

Ecuador

Evaluation of Progress in Drug Control 2005-2006

MEM

Multilateral Evaluation Mechanism



Organization of American States - OAS
Inter-American Drug Abuse Control Commission - CICAD





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**ORGANIZATION OF AMERICAN STATES (OAS)
Inter-American Drug Abuse Control Commission (CICAD)**

**Multilateral Evaluation Mechanism (MEM)
Governmental Expert Group (GEG)**

ECUADOR

**EVALUATION OF PROGRESS IN DRUG CONTROL
2005–2006**



CICAD wishes to thank the following national institutions of Ecuador which provided information for this MEM national Fourth Round report:

- National Council for the Control of Narcotic and Psychotropic Substances (CONSEP)
 - Bureau of Drug Demand Control
 - Bureau of Legal Counsel
 - Technical Bureau for the Management of Assets in Custody
 - Technical Bureau of Control and Monitoring
 - Technical Bureau of Financial Management Department, Budget Office
 - Ecuadorian Drugs Observatory
- Ministry of Foreign Affairs
 - Legal Counsel Bureau
- National Judiciary Council, Registration and Control Bureau
- Supreme Court of Justice
 - Legal Counsel Bureau
- Northern Development Unit (UDENOR)
- Ministry of Education and Culture
 - National Program for Education to Prevent the Misuse of Drugs
- Ministry of the Interior
 - Statistics Unit
- Ministry of Public Health
 - Mental Health Bureau
- Ministry of the General Prosecutor
 - School of Prosecutors
- Ministry of the Government and Police
 - National Police Force
 - National Anti-Drug Department (DNA)
 - Anti-Drug Information and Prevention Office
 - Traffic Accident Investigation Service of Pichincha (SIATP)
 - National Traffic Department (DNT), Statistics Area
- Leopoldo Izquieta Pérez National Hygiene and Tropical Medicine Institute
- Joint Command of the Armed Forces
 - General Bureau of Arms Control
 - General Bureau of Military Intelligence
- Financial Intelligence Unit (FIU)



PREFACE

The Multilateral Evaluation Mechanism (MEM) is a diagnostic tool designed by all 34 member states of the Organization of American States (OAS) to periodically carry out comprehensive, multilateral evaluations of the progress of actions taken by member states and by the hemisphere as a whole, in dealing with the drug problem. The Inter-American Drug Abuse Control Commission (CICAD), an OAS specialized agency, implemented this Mechanism in 1998, pursuant to a mandate from the Second Summit of the Americas held in Santiago, Chile in 1998.

The MEM is not only an evaluation instrument, but has also become a vehicle for disseminating information on the progress achieved by individual and collective efforts of OAS member state governments, catalyzing hemispheric cooperation, promoting dialogue among member state government authorities and precisely channeling assistance to areas requiring greater attention by optimizing resources. The MEM process itself is assessed by the Intergovernmental Working Group (IWG), comprised of delegations from the 34 member states, which meets before the onset of each MEM evaluation round to review and improve all operational aspects of the mechanism, including the indicators of the evaluation questionnaire.

National evaluation reports are drafted by experts from each member state, with experts not working on their own country's report, guaranteeing the transparent multilateral nature of the MEM. Each chapter is based on countries' responses to a questionnaire of indicators covering the main thematic areas of institution building, demand reduction, supply reduction and control measures as well as subsequent comments and updated information provided by the government-appointed coordinating entities.

This report covers the full country evaluation for the MEM Fourth Round evaluation period 2005–2006. The follow-up report on the implementation progress of recommendations assigned to the Ecuador will be published in June 2009. All MEM reports can be accessed through the following webpage: www.cicad.oas.org.



INTRODUCTION

Ecuador has a surface area of 256,370 km². Its coastline on the Pacific Ocean extends for 773 km. The country has 2,010 km of borders (Colombia 590 km and Peru 1,420 km). The population totals 13,547,510 (July 2006). The principal ethnic groups are: 65% mestizos (mix of indigenous and Spaniards), 25% Amerindians, 7% whites and others, and 3% Afro-Ecuadorians. The literacy rate is 92.5%. Ecuador is a republic divided into 22 provinces. The per capita Gross Domestic Product (GDP) for the year 2005 was US\$4,300, and annual exports totaled US\$9 billion. The main exports are: oil, bananas, shrimp, coffee, cacao, wood, hemp, fish, and flowers. Imports total US\$8 billion and include industrial materials, perishables, and agricultural products.

I. INSTITUTIONAL STRENGTHENING

A. National Anti-drug Strategy

Ecuador has a National Plan for Prevention, Preventive Alternative Development, and Drug Control 2004–2008, which was adopted on June 18, 2004 (Official Register No. 359). This National Plan covers actions in the areas of demand reduction, supply reduction, development programs related to the prevention or reduction of illicit crops, drug production or trafficking, control measures, money laundering and program evaluation.

The Executive Board of the National Council for the Control of Narcotic and Psychotropic Substances (CONSEP) submits the National Plan to the President of Ecuador for his approval.

Regional and municipal authorities in the country have authority for the enforcement of the National Plan. In addition, work is underway in 11 of the country's municipalities on a project to develop institutional structures and services at the municipal level for the implementation of drug policies. However, there are no centralized statistics on how many inhabitants have benefited from these actions.

The National Plan has a budget financed primarily through direct allocations from the central budget, self-financing, and international cooperation. With respect to the amounts allocated to the areas of the national plan, the country provides the following figures:

Budget of the National Plan for Prevention, Preventive Alternative Development, and Drug Control, 2004–2006

Area	Approved budget (US\$)			Executed budget (US\$)		
	2004	2005	2006	2004	2005	2006
Demand reduction	336,000	495,600	1,088,960	296,000	430,600	807,131
Supply reduction	700,000	822,045.99	1,170,549.74	700,000	822,045.99	1,095,529.74
Development Programs Related to the Prevention or Reduction of Illicit Crops, Drug Production or Trafficking	10,199,912	2,929,731	16,239,082	10,122,804	2,921,240	15,718,154



Regarding the figures in the table above, the country added that the information on supply reduction is approximate and does not take into consideration resources from institutions such as the Customs Surveillance Service, the Ministry of the Interior, the National Judiciary Council, the Armed Forces, or the General Command of the Marines, because in the regular budget there is no specific allocation for drug trafficking control.

CONSEP is the national authority that coordinates national anti-drug policies in Ecuador, established September 17, 1990. In the State's public administration structure, CONSEP is an autonomous legal entity governed by public law, with jurisdiction throughout the country's territory.

CONSEP is responsible for coordinating actions in the areas of demand reduction, supply reduction, development programs related to the prevention or reduction of illicit crops, drug production or trafficking, control measures, observatory on drugs, international cooperation, and program evaluation.

This national council has an independent annual budget whose sources of funding are: government allocations, self-financing, contributions from civil society, and international cooperation. The country indicated that the budget is not adequate because all the activities being carried out by CONSEP, such as plans, programs, projects and all those actions incumbent upon a national anti-drug authority, require a larger budget. The annual budget amounts for CONSEP for the years 2004–2006 are presented in the table below.

CONSEP's budget¹ for 2004–2006

Fiscal year	Proposed budget (US\$)	Budget executed (US\$)
2004	4.352.455	4.352.455
2005	9.532.338	9.532.338
2006	11.552.638	11.552.638

CICAD notes that Ecuador has a National Plan for Prevention, Preventive Alternative Development, and Drug Control, and that it has begun work on decentralizing anti-drug policies in some of the country's municipalities. CICAD also notes that the country has an independent annual operating budget for the National Council for the Control of Narcotic and Psychotropic Substances (CONSEP).

B. International Conventions

Ecuador has ratified the following Inter-American and United Nations conventions:

- Inter-American Convention against Corruption, 1996 (May 23, 1997)
- Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials (CIFTA) 1997 (June 23, 1999)
- United Nations Single Convention on Narcotic Drugs, 1961, as amended by the 1972 Protocol (June 18, 1973)

¹ The country added that the information does not include the financial resources allocated by international organizations.



- United Nations Convention on Psychotropic Substances, 1971 (June 29, 1973)
- United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988 (March 15, 1990)
- United Nations Convention against Transnational Organized Crime, 2000, and two of its Protocols (September 17, 2002)
 - Protocol against the Smuggling of Migrants by Land, Sea and Air,
 - Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children.
- United Nations Convention against Corruption, 2003 (August 5, 2005).

The country has not acceded to the United Nations Convention on the Law of the Sea, 1982, and adds that this Convention is being processed in the National Congress. In addition, the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition of the United Nations Convention against Transnational Organized Crime (2000) is pending accession.

During 2004–2006 and in accordance with the aforementioned United Nations and Inter-American conventions, Ecuador issued the following regulations and laws: Code 25 of the Law on Narcotic Drugs and Psychotropic Substances (2004); Regulations No. 2145-A for the enforcement of this Law (1991); Reforms to the Organic Law for Consumer Protection (2006), Reforms to the Penal Code and the Law on the Manufacturing, Import, Export, Marketing, and Possession of Firearms, Ammunition, Explosives and Accessories (2006); Reforms to the Code for the Enforcement of Sentences and Social Rehabilitation and Criminal Procedures (2006); to Suppress Money Laundering (2005); and Reforms to the Penal Code which Criminalizes the Offense of Sexual Exploitation of Minors (Prostitution and Corruption of Minors – 2005).

Regarding bilateral cooperation agreements during 2004–2006, the country signed the following:

- Agreement on Drug Production and Trafficking Control, with the United States of America (2005)
- Agreement on Legal Assistance, between Ecuador and Mexico (2005)
- Agreement on Trafficking in Narcotics, with Bolivia (2004).

CICAD recognizes that Ecuador has made progress in this thematic area through the ratification of international instruments, in particular the United Nations Convention against Corruption. In addition, CICAD recognizes that Ecuador has enacted domestic laws in accordance with the ratified conventions.

However, CICAD notes that Ecuador has not acceded the United Nations Convention on the Law of the Sea (1982) or the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components, and Ammunition, of the United Nations Convention against Transnational Organized Crime (2000).

RECOMMENDATIONS:

1. ACCEDE TO THE UNITED NATIONS CONVENTION ON THE LAW OF THE SEA (1982).
2. ACCEDE TO THE PROTOCOL AGAINST THE ILLICIT MANUFACTURING OF AND TRAFFICKING IN FIREARMS, THEIR PARTS AND COMPONENTS, AND AMMUNITION, OF THE UNITED NATIONS CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME (2000), A REITERATED RECOMMENDATION FROM THE THIRD EVALUATION ROUND, 2003–2004.



C. National Information System

The Ecuadorian Observatory on Drugs is the central national office responsible for organizing, compiling, and coordinating drug-related statistics and other information.

During the evaluation period, 2005–2006, the country conducted a national household survey (2006) and a survey of secondary-school students (2005). In addition, the country has records on the number of convictions for drug trafficking, patients undergoing drug treatment, persons imprisoned for crimes connected with substance abuse, and absenteeism costs connected with drug use.

The country indicated that to provide drug-related information to the general public, it has a help line and offices that provide information such as the Prevention House, the Information and Documentation Center (library, reading room, video library and Internet) and the Informa-t, which are estimated to be used by about 1,000 persons each month.

During 2006, the Executive Secretariat of CONSEP had a US\$70,000 budget for copying and disseminating printed and audiovisual materials on the drug problem.

CICAD notes that Ecuador has an Observatory on Drugs and views with satisfaction that since 2006 the country has had a budget to produce and disseminate printed and audiovisual materials on the drug problem.



II. DEMAND REDUCTION

A. Prevention

Ecuador is implementing the following drug abuse prevention programs:

Drug abuse prevention programs, 2004–2006

Target Population	Coverage	Describe the type of program
School students: <ul style="list-style-type: none"> Primary school (8 to 12 years of age) 	80,000 children	Life Adventure Program (Intervention in education, values, prevention and treatment)
<ul style="list-style-type: none"> Secondary school: 11 to 13 years of age 15 to 17 years of age 12 to 18 years of age 	10 % 2 %	<p>“Preventive educational communities, student participation.”</p> <p>Develop student training In the eighth, ninth, and tenth grades of the basic program and the second year of the baccalaureate program. The student participation project carries out activities such as the “Student Brigades.”</p> <ul style="list-style-type: none"> - Promote training processes in drug prevention and issues related to factors associated with drug use in educational establishments - Friends of the Police against Drugs Program. Operates in different schools, separate from those that have the “Student Brigades” programs.
<ul style="list-style-type: none"> Tertiary (university): 	1% in two provinces	<ul style="list-style-type: none"> - Training in preventive strategies with students of the Central University. - Eloy Alfaro Lay University, School of Social Work, with specific studies on drug dependency.

The country does not have prevention programs targeting the preschool population or community programs for young people (out-of-school youth), working/street children, women, indigenous groups, the workplace, and inmates of the penitentiary system. The country has indicated that the lack of financing makes it impossible to focus on a larger segment of this key student population.



During 2004–2006, Ecuador offered the following short refresher training courses on the topics of drug use prevention, treatment, and research:

Specialized training in drug use prevention, treatment, and research, 2004–2006

Name of short refresher or in-service training courses	Prevention	Treatment	Participants	Number of Participants		
				2004	2005	2006
Building a Drug Prevention Intervention Model for the Secondary School Sector	X	–	Staff of GOs*/NGOs**	–	–	50
Guayaquil	X	X	Students	–	–	6,000
Manta	X	–	Staff of GOs/NGOs	–	–	150
Mental Health and Drugs	X	X	Volunteer Ladies	–	–	
Trainer Training Course	X	–	CARITAS	–	–	25
Primary Health Care	X	–	GOs and NGOs	–	–	50
Drug Prevention	X	–	Teachers	168	177	185

* Governmental organizations

** Non-governmental organizations

The country's universities do not include courses on prevention or treatment in the general curriculum. Nevertheless, the country has regional and international exchange programs, such as the United Nations Project entitled Trainer Training. Ecuador reported that the above-mentioned courses do not meet the national demand for professional development training in the areas of prevention and treatment.

In 2004 and 2005, Ecuador conducted the Evaluation of the Preventive Educational Communities Project, which is part of the Drugs in Educational Institutions Program, using the summative and formative evaluation methodologies.

CICAD notes that during the evaluation period, the country offered drug abuse prevention programs targeting several sectors of the population. However, those programs still have low coverage levels among the target groups for which they are intended. In addition, CICAD notes that programs for other specific populations—such as preschool children, out-of-school youth, street/homeless children, women, indigenous people, the workplace, and prison populations—have not been implemented, a recommendation from the Third Evaluation Round (2003–2004).

CICAD views with satisfaction that the country has carried out an evaluation of the effectiveness of drug programs in educational institutions as was recommended in previous MEM evaluation rounds.

CICAD notes that the country does not offer specialized training on the topics of drug abuse prevention, treatment, and research at the certificate, undergraduate



or postgraduate level. None of the universities in the country include drug abuse prevention or treatment in their curricula.

RECOMMENDATION:

3. **EXPAND THE COVERAGE OF PARTICIPANTS IN SCHOOL PREVENTION PROGRAMS.**

B. Treatment

Ecuador has binding minimum standards of care for drug abuse treatment at the national level, as well as an enforcement monitoring instrument, the "Evaluation and Supervision File for the Assessment of Psychoactive Substance Addict and User Treatment Establishments," for verifying compliance.

The country has a national register of drug dependency treatment services and programs, as well as the instruments needed for the accreditation of these services and programs. The Ministry of Health and CONSEP are the entities responsible for the oversight and annual assessment of the quality of the services provided. In addition, CONSEP is the institution in charge of maintaining the records of these services and programs and, with the Ministry of Health, is in charge of accrediting them.

Ecuador offers drug use treatment on both outpatient and residential bases, and in both the public and private sectors, targeting adults and minors of both sexes, as shown in the following table:

Programs	Public	Private
Ambulatory (Outpatient), including clinics	1	2
Residential (in-patient)	15	90
Other	5	0

These services are provided nationally by 12 public and 10 private treatment services or centers that offer detoxification facilities, and by one public and 95 private treatment, rehabilitation and social reintegration programs. Four self-help groups also exist.

Some treatment centers have programs for specific population groups such as women, adolescents, prison inmates, and juvenile offenders. There are three centers that provide treatment for women, both outpatient service and through hospital admission. For adolescents there are two residential centers and for prison inmates there are 10 centers. Finally, for juvenile offenders there is one Juvenile Orientation Center in Quito.



Regarding the demand for drug abuse treatment, Ecuador provided statistics on the number of patients who received treatment and the total number of admissions for treatment:

Patients who received drug abuse treatment and admissions for treatment, 2004–2006

Year	No. of Patients	No. of Admissions
2004	4,699	4,669
2005	5,600	5,600
2006	5,017	5,017

CICAD views with satisfaction that the country has minimum standards of care for individuals with drug abuse or addiction problems and that there are institutions responsible for overseeing compliance. CICAD recognizes that the country has an accreditation methodology for treatment programs.

Nevertheless, CICAD views with concern that the country has not developed an early detection and case referral network to enable it to provide an early response to people with drug problems, a recommendation already made in the previous round.

RECOMMENDATION:

- 4. IMPLEMENT EARLY DETECTION, OUTREACH AND CASE REFERRAL NETWORKS, A REITERATED RECOMMENDATION FROM THE THIRD EVALUATION ROUND, 2003–2004.**



C. Statistics on Consumption

Ecuador reports that during 2006, a National Household Drug Use Survey was conducted.² The country also conducted a Second National Survey on Drug Use among Secondary School Students in the framework of SIDUC/CICAD, the results of which are outlined below:

Second National Survey on Drug Use among Secondary School Students (2005)
Prevalence of drug use

Type of drug	Lifetime (percentage)			Past 12 months (percentage)			Past 30 days (percentage)		
	M	F	Total	M	F	Total	M	F	Total
Alcohol	37.9	61.3	64.5	48.8	42.1	45.3	35.8	27.5	31.5
Tobacco	66.8	52.0	59.2	40.8	24.2	32.4	29.6	13.8	21.6
Solvents or inhalants	7.8	3.9	5.8	3.4	1.6	2.5	1.3	0.5	0.9
Hashish	0.6	0.2	0.4	—	—	—	—	—	—
Marijuana	11.5	4.4	7.9	6.4	1.9	4.1	2.9	0.8	1.8
Hallucinogens	1.1	0.3	0.7	—	—	—	—	—	—
Heroin	1.9	0.3	1.1	—	—	—	—	—	—
Morphine	0.7	0.3	0.5	—	—	—	—	—	—
Opium	0.9	0.2	0.6	—	—	—	—	—	—
Basuco, coca paste	3.0	0.8	1.9	1.5	0.3	0.9	0.8	0.2	0.5
Cocaine Hydrochloride	3.9	1.3	2.5	2.1	0.5	1.3	1.0	0.2	0.6
Crack	1.1	0.3	0.7	—	—	—	—	—	—
Tranquilizers, sedatives, and depressants	6.2	6.5	6.4	2.8	3.6	3.2	1.4	1.9	1.6
Stimulants	3.6	2.4	3.0	1.7	1.2	1.4	1.0	0.7	0.9
Other drugs	3.0	1.2	2.1	1.5	0.7	1.1	0.9	0.3	0.6
Any illicit drug	19.9	9.1	14.4	9.8	3.9	6.8	4.5	1.6	3.0

² The country has reported that the results of the National Household Survey will be presented in December 2007.



**Second National Survey on Drug Use among Secondary School Students (2005)
Incidence of drug use**

Type of drug	Past 12 months (percentage)			Past 30 days (percentage)		
	M	F	Total population	M	F	Total population
Alcohol	33.5	29.8	31.5	18.9	13.2	15.9
Tobacco	22.3	12.9	17.0	12.0	4.4	7.7
Solvents or inhalants	2.3	1.0	1.6	1.1	0.4	0.7
Marijuana	4.6	1.4	2.9	1.6	0.4	1.0
Basuco, coca paste	1.2	0.2	0.7	0.5	0.1	0.3
Cocaine hydrochloride	1.6	0.4	1.0	0.7	0.1	0.4
Tranquilizers, sedatives and depressants	2.5	2.9	2.7	1.1	1.2	1.1
Stimulants	1.7	1.0	1.3	0.7	0.4	0.5
Other drugs	1.6	0.6	1.1	0.7	0.2	0.5
Any illicit drug	5.9	2.2	3.9	1.8	0.7	1.2

The country has the following data regarding the percentage of youth 13 to 17 years of age who perceive drug use as harmful to their health and well-being.

**Second National Survey on Drug Use among Secondary School Students 13 to 17 years of age
(2005) Drug Use Risk Perception**

Category	% of those surveyed who believe that persons who carry out the following activities are at a moderate or great risk (or who think that it is quite harmful or very harmful):
Occasionally smoke cigarettes	38.9
Often smoke cigarettes	80.2
Often drink alcoholic drinks	83.4
Get drunk	78.6
Occasionally take non-prescribed tranquilizers/stimulants	65.8
Often take non-prescribed tranquilizers/stimulants	73.0
Occasionally inhale solvents	75.3
Often inhale solvents	77.9
Occasionally smoke marijuana	68.3
Often smoke marijuana	82.7
Occasionally take cocaine or crack	70.5
Often take cocaine or crack	79.5
Occasionally use coca paste	55.7
Often use coca paste	63.2
Occasionally take ecstasy	60.5
Often take ecstasy	70.1



Ecuador has detected the use of ecstasy as a new drug in the country.

The country has an estimate of the number of deaths related to alcohol and drug use for 2004. The results indicate that 228 male deaths and 23 female deaths were connected with alcohol or drug use, totaling 251 persons. In addition, the country has estimates on illicit drug use by recently arrested persons prior to their arrests. In the latest survey, conducted between January and September 2006, drug use prior to arrest was detected in 84.1% of males and 15.9% of females.

Regarding traffic accidents related to alcohol use, Ecuador reports 10.71% of all accidents in 2004, 9.90% in 2005, and 8.63% in 2006. The country added that this data does not include figures pertaining to the province of Guayas.

The National Traffic Accident Prevention Program and the prevention programs that are part of the National Anti-drug Strategy are the voluntary standards established by Ecuador nationwide for the prevention of accidents stemming from alcohol consumption in the country.

CICAD notes with satisfaction the implementation of the Second National Survey on Drug Use among Secondary School Students in 2005 and the National Household Drug Use Survey in 2006. CICAD also notes that the country has an estimate of arrestees whose crimes were related to drug use, according to the 2006 survey.

III. SUPPLY REDUCTION

A. Drug Production

Ecuador has a system to detect and quantify the total area of illicit crops and has calculated the total cultivated areas of the following crops:

Detected area of illicit crops, 2004–2006

Plant	2004	2005	2006
Marijuana	0.04 ha	—	0.02 ha
Coca	4.20 ha	18.28 ha	9 ha
Poppy	—	0.05 ha	—

Regarding the variation in illicit crop cultivation, the country provided the following figures:

Variation of illicit crops, 2004–2006

Plants	2004	2005	2006
Marijuana	—	–0.04 ha	0.02 ha
Coca	—	14.08 ha	9.28 ha
Poppy	—	—	–0.05 ha

In addition, the potential production of raw materials for marijuana, coca leaves, and opium paste is as follows:

**Potential Production of Raw Materials, 2004–2006**

Raw Material	2004	2005	2006
Marijuana	1,232 gr	–	633.60 gr
Coca leaves	90,720 gr	394,848 gr	194,400 gr
Opium paste	–	0.75 gr	–

Potential drug production for marijuana, cocaine and heroin is presented in the following table.

Potential Drug Production

Drug	2004	2005	2006
Marijuana	189,728 gr	–	15,840 gr
Cocaine	442.20 gr	2,009.70 gr	883.08 gr
Heroin	–	120,320 gr	–

Regarding the quantification of illicit crops and the potential production of drugs and raw materials, the country adds that coca crops are increasing along Ecuador's eastern border, where there has been eradication of several hectares of coca plants cultivated by area farmers. The country also reports that crop eradication has been hindered by the limited technical capability to detect them and follow up on their eradication.

Ecuador has a formal crop eradication program and uses forced manual eradication for marijuana, coca, and poppy crops. In 2004–2006, eradication totals were as follows:

Area no longer cultivated

Plant	2004		2005		2006	
	Quantity	Total	Quantity	Total	Quantity	Total
Marijuana	0.04 ha	0.04 ha	–	–	0.02 ha	0.02 ha
Coca	4.2 ha	4.2 ha	18.28 ha	18.28 ha	9 ha	9 ha
Poppy	–	–	0.05 ha	0.05 ha	–	–

Ecuador reports that within the National Plan for Prevention, Preventive Alternative Development, and Drug Control, there is no specific program for the eradication of illicit crops that could be extended nationwide. However, the country indicates that the National Police of Ecuador, through the counter-drug service, conducted operations for the eradication of illicit coca, poppy, and marijuana crops that had been detected in sizeable areas within Ecuador, particularly on coca plantations concentrated in the northern border region.

Ecuador reports that an operation carried out by the anti-drug service in 2006 made it possible to break up an international ring for processing cocaine base, with the destruction of two makeshift laboratories of organic drugs in the southern region of the country.

CICAD notes that Ecuador makes efforts to detect and eradicate illicit crops as well as to find and dismantle illicit drug production laboratories.



RECOMMENDATION:

5. DEVELOP A SYSTEM TO ESTIMATE THE AREA OF ILLICIT CROP CULTIVATION AND MONITOR THE APPEARANCE OF NEW CROPS, A REITERATED RECOMMENDATION FROM THE SECOND EVALUATION ROUND, 2001–2002.

B. Development Programs Related to the Prevention or Reduction of Illicit Crop Cultivation, Drug Production or Trafficking

In Ecuador, development programs are being implemented to prevent illicit crop cultivation. The country began implementing these programs in 2004 and will terminate in 2008. Their respective financial implications are provided in the table below:

Alternative development program activity expenses, 2004–2006

Activity/Component	Expenses (US\$)		
	2004	2005	2006
PRODUCTION:			
Agricultural	—	—	1,774,818
Agro-industrial	2,677,500	5,897,653	—
Fisheries (Aquaculture)	169,218	—	42,388
Forestry	—	—	39,337
Arts and crafts	—	177,500	—
INFRASTRUCTURE:			
Roads	1,668,321	987,018	2,008,500
Potable water	3,851,721	4,888,634	3,936,402
Other ³	1,369,877	570,766	—
OTHER:			
Education	68,727	412,000	1,140,000
Health	85,000	—	1,266,682
Poverty reduction	2,379,336	—	—
Microenterprise promotion	497,316	—	—
Communication	65,000	—	—

The country indicates that the difficulties encountered in marketing products produced by programs designed to improve the living conditions of the inhabitants in production zones are related to infrastructure, equipment, training/education, market, and lack of resources.

³ These programs involve the social and productive infrastructure, the social and productive development, democracy, governability and environmental management.



CICAD notes that the country is implementing alternative development programs to improve the economic opportunities and living conditions of the inhabitants of areas where illicit crops, drug production, or activities related to drug trafficking exist or could exist.

C. Control of Pharmaceutical Products

Ecuador has the following regulatory framework to control the diversion of pharmaceutical products: Law on Narcotic Drugs and Psychotropic Substances of September 17, 1990; Regulations for the Enforcement of the Law on Narcotic Drugs and Psychotropic Substances of March 7, 1991; and the Coded Law on Narcotic Drugs and Psychotropic Substances of December 27, 2004.

The country has various mechanisms to monitor and prevent the diversion of pharmaceutical products, including natural persons and legal entities that are authorized to handle these products. The Leopoldo Izquieta Pérez National Hygiene and Tropical Medicine Institute (INHMT), with respect to medical and therapeutic use, and the Executive Secretariat of National Council for the Control of Narcotic and Psychotropic Substances (CONSEP), with respect to production, import, and marketing, are the authorities responsible for coordinating activities related to the control of pharmaceutical products. All the pharmaceutical products containing substances listed in the international conventions that are available in Ecuador are controlled.

In the commercial sector, the mechanisms to control pharmaceutical products including import/export control, the control of licenses, monitoring distribution, inspections, administrative sanctions, registry of licensees and registry of amounts of pharmaceutical products sold. Furthermore, in the health sector, the pharmaceutical products control mechanism covers the control of permits, monitoring distribution and prescriptions, inspections, administrative sanctions, and the referral of unusual cases detected by the administrative authorities to judicial authorities.

Ecuador has a system to compile information on administrative and regulatory activities and sanctions issued. With respect to regulatory activities, the country provides the following information on the number of licenses and permits issued and the number of inspections carried out:

**Licenses and permits issued and investigations carried out,
2004–2006**

Regulatory activities	2004	2005	2006
Number of licenses issued to:			
Importers	56	54	62
Exporters	1	2	1
Manufacturers	36	35	6
Distributors	106	107	54
Pharmacies	5,240	5,635	6,028
Number of permits issued for:			
Importation	567	648	922
Exportation	8	10	17
Number of inspections conducted			
Physicians	100	105	0
Dentists	—	—	0
Pharmacists	300	400	0
Veterinarians	3	2	0
Importers	10	7	23
Exporters	—	1	0
Manufacturers	1	5	0
Distributors	6	4	7
Pharmacies	—	—	4,118

The country offers training courses for the public and private sectors on the proper use and handling of medicines containing narcotic drugs and psychotropic substances for owners and employees of community and hospital pharmacies, professional pharmacists, and physicians and other health staff. Nevertheless, the country indicates that these courses do not meet the national demand for training.

Likewise, there is an automated system for information management facilitating the control of these products; through the computer system of the Technical Control and Surveillance Department of CONSEP, importers, distributors, and sub distributors must report monthly inflow, outflow and final balances. The country reports that the lack of adequate human resources, coordination and feedback from the Executive Secretariat of CONSEP and an online system including all Head Offices of the Institution in the Technical Control and Surveillance Department, in addition to the Ministry of Health, are the principal problems that national entities have encountered in trying to fulfill their responsibilities effectively.

Within Ecuador's regulatory framework, only administrative and penal sanctions can be imposed for the diversion of pharmaceutical products, but not civil sanctions. The country indicated that 700 administrative sanctions were imposed in 2004, 610 in 2005, and 383 in 2006.



The seizures of pharmaceutical products carried out during 2004–2006, are presented in the following table:

Seizures of pharmaceutical products, 2004–2006

Pharmaceutical Products	Number of seizures			Quantities seized		
	2004	2005	2006	2004	2005	2006
Rivotril	—	1	1	—	22 pills (2 mg)	20,370 pills
Ativan	1	—	1	18,400 pills	—	90 pills
Ketamine	—	1	—	0 liters	0,990 liter	—
Fentanyl	1	—	—	255 blister packs (10 ml)	—	—

Seized pharmaceutical products that were disposed of in 2006 are detailed in the following table:

Quantities of pharmaceutical products disposed of, 2006

Pharmaceutical products	2006
Fentanyl	2,872 blisters of 10 ml each
Lipenan	24,716 pills
Rivotril	22,016 pills of 2 mg

Ecuador reports that the sale and distribution of controlled pharmaceutical products or other drugs over the Internet have not been detected in the country. The regulatory measures to control the sale of pharmaceutical products can be found in the general legislation on drugs. The country states that it lacks specific legislation to control these activities over the Internet.

CICAD notes that the country has legislation for controlling the diversion of pharmaceutical products. However, CICAD views with concern that those laws do not provide for penal sanctions.

CICAD recognizes that Ecuador offers training courses for the public and private sectors on the proper use and handling of pharmaceutical products that contain narcotic drugs and psychotropic substances. Nevertheless, CICAD views with concern that these courses do not satisfy the national demand for training.

CICAD notes that Ecuador does not have a legal framework or specific mechanisms to prevent and control the illicit traffic of pharmaceutical products and other drugs via the Internet.

RECOMMENDATIONS:

- 6. EXPAND THE SPECIALIZED TRAINING COURSES FOR PERSONNEL IN THE PUBLIC AND PRIVATE SECTORS INVOLVED IN THE RESPONSIBLE USE AND HANDLING OF PHARMACEUTICAL PRODUCTS.**



7. **CARRY OUT RESEARCH AND TRAINING ACTIVITIES RELATED TO THE PREVENTION AND CONTROL OF ILLICIT TRAFFIC OF PHARMACEUTICAL PRODUCTS AND OTHER DRUGS VIA THE INTERNET, WHICH WILL ENABLE THE COUNTRY TO IDENTIFY ITS REGULATORY AND OPERATIVE NEEDS.**

D. Control of Chemical Substances

The Law on Narcotic Drugs and Psychotropic Substances of September 17, 1990 and the Coded Law on Narcotic and Psychotropic Substances of December 27, 2004 constitute Ecuador's regulatory framework for controlled chemical substances and those used for the illicit manufacture of drugs. In addition, the country has a mechanism in place to monitor and prevent the diversion of controlled chemical substances applicable to chemical professionals and entities authorized to handle these substances, such as importers, exporters, manufacturers, and distributors. The country indicates that the principal problem encountered in the implementation of this internal mechanism is that the Technical Control and Surveillance Bureau of CONSEP does not have an online system including all Head Offices of the Institution. All chemical substances listed in the international conventions are controlled by Ecuador.

CONSEP's Control and Surveillance officers offer training for chemical substance diversion control entities such as customs and law enforcement. Nevertheless, the country indicates that these courses do not meet the demand for training.

The Technical Control and Surveillance Bureau's Information System is Ecuador's automated system for the management of information to facilitate controlling the diversion of chemical substances, in which importers, distributors, subdistributors, and industrial or small-scale users must report monthly inflows, outflows, and final balances.

In this regard, the country added that the Technical Control and Surveillance Bureau is currently implementing one of the results of the Regional Project for the Control of Precursor Products in the Andean Countries (PRECAN), which aims to help reduce diversions of controlled substances (precursors) from the chemical industry and legal markets to the illicit drug industry in the nations of the Andean region.

According to Ecuadorian legislation, penal and administrative sanctions can be imposed for the diversion of controlled chemical substances, in accordance with international conventions. The country applied 592 administrative sanctions in 2004, 1,003 in 2005, and 562 in 2006.

Regarding pre-export notifications for controlled chemical substances, Ecuador sent eight pre-export notifications in 2004, 12 in 2005, and seven in 2006, all of which were approved. Ecuador reports that it received 145 notifications in 2004, 171 in 2005, and 128 in 2006, and answered all in a timely manner.



The country reports that controlled chemical substances were seized during 2004–2006 as indicated in the table below.

Seized controlled chemical substances, 2004–2006

Controlled chemical substances	Number of seizures			Unit of measure	Quantities seized		
	2004	2005	2006		2004	2005	2006
Ethyl acetate	2	—	1	Liters	2,975.00	—	8,480.00
Isopropyl acetate	—	—	1	Liters	—	—	220.00
Acetone	2	—	1	Liters	7,032.00	—	10,720.00
Acetic acid	—	—	1	Liters	—	—	52.38
Hydrochloric acid	1	1	2	Liters	40.00	14.00	4,737.96
Sulphuric acid	1	2	2	Liters	712.00	2,020.43	16,950.00
Isopropyl alcohol	—	—	1	Liters	—	—	660.00
Ammonia	1	1	—	Liters	1,600.00	4,412.28	—
Petroleum ether	10	9	10	Liters	93,374.00	116,480.00	134,920.00
Hexane	—	—	1	Liters	—	—	6,860.00
Hydrocarbons	—	—	—	Liters	—	—	302.40
Methyl Ethyl Ketone	2	2	1	Liters	6,600.00	6,373.17	28,050.00
Xilene	—	—	1	Liters	—	—	2,763.25
Ammonia (gas)	—	—	1	Kilos	—	—	2,500.00
Sodium bicarbonate	3	1	1	Kilos	2,001.00	0.12	47.10
Potassium carbonate	—	1	—	Kilos	—	250.00	—
Chloride	—	—	1	Kilos	—	—	105.00
Calcium chloride	2	—	1	Kilos	2,725.00	—	7,817.50
Potassium permanganate	—	—	1	Kilos	—	—	300.00
Sodium Hydroxide	1	1	1	Kilos	210.20	1.88	11,445.38



With respect to the seized chemical substances that were disposed of during 2004–2006, the country provides the following figures:

Chemical substances disposed of, 2004–2006

Controlled chemical substances	Unit of measure	Quantities disposed of		
		2004	2005	2006
Ethyl Acetate + Hydrocarbon	Kilos	1,430	0	0
Glacial Acetic Acid	Kilos	32.50	34	0
Acetic Acid	Kilos	0	44	0
Hydrochloric Acid	Kilos	0	74	0
Sulfuric Acid	Kilos	0	3,778.25	3.015
Isopropyl Alcohol	Kilos	0	0	103.90
Acetic Anhydride	Liters	0	6	0
Ammonia	Kilos	0	469.40	0
Sodium Carbonate	Kilos	10,000	219	2,344.90
Ferrous Chloride	Kilos	0	3	0
Potassium Carbonate	Kilos	0	10	23
Sodium Carbonate	Kilos	0	0	480
Calcium carbonate	Kilos	0	0	833
Ethanol	Kilos	0	0	546
Calcium chloride	Kilos	0	0	2.325
Potassium Hydroxide	Kilos	0	6	0
Sodium Hydroxide	Kilos	0	667	567
Methyl ethyl ketone	Kilos	5,269	2,010	1,722
Methyl ethyl ketone	Liters	—	—	200
Potassium Permanganate	Kilos	0	0.004	85,20
**White Gasoline (mix of hydrocarbons)	Gallons	0	0	5.580
***White Gasoline (mix of hydrocarbons)	Gallons	—	—	55

** Low

*** Donation

The country states that the quantities of chemical substances indicated in the prior tables correspond to those received by CONSEP but do not include seizures made by the Anti-narcotics Police.

CICAD notes that the country has laws for the control of controlled chemical substances. CICAD also recognizes that Ecuador has a mechanism to monitor entities and health professionals authorized to handle such substances. However, CICAD views with concern that the country lacks an efficient information-sharing mechanism between CONSEP and its provincial Head Offices to ensure control of chemical substances.



CICAD further notes that training in the control of chemical substances is insufficient, given its importance in strengthening the control capability of the country.

RECOMMENDATIONS:

8. PROVIDE ONGOING TRAINING FOR CONTROL ENTITIES (SUCH AS CUSTOMS AGENTS AND POLICE OFFICERS) IN THE CONTROL OF CHEMICAL SUBSTANCES.
9. ESTABLISH AN EFFICIENT INFORMATION-SHARING MECHANISM BETWEEN CONSEP AND ITS PROVINCIAL HEAD OFFICES TO ENSURE CONTROL OF CHEMICAL SUBSTANCES.

IV. CONTROL MEASURES

A. Illicit Drug Trafficking

Ecuador reports the following seizures of illicit drugs in 2004–2006:

Illicit drugs seized, 2004–2006

Type of drugs	Number of seizures			Quantities seized		
	2004	2005	2006	2004	2005	2006
Poppy Plants	—	—	—	—	7,500	—
Heroin	32	28	64	288.23 Kg	238.42 Kg	233.41 Kg
Coca Leaf	4	8	4	8,628	68,613	64,000
Coca Paste	846	1,416	1,661	995.21 Kg	1,505.17 Kg	7,224.62 Kg
Cocaine hydrochloride	379	868	828	3,783.60 Kg	39,589.11 Kg	27,054.46 Kg
Cannabis plants	1	—	3	154	—	25
Leaf Cannabis (grass)	398	336	715	624.08 Kg	522.83 Kg	1,030.30 Kg
MDMA and derivatives	6	3	4	0.62 Kg	0.42 Kg	0.68 Kg
Ecstasy	1	1	4	615 gr	473.81 gr	683.70 gr
LSD	—	—	—	—	3.83 gr	—

Regarding the number of persons formally charged with and convicted of illicit drug trafficking and related acts of corruption, Ecuador provides the following information:

Persons formally charged with and convicted of illicit drug trafficking and related acts of corruption, 2004–2006

Year	Persons formally charged	Persons convicted
2004	960	492
2005	896	324
2006	4,021	585



Ecuador did not provide data on public officials formally charged with and convicted of acts of corruption and other crimes related to illicit drug trafficking, because the Ministry of the Interior's information system does not break down this kind of information.

With respect to the number of persons formally charged with and convicted of illicit drug possession in Ecuador for 2004–2006, the country provided the following data:

**Persons formally charged with and convicted of
illicit drug possession, 2004–2006**

Year	Persons formally charged	Persons convicted
2004	190	298
2005	160	244
2006	2.262	925

The country does not have regulations that permit drug possession for personal use. The method used by Ecuador to differentiate possession for personal use from possession for illicit trafficking is the performance of a psychosomatic examination, which consists of a psychological evaluation. In the courts, the subjective criteria of the judicial authorities are applied. In Ecuador, when a person is formally charged with or convicted of illicit possession for personal use, there are no alternative sentencing measures.

The number of persons arrested in Ecuador for illicit drug possession for personal use totaled 110 in 2004, 135 in 2005, and 228 in 2006.

The country reports that it has experienced some obstacles to ensuring an effective exchange of information and cooperation among the relevant national authorities because of the absence of a database and the means to exchange information in real time, the lack of speed in the administration of justice and among competent institutions, and the lack of analysts to handle anti-drug information.

Regarding illicit drug trafficking, Ecuador provides the following data on the number of judicial cooperation requests made and received, and the number of replies granting these requests for 2004–2006:

Judicial cooperation requests made by Ecuador to other states, 2004–2006

Number of requests			Number of replies granting the request		
2004	2005	2006	2004	2005	2006
1	7	13	1	7	13

Judicial cooperation requests received by Ecuador from other states, 2004–2006

Number of requests			Number of replies granting the request		
2004	2005	2006	2004	2005	2006
13	24	41	13	24	41



The central authorities in Ecuador responsible for sending extradition requests to other countries are the Chair of the Supreme Court, which rules if the request for extradition is admissible, and the Ministry of Foreign Affairs, which channels and presents these requests. The country has extradition treaties with Argentina, Australia, Bolivia, Brazil, Canada, Chile, Colombia, Spain, the United States, Peru, and Switzerland. In addition, it has a multilateral agreement with the Andean countries and an inter-American agreement. The country reported that one extradition request was made in 2006.

The Ministry of Foreign Affairs of Ecuador, under the Extradition Law, is the central authority responsible for receiving extradition requests from other countries. The country received one request for extradition in 2004 and one in 2005 and reports that they both are in process. The legal framework of Ecuador does not permit the extradition of its nationals nor are there exceptions for cases of illicit drug trafficking or other transnational offenses. However, the law does state that a national whose extradition has been denied can be tried within Ecuador.

During 2004–2006, Ecuador developed various specialized training courses on illicit drug trafficking for security and police forces, with the participation of national and international entities and organizations. The country reports that these courses do not satisfy the country's need for training.

The country indicates the need for additional training on the development of a database on narcoterrorism, the advanced analysis of information on narcoterrorism, intelligence, money laundering, investigation, criminal procedures, international penal policies, oral systems, international alternative justice procedures, and international cooperation for the fight against organized crime.

CICAD notes the detection of synthetic drugs such as ecstasy in Ecuador, and encourages the country to develop awareness and information activities on trafficking and consumption of these substances for the authorities responsible for demand reduction and supply control.

CICAD views with satisfaction that the country has indicated that the exchange of operating information and cooperation between national and international authorities in charge of illicit drug trafficking control have facilitated the positive results obtained in operations to combat transnational organized crime.

CICAD recognizes the country's efforts in reporting the number of persons formally charged with and convicted of illicit drug trafficking and related acts of corruption. However, CICAD views with concern that the country is unable to provide the information requested on public officials formally charged with and convicted of acts of corruption in connection with illicit drug trafficking because it does not have an information system for case follow-up containing this kind of information.

CICAD notes that the country requires continuous and joint training for prosecutors, judges, and officers responsible for drug control and investigations.

RECOMMENDATIONS:

10. **EXPAND THE MINISTRY OF THE INTERIOR'S STATISTICAL DATABASE TO INCLUDE DATA ON PUBLIC OFFICIALS FORMALLY CHARGED WITH AND CONVICTED OF ACTS OF CORRUPTION IN CONNECTION WITH ILLICIT DRUG TRAFFICKING, A REITERATED RECOMMENDATION FROM THE THIRD EVALUATION ROUND, 2003–2004.**



11. **EXPAND THE MINISTRY OF THE INTERIOR’S STATISTICAL DATABASE TO INCLUDE DATA ON PUBLIC OFFICIALS FORMALLY CHARGED WITH AND CONVICTED OF CRIMES RELATED TO ILLICIT DRUG TRAFFICKING.**

B. Firearms, Ammunition, Explosives and other Related Materials

Responsibility for implementing activities to control firearms, ammunition, explosives and other related materials in the country falls to the Joint Command of the Armed Forces of the Ministry of National Defense, which is in charge of granting import and in-transit licenses and permits, granting export licenses, revoking licenses and permits, confiscating or seizing these materials when illicitly trafficked, and exchanging information with relevant national institutions inside and outside the country.

Article 10 of the Law Reforming the Penal Code and the Law on the Manufacture, Import, Marketing and Possession of Firearms, Ammunition, Explosives and Accessories of March 8, 2006, criminalizes as an offense the illicit trafficking in and manufacture of firearms, ammunition, explosives, and other related materials and establishes the sanctions to be imposed in the case of violation. In this regard, the sanction established is up to 6 years imprisonment, with a fine of up to US\$5,000, notwithstanding the confiscation of the firearms, ammunition, explosives and other materials, or raw materials that constitute the infraction.

With respect to the number of persons in the country who were formally charged with and convicted of possession of and illicit trafficking in firearms, ammunition, explosives and other related materials in 2004–2006, the country provided the following figures:

Number of persons formally charged with and convicted of possession of and illicit trafficking in firearms, ammunition, explosives and other related materials, 2004–2006

Year	Persons formally charged	Persons convicted
2004	54	18
2005	123	20
2006	389	66

The Regulations of the Law on the Manufacture, Import, Export, Marketing and Possession of Arms, Ammunitions, Explosives and Accessories (March 27, 1997) constitutes the regulatory framework enabling Ecuador to establish administrative import and export controls and transshipment licenses and permits for firearms, ammunition, explosives and other related materials. The sanctions provided for — in cases of failure to comply with these regulations — include the revocation and suspension of permits and the confiscation of the illegal arms. There is no legal standard covering the activities of in-transit movement of these firearms and materials.

Chapter II, Articles 4 and 5 of the Regulations of the Law on the Manufacture, Import, Export, Marketing, and Possession of Arms, Ammunition, Explosives, and Accessories of 1997 provides that, before Ecuador issues an export license or permit for these kinds of firearms and materials, the importing country must first issue the necessary licenses or permits.

With respect to the quantity of firearms, ammunition, and explosives and other related materials confiscated in cases of illicit trafficking in 2004–2006, Ecuador provides the following data:

**Quantities of firearms, ammunition, explosives and other related materials confiscated in cases of illicit trafficking, 2004–2006**

Years	Firearms	Ammunition	Explosives	Other related materials
2004	0	0	0	—
2005	22	295	2	487
2006	7	98	8	—
TOTAL	29	393	10	487

The country has the following records on the confiscation of firearms, ammunition, explosives and other related materials related to the number of arrests for illicit drug trafficking offenses:

Confiscation of firearms, ammunition, explosives and other related materials related to the number of arrests for illicit drug trafficking, 2004–2006

Year	Number of arrests	Quantities of confiscated firearms	Quantities of confiscated ammunition	Quantities of confiscated explosives	Quantities of other related materials	Number of operations
2004	0	0	0	0	0	0
2005	19	22	295	0	487	11
2006	14	7	98	8	0	06

The country has an electronic database that maintains national records, which are held for five years, on the import of firearms, ammunition, explosives, and other related materials, but not on exports or transit.

The Joint Command of the Armed Forces is the national entity in Ecuador that is responsible for the exchange of information and cooperation with institutions in other countries on the import registries related to firearms, ammunition, explosives, and other related materials. However, Ecuador does not use cooperation mechanisms to facilitate the exchange of information and cooperation.

CICAD recognizes that Ecuador has a national entity responsible for activities to control firearms, ammunition, explosives, and related materials, in addition to legal provisions that criminalize as an offense the illicit trafficking in and manufacture of firearms, ammunition, explosives, and other related materials and provide the sanctions to be imposed in case of violations. However, CICAD views with concern that the country does not use cooperation mechanisms to facilitate information exchange with other countries.

C. Money Laundering

The Law to Suppress Money Laundering, published in Official Register No. 127 of October 18, 2005, and its General Regulations, published in Official Register No. 256 of April 24, 2006, criminalize money laundering as an autonomous offense.

The aforementioned legal provisions identify all serious crimes as predicate offenses and establish penalties according to the severity of the offense; they also provide for fines and special confiscations.



The Law to Suppress Money Laundering establishes in Article 3 that all institutions of the financial and insurance system are required to report to the Financial Intelligence Unit (FIU). However, Article 4 of the same law provides that “the Financial Intelligence Unit may request compliance with the obligations set forth in the preceding article by other natural persons or legal entities, whether or not related to the financial or insurance system, as provided in law and where applicable, based on a request to the competent authority and duly authorized by it.” This law does not include casinos, lawyers, notaries and real estate as obligated entities.

In addition, Article 5 of the Money Laundering Law provides that “any individual who enters or leaves the country with cash in an amount equal to or greater than US\$10,000 or its equivalent in other currency shall be required to declare it to customs authorities through the Customs Monitoring Service.”

The Penal Procedural Code of Ecuador establishes the interception of communications with prior judicial authorization as a special investigation technique. However, the legislation does not include undercover agents, use of informants, and controlled deliveries.

Financial and insurance institutions must keep client records for ten years after the date of the last transaction or contractual relationship; previously, under the General Law on Financial Institutions, these records were kept for six years. In addition, with the enactment of the new law, financial and insurance institutions are required to report regularly and systematically to the FIU—in their personal and institutional capacity—whether or not unusual or unexplained financial transactions or operations have come to their attention.

The administrative controls currently in force to prevent this offense, in accordance with the General Law of Financial System Institutions, are: internal auditing systems that make it possible to effectively identify persons who conduct transactions; obligation to provide the Superintendency of Banks and Insurance with information on operations identified by the latter, because of their nature and amount, and the obligation of financial institutions to maintain internal controls that make it possible to prevent those operations which, according to domestic legislation and international agreements, have stemmed from illicit activities.

The control measures that financial institutions and other obligated institutions must comply with are customer registration, reporting of large transactions, customer identity verification, registration of transactions, recordkeeping, existence of an enforcement officer, existence of independent audits, “you’re your customer” and “know your employee” policies, and the prohibition on holding anonymous accounts.

Ecuador reports that following enactment of the Law to Suppress Money Laundering, the National Council against Money Laundering was established as a legal entity. It is headed by the Board of the Council and the FIU. The Director of the FIU in Ecuador is also the Secretary of the Board of the Council and has the legal and judicial representation of the Council. The Council is responsible for adopting the policies necessary to prevent, detect, punish, and eradicate money laundering, in addition to the control and oversight provisions issued by the Superintendency of Banks and Insurance in its area of competence.

In addition, the Law establishes that the FIU is responsible for conducting financial intelligence activities for the purpose of requesting and receiving information on unusual or unjustified operations and transactions, processing and analyzing them and, if appropriate, referring them to the Ministry of the Interior. During the evaluation period, 2005–2006, the FIU is not complying with these functions since it is not operative in its totality.



The law establishes that the FIU is composed of the General Bureau, Sub-Bureau and the specialized technical departments. The institutions of the financial system are required to forward to the FIU information on those operations that, by virtue of their nature and size, in its opinion warrant a special report. The Law requires the signing of memoranda of understanding in order for the FIU to share information with other foreign Financial Intelligence Units.

The number of suspicious transaction reports sent to the corresponding authorities by the responsible institutions in Ecuador and the number of transactions investigated in 2005–2006 are as follows:

Number of suspicious transaction reports received and investigated, 2005–2006

Year	Number of suspicious transaction reports received	Number of suspicious transaction reports investigated
2005	225	225
2006	98	98

The lifting of bank secrecy in Ecuador is possible for financial intelligence and prosecution purposes. In this regard, the country provides the following information on the number of money laundering cases in which financial documents and records were obtained.

Financial documents and records, 2005–2006

Year	Number of requests to obtain documents from banks and other financial institutions	Number of cases where financial documents and records were obtained
2005	146	1,145
2006	158	1,027

Under the new Law to Suppress Money Laundering, when a preventive freeze is ordered for assets that may have been used in money laundering, the judge shall order, prior to inventory and appraisal by experts and technicians accredited by the judiciary and duly recognized, that such assets are placed in the temporary custody of the National Council against Money Laundering.

Control of assets subject to preventive freezing is the responsibility of the National Council against Money Laundering, which during their temporary custody must take the necessary legal steps to guarantee their care and preservation in order to avoid their deterioration, loss, or destruction.

The Ministry of Foreign Affairs is the central authority in charge of sending and receiving international cooperation requests and, for extradition cases, the central authority is the Chief Justice of the Supreme Court. The extradition of nationals is not permitted, without exception.

During the evaluation period, no request was issued or received for extradition, freezing of assets or lifting of bank secrecy in money laundering cases.

CICAD notes that the country enacted the Law to Suppress Money Laundering, establishing the National Council against Money Laundering. In addition, CICAD recognizes that the country complied with the recommendation assigned during the Third Evaluation Round, 2003–2004, to establish a Financial Investigation Unit. However, CICAD views with concern that this FIU is not fully operational.



CICAD notes that the country's legislation does not apply administrative controls to prevent money laundering to sectors such as casinos, lawyers, notaries and real estate, nor does it authorize special investigation techniques such as undercover agents, use of informants, and controlled deliveries.

RECOMMENDATIONS:

12. ESTABLISH ADMINISTRATIVE CONTROLS TO PREVENT MONEY LAUNDERING IN REGULATED SECTORS, SUCH AS CASINOS, LAWYERS, NOTARIES AND REAL ESTATE.
13. IMPLEMENT THE FULL OPERATIVE CAPACITY OF THE FINANCIAL INVESTIGATION UNIT (FIU) IN ACCORDANCE WITH INTERNATIONAL STANDARDS.
14. INCORPORATE IN THE RESPECTIVE LEGISLATION, SPECIAL INVESTIGATIVE TECHNIQUES, SUCH AS UNDERCOVER AGENTS, USE OF INFORMANTS, AND CONTROLLED DELIVERIES.



CONCLUSIONS

CICAD notes that Ecuador has a National Plan for Prevention, Preventive Alternative Development, and Drug Control, and that it has begun to decentralize anti-drug policies in some of the country's municipalities. CICAD also notes that the country has an independent annual budget for the operations of the National Council for the Control of Narcotic and Psychotropic Substances (CONSEP).

CICAD notes that Ecuador has ratified the United Nations Convention against Corruption. CICAD views with satisfaction that it has enacted national laws in accordance with the ratified conventions. However, CICAD also notes that the country has not acceded to the United Nations Convention on the Law of the Sea (1982), nor the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components and Ammunition of the United Nations Convention against Transnational Organized Crime (2000).

CICAD notes that Ecuador has a Drugs Observatory that collects statistics and other drug-related information, and views with satisfaction that as of 2006 it has an allocated budget for copying and disseminating printed and audiovisual materials about the drug problem.

CICAD notes that during the evaluation period, the country offered drug abuse prevention programs targeting sectors of the population; however, those programs still have low levels of coverage among those sectors. CICAD also notes that the country has not embarked on interventions targeting other specific populations, such as out-of-school youth, street/abandoned children, women, indigenous groups, workplace, and incarcerated individuals.

CICAD views with satisfaction that the country conducted an evaluation of the effectiveness of the school drug programs, as was recommended in earlier rounds of the MEM.

CICAD notes that the country has minimum standards of care for individuals with drug abuse or dependency problems, and that there are agencies responsible for monitoring compliance. In addition, CICAD recognizes that the country has an accreditation methodology for treatment programs. However, CICAD views with concern that the country has not developed an early detection and case referral network to enable them to provide an early response to people with drug problems, a recommendation that was assigned during the Third Evaluation Round.

CICAD values the implementation of the National Household Survey during 2006 and of the Second National Survey on Drug Use among Secondary School Students in 2005.

CICAD notes that Ecuador has undertaken efforts to detect and eradicate the appearance of new illicit crops, as well as to find and dismantle laboratories for illicit drug production.

CICAD notes that the country has legislation for controlling the diversion of pharmaceutical products and controlled chemical substances. Similarly, CICAD acknowledges that Ecuador has a mechanism for monitoring entities (importers, exporters, manufacturers, and distributors) and health professionals authorized to handle these substances.

CICAD recognizes the country's efforts in providing figures on the number of persons formally charged with and convicted of illicit drug trafficking and related acts of corruption. However, CICAD notes that the country did not provide information on the number of public officials formally charged with and convicted of acts of corruption in connection with illicit drug trafficking, since it does not have an information system that keeps track of this data.



In addition, CICAD recognizes that Ecuador has a national agency responsible for the control of firearms, ammunition, explosives and other related materials, and that it has a legal framework that criminalizes the illicit trafficking and manufacture of firearms, ammunition, explosives and other related materials and imposes sanctions for noncompliance.

Regarding money laundering, CICAD notes that the country enacted the Law to Suppress Money Laundering, establishing the National Council against Money Laundering. In addition, CICAD recognizes that the country complied with the recommendation assigned during the Third Evaluation Round, 2003–2004, to establish a Financial Investigation Unit. However, CICAD views with concern that this FIU is not fully operational. CICAD also notes that the country's legislation does not apply administrative controls to prevent money laundering to sectors such as casinos, lawyers, notaries and real estate, nor does it authorize special investigation techniques such as undercover agents, use of informants, and controlled deliveries.

CICAD acknowledges the progress made by Ecuador and its participation in the Multilateral Evaluation Mechanism (MEM) process, and encourages the country to continue with actions aimed at achieving full compliance with the recommendations assigned.



SUMMARY OF RECOMMENDATIONS

The following recommendations are assigned to Ecuador in order to assist the country in strengthening its policy to combat the problem of drugs and related activities and increase multilateral cooperation in the Hemisphere.

INSTITUTIONAL STRENGTHENING

1. ACCEDE TO THE UNITED NATIONS CONVENTION ON THE LAW OF THE SEA (1982).
2. ACCEDE TO THE PROTOCOL AGAINST THE ILLICIT MANUFACTURING OF AND TRAFFICKING IN FIREARMS, THEIR PARTS AND COMPONENTS, AND AMMUNITION, OF THE UNITED NATIONS CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME (2000), A REITERATED RECOMMENDATION FROM THE THIRD EVALUATION ROUND, 2003–2004.

DEMAND REDUCTION

3. EXPAND THE COVERAGE OF PARTICIPANTS IN SCHOOL PREVENTION PROGRAMS.
4. IMPLEMENT EARLY DETECTION, OUTREACH AND CASE REFERRAL NETWORKS, A REITERATED RECOMMENDATION FROM THE THIRD EVALUATION ROUND, 2003–2004.

SUPPLY REDUCTION

5. DEVELOP A SYSTEM TO ESTIMATE THE AREA OF ILLICIT CROP CULTIVATION AND MONITOR THE APPEARANCE OF NEW CROPS, A REITERATED RECOMMENDATION FROM THE SECOND EVALUATION ROUND, 2001–2002.
6. EXPAND THE SPECIALIZED TRAINING COURSES FOR PERSONNEL IN THE PUBLIC AND PRIVATE SECTORS INVOLVED IN THE RESPONSIBLE USE AND HANDLING OF PHARMACEUTICAL PRODUCTS.
7. CARRY OUT RESEARCH AND TRAINING ACTIVITIES RELATED TO THE PREVENTION AND CONTROL OF ILLICIT TRAFFIC OF PHARMACEUTICAL PRODUCTS AND OTHER DRUGS VIA THE INTERNET, WHICH WILL ENABLE THE COUNTRY TO IDENTIFY ITS REGULATORY AND OPERATIVE NEEDS.
8. PROVIDE ONGOING TRAINING FOR CONTROL ENTITIES (SUCH AS CUSTOMS AGENTS AND POLICE OFFICERS) IN THE CONTROL OF CHEMICAL SUBSTANCES.
9. ESTABLISH AN EFFICIENT INFORMATION-SHARING MECHANISM BETWEEN CONSEP AND ITS PROVINCIAL HEAD OFFICES TO ENSURE CONTROL OF CHEMICAL SUBSTANCES.

CONTROL MEASURES

10. EXPAND THE MINISTRY OF THE INTERIOR'S STATISTICAL DATABASE TO INCLUDE DATA ON PUBLIC OFFICIALS FORMALLY CHARGED WITH AND CONVICTED OF ACTS OF CORRUPTION IN CONNECTION WITH ILLICIT DRUG TRAFFICKING, A REITERATED RECOMMENDATION FROM THE THIRD EVALUATION ROUND, 2003–2004.



11. EXPAND THE MINISTRY OF THE INTERIOR'S STATISTICAL DATABASE TO INCLUDE DATA ON PUBLIC OFFICIALS FORMALLY CHARGED WITH AND CONVICTED OF CRIMES RELATED TO ILLICIT DRUG TRAFFICKING.
12. ESTABLISH ADMINISTRATIVE CONTROLS TO PREVENT MONEY LAUNDERING IN REGULATED SECTORS, SUCH AS CASINOS, LAWYERS, NOTARIES AND REAL ESTATE.
13. IMPLEMENT THE FULL OPERATIVE CAPACITY OF THE FINANCIAL INVESTIGATION UNIT (FIU) IN ACCORDANCE WITH INTERNATIONAL STANDARDS.
14. INCORPORATE IN THE RESPECTIVE LEGISLATION, SPECIAL INVESTIGATIVE TECHNIQUES, SUCH AS UNDERCOVER AGENTS, USE OF INFORMANTS, AND CONTROLLED DELIVERIES.



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