats on his mobile phone, including warnings against his family. The journalist J. Martínez was beaten by one of the Justice Minister's guards while covering a press event in Asunción, as reported at the end of August. In a statement in early September, the SPP condemned threats made by a pro-government MP against journalist F. Pereira for broadcasting a citizen's protests. Among other threats, the MP had referred to the journalist as a "hitwoman" and for sharing information "in bad faith." The Journalists' Union also made a statement regarding the censorship and mistreatment of press workers by private security guards during coverage of Argentine President Milei's participation in the Conservative Political Action Conference (CPAC). The widespread repression of journalists and media workers thus highlights the need for basic protection of fundamental rights, including freedom of expression.

Current levels of restrictions on freedom of association, freedom of peaceful demonstration, and freedom of expression hinder civil society participation, weaken its voices, and pose difficulties for the exercise of democracy in Paraguay.

2. Supportive Legal and Regulatory Framework

Score: 2/5



Civil society organisations are recognised and regulated by the country's <u>Civil Code</u>, under the categories of common good associations, restricted capacity associations and foundations (Arts. 91-131), and must meet <u>various requirements</u> for <u>registration</u> and <u>operation</u>. The legislation thus allows for the existence of <u>formal associations</u>, through an excessively bureaucratic, costly, and fragmented process. Organisations led by women, Indigenous peoples, trans groups or territory-based groups face structural barriers (in terms of economic possibilities, access to the necessary public offices, technical and administrative management) and report discriminatory practices (e.g. delays in procedures). These limitations have escalated with the enactment, in November 2024, of <u>Law No. 7363</u> "<u>Establishing control, transparency and accountability for non-profit organisations</u>" (known as the Anti-NGO Law), which has been widely rejected by civil society organisations and international bodies as authoritarian and unconstitutional. Article 21 of this new law stipulates that it will come into force the day after its regulation. Despite it having been enacted months ago, the law had not yet been regulated at the time of this assessment but nevertheless constitutes a serious threat to CSOs as it could come into force at any time.

A first obstacle for organisations is that the new law expands the scope of associations subjected to its regulations. Using the term Non-Profit Organisations (NPOs), it includes all entities "that carry out activities of public utility, social and cultural interest" (Art. 2). The law further provides for the centralisation of their registration under the Ministry of Economy and Finance (MEF). The requirements and procedures for registration are not clearly established, leaving it up to the MEF to grant or deny registration, which opens the door to arbitrary restrictions. These regulations also add other requirements to those already in place, thereby increasing the bureaucratic burden on CSOs. Various studies by national and international organisations have pointed out the violation of fundamental freedoms as a consequence of the new legal instrument.

Apart from the implications for registration, one of the most worrying factors is the expected effect on the autonomy of organisations, given the excessive requirements under the new law. These include the annual submission of detailed data on professional, technical or any other type of personnel who have collaborated, whether contracted or not, in the organisation's activities. Similarly, external organisations that cooperate with CSOs in the country are required to register locally. This situation has earned Paraguay a place on the <u>list of countries that restrict freedom of association</u> (WOLA).

The operating environment for CSOs is thus perceived as inhibiting, with a tendency to be totally prohibitive. Reporting requirements, threats of audits and vague regulations hinder and discourage the regular operation of the sector. By mid-2025, pro-government parliamentarians, drafters of Law No. 7363, were calling on the executive branch not to delay its regulation, while defending its importance in external forums to achieve "transparency in the activities of NGOs receiving foreign funding." With the threat of its impending regulation, the new regulatory framework has already deterred several organisations from moving forward with their formalisation efforts, while those that have already formalised are facing new procedures such as increased banking requirements or greater demands for reports from public bodies.

Additionally, public actions taken by Congress have hindered the work of specific CSOs and are often accompanied by narratives that discredit civil society as a whole. For example, there have been reports of persecution against CSOs that received funds from USAID (under the Development Assistance Agreement, Law No. 6624/20) and against those that received funds under the Financing Agreement with the European Union for the *Programme to Support the* Transformation of the Education System in Paraguay, Law No. 6659/20. As part of this repression against foreign-funded CSOs, a Transitional Bicameral Commission for the "Investigation of Punishable Acts of Money Laundering, Against State Property, Smuggling and Other Related Crimes" (CBI) was established in 2024. One of the three major issues to be investigated was the potential money laundering linked to alleged political financing through CSOs. Under the auspices of this commission, its members, who belong to the ruling party, began requesting multiple reports from specific NGOs, 17 of which received cooperation from USAID, along with organisations in the field of education that received cooperation under the aforementioned European Union programme. In addition to complaints from organisations about the disclosure of confidential professional information, there were also complaints about the leakage of private data by the CBI. Information shared by CSOs to the CBI was subsequently published in order to affect NGO members and journalists.

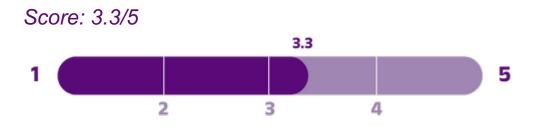
In July 2025, the CBI, also known as the "Garrotte Commission", submitted its final report to the parliament, with specific reference to analyses carried out on CSOs that executed USAID development assistance funds and EU educational transformation support funds. The concluding section indicates that it has been impossible to establish the punishable offence of political financing via non-profit organisations (NPOs), on the grounds that some have withheld information. However, this statement is contradictory since organisations already periodically submit reports and accounts to various public bodies, including the Ministry of Economy and Finance and the Secretariat for the Prevention of Money Laundering (SEPRELAD), as required by current regulations. The parliamentary commission's report also argues that the DNIT (National Tax Revenue Directorate), which reports to the MEF, has failed to comply with some of the requests for information. The head of this official agency described the report as malicious and inaccurate and told the press that due to legal provisions he could not provide "tax information for political persecution." In mid-July 2025, Congress reported that the CBI report had been sent to various public agencies and, through the Foreign Ministry, to the United States Department of Justice. Shortly thereafter, in mid-August, the U.S. State Department's report on the human rights situation in Paraguay in 2024 was released to the press, mentioning, among other things, that the 'Garrotte Commission' was used "to intimidate critics with false accusations and legislative threats."

With regard to protection from interference, the unprecedented use of the court system to silence civil society voices contributes to an increasingly inhibitive environment. Faced with

the impossibility of obtaining strictly private information from CSOs, the <u>CBI requested the intervention of the judiciary</u> to access such private reports. While the CBI attempted to access the reports through criminal proceedings against these CSOs, the Court redefined them as a civil action. This shift reduces potential criminal penalties but falls short of dismissing the undue intervention of state bodies in organisations and of upholding regulatory limits. From the perspective of civil society organisations, the actions of the CBI constitute a new – and unconstitutional - mode of intervention by the state to criminalise civil society. As a result, CSOs continue to experience legal uncertainty, including a lack of real independence of the judiciary and the potential for further persecutory actions carried out by the Public Prosecutor's Office.

This type of control exercised over NGOs, outside the legal framework governing their operation, was seen as a precursor to what Law No. 7363 seeks to implement as standard procedures once it comes into force. The recent situations faced by CSOs in the country thus reveal vulnerabilities in the application of the current legal framework, and there remain serious threats regarding the changes that may take place if the widely rejected Law No. 7363 of 2024 is regulated.

3. Accessible and Sustainable Resources



Accessibility of funding was assessed to be at partially enabling levels. On the one hand, smaller, community-based, indigenous, or territorial organisations face practical difficulties in opening bank accounts, managing funds and complying with tax requirements, especially if they do not have legal status, as indicated by their representatives.

On the other hand, external cooperation for formalised CSOs remains accessible in general, except in the case of USAID, which has suspended its activities. It should be noted, however, that sources of cooperation may be further reduced in light of the impact of the suspension of USAID and new restrictions that may arise with the impending entry into force of the new NGO Law. For example, the new law is expected to bring about greater difficulties in opening bank accounts to receive donations, due to excessive documentation requirements or simply by discretion of the bank, which makes it difficult to carry out planned actions.

Information on funding opportunities is irregular and there are no relevant tax incentives for domestic donors, which reduces the capacity of CSOs, limits their operational dynamics, and does not facilitate joint collaboration with the private sector. With regard to national public funding provided to CSOs through the General Budget of the Nation (PGN by its acronym in Spanish), initiatives need to be submitted to the Ministry of Economy and Finance (MEF), which may include proposals for transfers from various State Agencies and Entities (OEE) and Municipal Governments. The MEF places the selected allocations in the PGN, which is submitted for approval by Parliament under the Budget Law. Despite this, it is unusual for calls for proposals to specify strategic lines and specific allocation criteria, except for the legal requirements set out in the corresponding forms. CSO representatives point out that these funds should be granted through competitive, pluralistic calls for proposals open to all CSOs in the country, in order to facilitate the inclusion of different types of civil society contributions and greater public awareness of their contributions to development.

Regarding the effectiveness of external cooperation, the overall environment is considered enabling. It is noted that relations with international donors are generally respectful, collaborative and aligned with the institutional objectives of CSOs. Flexibility in adapting projects, simplification of reporting processes and openness to strategic dialogue have been

recognised as positive steps by CSOs. Working groups with cooperation agencies and CSOs are held to analyse the context and CSOs' views on programme priorities.

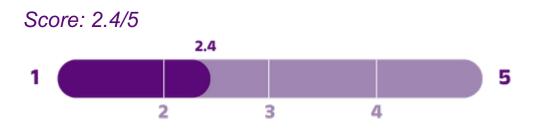
It should be noted that some state agencies, when acting as conduits to channel funds, introduce administrative barriers and bureaucratic requirements that undermine the effectiveness of funding. This situation becomes particularly evident when funds are earmarked for initiatives with a *gender* or *intercultural* focus. Such issues can generate tensions due to differences in approach between the CSOs and public bodies, which is particularly evident when activities are planned to be carried out jointly by these bodies and CSOs. With excessive obstacles imposed by the state entities involved, these projects are often prevented from coming to fruition.

The sustainability of resources was assessed to be partially enabling as predictability of funding sources cannot be guaranteed. Funding is predominantly project-based, which makes it difficult to maintain technical teams, engage in strategic planning, or expand the organisational scope. As a result, interruptions between funding cycles have been reported. The best-known and most widespread example is the cooperation of USAID, an agency that first <u>suspended</u> and then terminated its lines of cooperation.

Efforts to diversify income, such as donation campaigns, services, or self-financing, are still in their infancy. While there have been examples of cooperation with the private sector, it is not a widespread practice across civil society. Similarly, there is no structural state support. Changes are also observed at the level of international funding, with organisations exposed to geopolitical instability and external budgetary fluctuations. As a result, the sustainability of resources may further deteriorate as it is highly dependent on developments in the field of international cooperation.

Uncertainties regarding access to funding sources and the predominance of funds for short-term programmatic actions limit the operational capacities of CSOs and lead to continued efforts to strengthen, explore, and develop solidarity networks and shared and self-managed service initiatives.

4. Open and Responsive State



Access to public information is assessed as partially enabling with an established legal framework for access to public information. Law No. 5282/14 "On free citizen access to public information and government transparency" regulated by Executive Decree No. 4064 of 17 September 2015 as well as the development of open government policies have constituted significant advances for the country. However, there have been setbacks in the implementation of these policies. Limitations regarding the access to information include the requirement to disclose additional personal data to use digital portals for accessing information, delays in responses, insufficient information received, or even the failure to provide information. For example, CSOs experienced that the portal for requesting information from the Superior Court of Electoral Justice (TSJE by its acronym in Spanish) was down, which meant that the information had to be requested via the Ministry of Justice. In fact, experts noted that key institutions such as the TSJE and the Supreme Court of Justice have not been efficient in providing information.

Other developments point to an increasingly inhibiting information environment. Experts mentioned specifically the persistence of difficulties in subnational government portals and the limitations imposed by the new digital identity requirement. This requirement which necessitates a digital identify card to access information portals is seen as restrictive for citizens. Experts stated that while the promotion of electronic identity is beneficial, the imposed requirements conflict with the right to access information.

Law No. 5189/14 further establishes the obligation to provide information on the use of public resources relating to remuneration and other payments assigned to public servants. However, the entrenchment of this specific right to information is at risk of being reversed. The recent Senate approval of a personal data protection law was criticised by civil society actors such as journalists due to its expected negative impact on the implementation of Law No. 5189/14. Article 24 of this bill establishes restrictions on citizens' access to public information related to the salaries of public officials. While experts consider the development of the bill, which was first presented in 2021, as a positive step towards data protection, they simultaneously warned about points that still needed to be considered in order for the legislation to become an

effective human rights tool, mentioning Article 24 among them. The bill has now been sent to the Chamber of Deputies and its consideration has been postponed.

Avenues for citizen participation in public decision-making have been assessed as inhibiting. There has been a closure of inter-institutional technical committees, which had been created within the framework of the Technical Planning Secretariat (STP), a body formerly dependent on the Presidency of the Republic. Following the STP's integration into the Ministry of Economy and Finance (Law 7158 of 2023), there has been a reduction in formal spaces for interaction with the public sector. Similarly, previously established spaces for engagement with the state, such as Open Parliament initiatives, have not been revitalised and legislative projects generally lack debate with the public.

When public consultations happen, for example in the area of legislative drafting, they can be delayed and are usually not attended by members of the ruling party, leaving these consultations to have no real impact, as attested by representatives of various CSOs. Civil society leaders compare these weak or absent public consultations to restrictions experienced in the access to information: civil society engagement is often not taken into account or does not receive a response from government bodies.

The way in which Law 7363/24 on the control of CSOs was processed and enacted demonstrates the absence of participation spaces. The fact that it has not been possible to establish a working group between the government (executive and legislative branches) and civil society organisations, despite multiple requests and efforts by CSOs, to study and analyse Law 7363 prior to its approval and enactment, illustrates the restrictive environment for civil society participation. The government's call for dialogue on the regulation of the law similarly did not progress.

In this closed environment, there are nevertheless some initiatives for cooperation between public institutions and CSOs.

While some formal participation mechanisms, such as the Paraguay 2030 SDG Commission, have been <u>deactivated</u>, others continue to exist. One example is the <u>digital platform National Development Plan 2050</u> (PND 2050 by its acronym in Spanish), which aims for citizen participation in the development of the PND 2050. Whereas the current National Development Plan had been updated in 2021 (aligned with the SDGs of the 2030 Agenda), the current initiative proposes the formulation of strategies and actions for the projected development until 2050, integrating the voices of all sectors.

Paraguay is also <u>a member of</u> the Open Government Partnership (OGP), whose Independent Review Mechanism (IRM) has found significant remaining challenges in the implementation of the country's Open Government Action Plan (OGAP) for the period 2022-2024. Among these challenges is the need to increase participation by civil society and other actors in order to enhance the use of public services and meet social demands. This includes ensuring the inclusion of vulnerable populations to benefit from these services.

As part of its commitments under the Open Government Action Plan, the state also established a "Citizen Accountability Manual" through Decree No. 2991 of 2019. Intended to improve state accountability, which was assessed as unclear, the Manual requires, among other actions, the registration of periodic reports on the digital portals of various public agencies. The information, provided for example by the Ministries of Women, Children and Adolescents, and Public Health and Social Welfare, has been used in civil society reports on various occasions.

There are no sustained institutional mechanisms in place to enable civil society to monitor commitments and provide feedback. The <u>independent review of the Fifth Open Government Action Plan 2022-2024</u> mentions, for example, predictably modest results for commitments and initiatives such as the Observatory of Judicial Cases, whose objective is to "promote active citizen participation through a transparent, democratic and participatory judicial system". Shortcomings include the failure to facilitate citizen participation in the processing of judicial

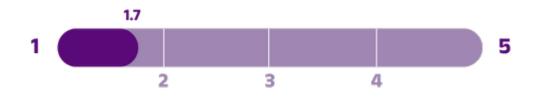
cases that relate to corruption. Therefore, the aforementioned review indicates that it is hoped that in the country "ambition will increase and commitments will not be limited to the mere publication of information in isolation but will include instances of participation or collaboration." Under the Open Government framework, the Executive Directorate of OGP also announced the launch of the Rapid Response Protocol by the end of 2024 in order to examine the situation in Paraguay following the enactment of the law on control of NGOs and seek to establish a dialogue that would avoid unwanted restrictions on civil society.

Lastly, the possibility of finding agreements between civil society and government actors is undermined by informal and clientelist practices among formal democratic institutions, as indicated by the <u>Bertelsmann Stiftung Governance Index</u> in its Report on the Transformation of Democracy 2024. As a consequence, there is a lack of consensus-building mechanisms, for example, between business leaders and trade unions or between large landowners and landless peasants. In line with the local reality, the report states that "most political actors have a low tolerance for political opinions different from their own, which predominantly reflect a conservative agenda."

Limitations in channels of access to public information, in mechanisms for citizen consultation, and weaknesses in compliance with accountability provisions, such as in the case of the OGP Action Plan, constitute an inhibited enabling environment for inclusive participation by civil society.

5. Supportive Public Culture and Discourses on Civil Society





Sectors of the government, especially the National Congress and spokespeople for the ruling party, have engaged in discourse that delegitimises civil society organisations, accusing them of responding to foreign or ideological interests or interests contrary to national values. In this context, as mentioned above, the situation escalated during the congressional debate on Law 7363, dubbed the "Anti-NGO Law." During parliamentary plenary sessions on the draft law, some senators presented leaked information from CSO meetings distorted in ways to present CSOs in a negative light. There is no evidence of the government valuing an active, technical or scientific civil society. Instead, smear campaigns against CSOs and human rights defenders have been spread in media and on social networks, creating a climate of harassment and organised disinformation. Disparaging remarks against civil society organisations from progovernment sectors of Parliament include accusing CSOs of promoting "woke" or "globalist" agendas that threaten sovereignty. Analyses and systematisation of data on the volume and frequency of digital disinformation revealed the existence of coordinated disinformation campaigns, run by political operators, pro-government journalists and trolls, and systematically advancing narratives against NGOs. The analysis identified three main themes:

- 1) "He who owes nothing fears nothing" or the narrative of transparency, highlighting a supposed need for transparency in the civil society sector and omitting the fact that a series of obligations already regulate the submission of financial reports and procedures to public bodies by NGOs;
- 2) Extrapolation of public corruption to the private sector, a narrative that, without evidence, claims that civil society is equally affected by corruption as the public sector; and 3) NGO workers promote the globalist agenda or the narrative of sovereignty, which alleges that CSOs working in human rights, particularly those working in gender, and the rights of children and adolescents, undermine the country's traditional values.

An interesting issue illustrating the use of disinformation was the <u>statement made by progovernment senators</u> claiming that "NGOs had moved" USD 1.7 billion during 2023 and that "this amount of money cannot be used without transparency... because we have indications that there is enormous pressure to use this money to destabilise our democracy". The statement was based on data provided to Congress by the National Tax Revenue Directorate (DNIT). <u>Subsequent analysis of the data</u> revealed that the data included all non-profit organisations, which encompass churches, sports clubs, social clubs, political parties, business associations, among others. The analysis also showed that 72% of the organisations declared an annual income of USD 4,400 (GSF 35 million), well below the figure indicated by the ruling party senators, and only 2% of NPOs had an income of USD 7,000.

With regard to the capacities of civil society itself, it can be noted that, in the face of an adverse and highly inhibiting scenario created by government authorities, CSOs have positively expanded their capacity for alliance. They strengthened the development of spaces for exchange and joint action, such as common positions on certain government decisions (e.g. Law 7363) or shared public mobilisations between organisations from different sectors.

At the same time, government harassment of CSOs did not translate into a replication of negative attitudes among the general public. On the contrary, new positive attitudes of appreciation for the mission-driven work of these organisations were observed. By the end of 2024, the CSO Group in Defence of Democracy, which brought together dozens of organisations, was recognised by a national media outlet as one of the <u>protagonists of the year</u> for its work in resisting setbacks in the field of human rights and for advancing participation and pluralism, particularly in the context of the impending "anti-NGO law".

A recent survey on citizens' expectations, conducted in March 2025, ranked NGOs third in terms of "level of trust in institutions," behind the church and the press. The bottom three spots went to the judiciary, political parties, and the legislature, with the Parliament ranking lowest in terms of trust. The Parliament's anti-NGO narratives thus backfired, discrediting representatives of the Legislative Branch rather than the targeted civil society actors and raising doubts about the official narrative. Although these assessments are relative, they indicate a growing public awareness of the importance of focusing attention on society's own capabilities, rather than depending on the state. The idea of self-sufficiency is gaining greater traction given the state's inability to meet accumulated demands, but does not undo a growing sense of despair. In the broader civic sphere, civic education is scarce. As a consequence, civic participation is mostly fragmented, centred on specific demands. A rare example of broad civic engagement was seen in the shared marches in March, which involved various social movements and organisations, together with opposition political forces, on common as well as sectoral demands.

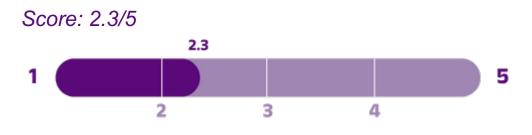
Despite advances in laws promoting equality or narratives of inclusion in previous periods, civic participation continues to be marked by strong structural inequalities and takes place in an environment of widespread inhibition. In practice, there are no signs of progress towards greater equality. The representation of vulnerable or marginalised groups is generally symbolic and insufficient. In addition, the official political discourse advances an "anti-woke" agenda, that questions the inclusion of gender perspectives. Alleging the need to defend traditional values against "globalist pressure," this discourse paints gender equality as contrary to life and the family. Such positions have even led to a legislative proposal to abolish the Ministries of Women and Children and Adolescents, merging them, together with the Secretariat for Youth, into a single Ministry of the Family. This has not been endorsed by the executive branch to date, but it indicates political conditions that may further hinder institutional development towards gender equality.

The public narrative on civil society organisations can thus be classified as adverse and unfavourable to their role and contributions, which has led CSOs to strengthen their coordination and networking efforts. The challenges experienced by civil society highlight the importance of strengthening civic culture, so that citizen participation and the pursuit of rights are no longer

for dialogue.	·		

perceived as threats to the democratic system but rather appreciated and included in channels

6. Access to a Secure Digital Environment



The environment for digital rights and freedoms has been assessed as partially enabling of civil society engagement. On the one hand, it is noted that, in general, individuals and organisations can express themselves freely on social media, access digital platforms, and disseminate content without systematic blocking. On the other hand, there have been experiences of selective judicial censorship, removal of publications due to institutional pressure, and cases of surveillance. Recent studies on the internet use by human rights defenders indicate that the most frequent attacks faced by activists and organisations are: unauthorised access (38.9%), phishing (24.1%), impersonation through social media (22.2%), and wiretapping or interception of communications (20.4%). Digital gender-based violence is of particular concern. Specific data on the work of women journalists highlights this issue and reveals that female journalists who are public opinion leaders and take a stance on politics are those who suffer most from digital violence.

With regard to physical blackouts, internet outages were reported in the north-eastern part of the country in 2021 and have allegedly been linked to security operations. <u>Subsequent research</u> shows that there was a signal drop in the following year, 2022, but the data collected cannot confirm whether the blackouts were deliberate. The research also noted a high degree of precariousness in the area in terms of access to basic infrastructure, including internet access.

The environment for digital security and privacy is assessed to be inhibiting as personal data protection and cybersecurity measures are insufficient. In early 2025, the press reported the leak of data of millions of people, offered on a hacker portal, including full names, home addresses, employment data, telephone numbers and medical records, among other personal data, revealing a high level of fragility that violates the human right to privacy. Shortly afterwards, the Ministry of Information and Communication Technologies (MITIC by its acronym in Spanish) confirmed cyberattacks on 11 public institutions in the country, leaking millions of pieces of personal data and documents sensitive to national security from the Presidency of the Republic, the Foreign Ministry, the Ministry of Justice and military institutions, among others. In mid-2025, new cyberattacks were reported, including on the personal account of President Santiago Peña.

By the end of July, it was reported that almost 70% of public institutions were at <u>high risk</u> in terms of data security.

Three proposed bills on cybersecurity were presented to the Parliament during the year. The <u>first</u> and <u>second</u> are parliamentary initiatives, while the <u>third</u> is a preliminary draft from a university. <u>Academic and civil society experts</u> have also weighed in regarding this issue by proposing, among other things, that a single, ambitious and robust legislative proposal should be developed, harmonised with other existing and pending regulations, and including a comprehensive and participatory cybersecurity governance design. The experts stressed that the digital environment should not be reduced to a matter of national security, given that fundamental rights are at stake.

Meanwhile, in the daily life of CSOs, different forms of <u>digital threats</u> are identified: espionage, the use of bots to discredit activists, or harassment campaigns, and persecution based on disinformation. In general, CSOs do not have robust protection protocols or easy access to cybersecurity tools. Currently, CSOs face the shared concern of high exposure and vulnerability to intentional attacks, especially in contexts of high social or political conflict.

Digital accessibility has similarly been limited. In 2024, according to data from the National Institute of Statistics (INE by its acronym in Spanish), 81.6% of the population aged 10 and over used the internet. Of this total, the largest number of digital users has been observed in urban areas (86.2%) compared to a smaller figure in rural areas (73.7%). Extensive use is made of mobile phones, with nine out of ten people using the internet "elsewhere via a mobile phone" (on public transport, at bus stops, in the street, in supermarkets, etc.). Data regarding household devices show that 97.5% of households nationwide have mobile phones, 98.2% in urban areas and 96.3% in rural areas. In contrast, only 28.6% of all households have computers/notebooks, a percentage that rises to 38.5% in urban areas and falls to 12.9% in rural areas.

This data shows that social and economic barriers reduce opportunities for digital accessibility. In rural areas, Indigenous communities, impoverished neighbourhoods, and peripheral urban settlements, access to devices, stable connections, and digital skills trainings is very limited. In areas where there are no connectivity issues, the costs of equipment and services nevertheless hinder access. Public policies have not succeeded in significantly reducing this gap. This limits digital civic participation and the exercise of rights in virtual environments.

The Latin American Artificial Intelligence Index (ILIA 2024), which presents a structured and integrated perspective of AI ecosystems, ranks Paraguay 14th out of 17 countries, with a score of 31.05 out of 100, well below the regional average of 42.08 points. In the Enabling Factors dimension (Infrastructure, Data Availability and Human Talent), which measures the progress of conditions for AI ecosystems to develop effectively. Paraguay's score is 34.73 compared to the regional average of 40.26. Paraguay also scores low (34.66 compared to the 47.46 regional average) in the Research, Development and Adoption dimension, which assesses the degree of integration of AI systems in research, development, and innovation at public, private, and academic levels. In the Governance dimension, which includes broader criteria such as promotion of a shared vision and civil society participation in decision-making, Paraguay scored 20.12, while the regional average is 37.46. The country is thus in the most incipient category of "explorers", with the development of robust AI systems still pending and urgently necessary in a scenario of high digital vulnerability. In addition, new regulatory frameworks currently under discussion, such as those for personal data protection or cybersecurity, need to be developed from a rights-based perspective that is firmly rooted in the conditions and contributions of civil society.



C) Recommendations

State

- Repeal, or refrain from implementing, Law No. 7363/2024 "Establishing Control, Transparency and Accountability of Non-Profit Organisations", observing the constitutional rights of the Republic.
- Ensure the guarantee of freedoms of association, expression, and assembly in any modifications to the legal framework governing civil society organisations and, in accordance with international law, facilitate mechanisms for dialogue and consultation.
- Study, approve, and enact the legal instruments necessary for the exercise of rights, such as the law "On the Protection of Journalists and Human Rights Defenders."
- Arrange for public calls for proposals for the allocation of resources from the General National Expenditure Budget (PGN), opening opportunities for all Paraguayan CSOs in democratic competitions for the pluralistic selection of proposals.
- Strengthen mechanisms for access to public information, citizen participation and accountability for the formulation, implementation, monitoring, and evaluation of public policies. Mechanisms that have been weakened or deactivated by the three branches of government (executive, legislative and judicial) must be strengthened, and honour commitments previously made in this area.
- Ensure that policies aimed at sustainable development must necessarily consider improving the environment for CSOs and, consequently, addressing specific rights and challenges such as gender equality and non-discrimination, environmental justice, and the defence of human rights defenders.
- Regarding the regressive regional and national political context, which was mainly characterised by growing authoritarianism, civic participation must be promoted and nurtured by strengthening the social contract, avoiding setbacks in the progress already achieved in Paraguay's long transition to democracy. Besides, implementing measures to remedy historical exclusions, such as those regarding the population's social issues, continues to remain a situation of high vulnerability.
- Public measures are needed to reduce the digital divide (access and skills) by
 addressing social and economic barriers, guaranteeing the protection of rights, and
 implementing preventive policies against sexual and gender-based violence and
 violence against diversity. The participation and valuable contributions of civil society
 organisations must be included through dialogue and consultation on legislative
 initiatives (currently projects on cybersecurity and internet access as a human right).
 Various measures under consideration, such as the Personal Data Protection Act,
 which has already been passed by Parliament, should be subject to further debate and

consultation so as not to paradoxically affect, among other things, citizens' rights such as access to public information.

Cooperation Agencies

- Ensure that the allocation of resources takes into account the conditions of structural inequality in which civil society organisations operate and the right to development as a guideline for programme lines, within the framework of strengthened multilateral cooperation.
- Continue to address the conditions of civil society and its organisations, promoting the
 creation and strengthening of operational regulations that facilitate access to
 resources, flexible provisions that take into account particular organisational structures
 and dynamics, and dialogue on shared responsibilities.
- Observe and evaluate government mechanisms for access to public information, citizen participation, and accountability in order to establish lines of cooperation that contribute to the quality of democracy and the sustainability of development (economic, social, and environmental fields). In fact, the aforementioned cannot be achieved solely through the growth of macro indicators such as GDP, but one which brings benefits for a favourable environment for CSOs.

Civil Society Organisations

 Continue the various efforts that have been and are being shared for mutual learning, capacity building, continued contributions to the common good, the defence of democracy, the exercise of rights, the strengthening of alliances and the increase of resilience.

D) Research Process

Each principle encompasses various dimensions which are assessed and aggregated to provide quantitative scores per principle. These scores reflect the degree to which the environment within the country enables or disables the work of civil society. Scores are on a five-category scale defined as: fully disabling (1), disabling (2), partially enabling (3), enabling (4), and fully enabling (5). To complement the scores, this report provides a narrative analysis of the enabling or disabling environment for civil society, identifying strengths and weaknesses as well as offering recommendations. The process of drafting the analysis is led by Network Members; the consortium provides quality control and editorial oversight before publication.

For Principle 1 - which evaluates respect for and protection of freedom of association and peaceful assembly - the score integrates data from the CIVICUS Monitor. However, for Principles 2-6, the availability of yearly updated external quantitative indicators for the 86 countries part of the EUSEE programme are either limited or non-existent. To address this, Network Members convene a panel of representatives of civil society and experts once a year. This panel uses a set of guiding questions to assess the status of each principle and its dimensions within the country. The discussions are supported by secondary sources, such as V-Dem, the Bertelsmann Stiftung Governance Index, the RTI Rating from the Centre for Law and Democracy, and other trusted resources. These sources provide benchmarks for measuring similar dimensions and are complemented by primary data collection and other secondary sources of information available for the country. Guided by these deliberations, the panel assigns scores for each dimension, which the Network Members submit to the Consortium, accompanied by detailed justifications that reflect the country's specific context. To determine a single score per principle, the scores assigned to each dimension are aggregated using a weighted average, reflecting the relative importance of each dimension within the principle. This approach balances diverse perspectives while maintaining a structured and objective evaluation framework.

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