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

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

ECUADOR

EVALUATION OF PROGRESS IN DRUG CONTROL
2003-2004



INTRODUCTION

Ecuador has a total area of 256,370 km². The Pacific Ocean coastline extends for 773 km, and the country has 2,010 km of borders (Colombia 590 km and Peru 1,420 km). The latest census (2001), shows a population of 12,156,608, of which 49.8% live in the coastal region, 44.9% in the sierra, 4.5% in the Amazon region, 0.2% in the Galapagos, and 0.6% in non delimited areas. The main ethnic groups are: mestizos (mixture of indigenous and Spanish) 55%, Amerindians 25%, white and others 10%, and Afro-Ecuadorians 10%. The literacy rate is 90%. Ecuador is a republic divided into 22 provinces.

The President's State of the Union message in January 2004 stated that the Ecuadorian economy in 2003 recorded a growth rate of about 3%, higher than the population growth rate estimated at 2.1%. In addition, the per capita gross domestic product (GDP) in 2003 amounted to US\$2,120, higher than that for 1998 and the last four years.

Annual exports amounted to US\$5 billion. Principal exports are: petroleum, banana, shrimp, coffee, cacao, wood, hemp, fish, and flowers. Imports amount to US\$5.9 billion, comprised of industrial materials, perishable consumer goods and farm products.

I. INSTITUTIONAL BUILDING/NATIONAL ANTI-DRUG STRATEGY

A. National Anti-Drug Plan and National Commission

Ecuador's National Plan for Prevention, Preventive Alternative Development and Drug Control for 2004 - 2008, was approved by Executive Decree on June 8, 2004. The plan encompasses the areas of demand reduction, supply reduction, alternative development, control measures, institutional framework, program evaluation and research, and is to be implemented at the central and provincial levels. The country notes that decentralization promotion through municipal governments is one of the policies of the 2004 - 2008 National Plan.

The budget for the National Plan, as a general policy, has been essentially projected with a direct budget allocation from the central government, self-financing, contributions made by the civil society and international cooperation. Budget allocations for the years 2002-2004 are indicated in the following table. The country indicates that these figures are approximates and do not include the Armed Forces, the Customs Surveillance Service, the Attorney General's Office, the National Judiciary Council nor the Department of the Navy, as these institutions do not have specific budget allocations for illicit drug trafficking control.

National Plan Budget					
2002		2003		2004	
Gov. Funding	Int'l Funding	Gov. Funding	Int'l Funding	Gov. Funding	Int'l Funding
US\$25,226,083	US\$113,540,576	US\$14,583,513	US\$74,244,511	US\$12,799,875	US\$83,529,224
TOTAL US\$138,766,659		TOTAL US\$ 88,828,024		TOTAL US\$ 96,059,099	

The country reports that for the years 2002 - 2004, 84% of total funding was obtained from international sources. In 2002, 55% of the assistance from international organizations was used for the activities of the National Police, while in 2003 and 2004 these percentages were 84% and 73%, respectively.



The National Council for the Control of Narcotics and Psychotropic Substances (CONSEP) of Ecuador coordinates the implementation of all the areas indicated in the National Plan. This Council comprises the Attorney General, who chairs the Council, the Minister of the Interior and Police, the Minister of Education and Culture, the Minister of Public Health, the Minister of Foreign Affairs, the Minister of National Defense, the Minister of Social Welfare, and the Executive Secretary of CONSEP, who acts as Secretary.

The Executive Secretariat of CONSEP has an earmarked annual approved budget of US\$3,821,656 for 2004.

CICAD notes the progress made by Ecuador in obtaining the approval of the National Plan for Prevention, Preventive Alternative Development and Drug Control for 2004-2008.

B. International Conventions

The country indicates that it has signed and ratified the following Inter-American and United Nations conventions:

- Inter-American Convention on Mutual Assistance in Criminal Matters (1992);
- Inter-American Convention against Corruption (1996);
- Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials – CIFTA (1997);
- United Nations Single Convention on Narcotics (1961), amended by the Protocol of 1972;
- United Nations Convention on Psychotropic Substances (1971);
- United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988);
- United Nations Convention against Transnational Organized Crime (2000) and 2 of its Protocols: against the Smuggling of Migrants by Land, Sea and Air; and to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children.

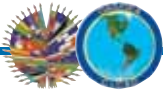
Regarding the United Nations Convention against Transnational Organized Crime (2000), its Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition is pending ratification.

Additionally, the country indicates that it has signed bilateral cooperation agreements with Argentina, Bolivia, Brazil, Chile, Colombia, Paraguay, Peru, Spain, United States of America and Uruguay.

CICAD notes with satisfaction that the country has ratified the above-mentioned Inter-American and United Nations conventions with the exception of the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components and Ammunition of the United Nations Transnational Organized Crime Convention (2000).

RECOMMENDATION

1. **RATIFY 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).**



C. National Information System

The Ecuadorian Drug Observatory within CONSEP is in charge of gathering, analyzing and disseminating statistics on drug and alcohol use in different population groups.

The country participates in the Inter-American Drug Use Data System (SIDUC) and has been keeping annual records on drug use at treatment centers since 1998. In 2002, it conducted a Survey of High School Students in Metropolitan Quito.

Since 1993, it also participates in the Uniform Statistical System on Control of the Supply Area (CICDAT), having kept and reported all the statistics that this system includes.

The country further notes that the 2004-2008 National Plan for Prevention, Preventive Alternative Development, and Drug Control sets guidelines for implementing a system to evaluate the plan's different programs and projects.

Ecuador informs that it has inter alia, a web page and a public library, for disseminating information on the drug problem. It reports that, in various provinces of the country, prevention activities are disseminated through radio, press, and television. They also disseminate their programs through written materials such as brochures and posters.

CICAD notes with satisfaction that the country has an effective operational network of information systems.

II. DEMAND REDUCTION

A. Prevention

Ecuador indicates that although very little funding is earmarked for demand reduction programs, it is currently making an effort to implement a national system of drug abuse prevention programs which target primary, secondary and university school populations. These programs are also aimed at working children, street/abandoned children, women and youth in conflict/ gangs. The country utilizes a telephone help line system which provides callers with information on a wide range of topics. Nevertheless, coverage of national prevention programs is very limited and the effectiveness of their results has not been evaluated.

The Ministry of Education and Culture, Non-Governmental Organizations (NGO's) and the Drug Prevention Department of Ecuador's National Police through the Drug Prevention Training Centre, execute these programs at both the elementary and high school levels, nationwide. At the University level, preventive intervention is executed through the School of Educational Psychology of the Central University of Quito, State University of Guayaquil School of Nursing and the University of Manta School of Nursing. The number of beneficiaries is 290,000 students from different levels of education, which accounts for a 10% coverage of the national student population.

The Ministry of Social Welfare and NGO's execute prevention intervention programs for street children, women and at-risk youth in Quito and Guayaquil and for at-risk youth in Cuenca and Machala only. To date the number of beneficiaries is 286,900, which amounts to a coverage of 8% of the community population nationwide.

Ecuador reports that during the years 2002 to 2004, only short refresher courses were offered in drug abuse prevention and treatment. These refresher courses were offered to professionals in the prevention area as well as to university students. However, no technical courses, university degrees or professional education courses were offered in this area. Ecuador further indicates that it does



not have a system for the licensing of professionals working in the area of prevention. Evaluation of programmes has not been done but this is provided for in the 2004-2008 National Plan.

CICAD views with concern that no studies have been conducted to measure the impact and effectiveness of the prevention programs carried out by the country as recommended during the Second Evaluation Round, 2001-2002 but notes that the country reports that implementation is provided for in the National Plan 2004-2008.

CICAD notes the efforts made by Ecuador in targeting drug prevention actions at various sectors of the population, but is concerned that coverage is very limited.

RECOMMENDATIONS:

2. DEVELOP PROGRAMS TO OFFER TECHNICAL LEVEL COURSES, UNIVERSITY DEGREES AND/OR PROFESSIONAL EDUCATION COURSES IN THE AREA OF DEMAND REDUCTION.
3. EXPAND NATIONWIDE COVERAGE OF PREVENTION PROGRAMS TO KEY POPULATIONS, SUCH AS, STUDENTS, WORKING AND STREET/ ABANDONED CHILDREN, WOMEN AND THE WORKPLACE.
4. CONDUCT STUDIES TO MEASURE IMPACT AND EFFECTIVENESS OF THE PREVENTION PROGRAMS CARRIED OUT, A RECOMMENDATION REITERATED FROM THE SECOND EVALUATION ROUND, 2001-2002.
5. ENSURE THAT PREVENTION PROGRAMS ARE ALLOCATED ADEQUATE FUNDING.

B. Treatment

Ecuador has established mandatory and legally enforceable guidelines on standards of care for drug abuse treatment. The government keeps a national registry of treatment services, and there are mechanisms for the accreditation of treatment services and programs. The agencies in charge of the registry and accreditation are the Ministry of Health and CONSEP. The country reports that it has a national mechanism in place to monitor compliance with the standards of care for drug abuse treatment and to evaluate the quality of services provided. Each year a mandatory inspection of the centers is performed before they are authorized to operate and oversight visits are made 3 or 4 times each year to ensure compliance with standards. A review of standards to update them commenced in 2004, and this process will culminate in 2005.

The country reports that it has both private and public ambulatory (outpatient) and residential inpatient programs, which target adults and children (male and female). In the private sector, there are also self-help groups geared exclusively towards adults. Additionally, there are regional detoxification programs and public and private national treatment and rehabilitation programs. The country indicates has ten treatment centers geared specifically towards women and three for adolescents. All centers are rated by CONSEP. However, there are presently no social reintegration programs, neither are there any networks for early detection, outreach and referral of cases. Ecuador reports that no evaluations have been carried out on any treatment or rehabilitation programs.

In 2002, there were 4,083 inpatients and 1,302 outpatients who sought and received treatment. These figures fell in 2003 to 3,183 inpatients and 1,196 outpatients. In 2004 figures increased to 4,030 inpatients and decreased to 1,069 outpatients. For the years 2002-2003, there were a total of two treatment programs in the country. There are no records of the number of people who sought but did not receive treatment.



CICAD views with satisfaction that the country has legally based mandatory standards of care for drug abuse treatment and that it has instruments for the accreditation of treatment services and programs, which are supervised by the corresponding authorities.

CICAD notes that the country has no social reintegration programs, neither are there any networks for early detection, outreach and referral of cases. Likewise, CICAD notes that no evaluations have been carried out on any treatment or rehabilitation programs.

RECOMMENDATIONS:

6. IMPLEMENT SOCIAL REINTEGRATION PROGRAMS AS WELL AS NETWORKS FOR THE EARLY DETECTION, OUTREACH AND REFERRAL OF CASES.
7. CARRY OUT EVALUATIONS ON TREATMENT AND REHABILITATION PROGRAMS.

C. Statistics on Consumption

In 2002, Ecuador carried out a study on drug use among adolescents in secondary education in the Metropolitan District of the country's capital. Regarding licit drugs, the survey indicates that alcohol and tobacco are the most used drugs among secondary school adolescents, as shown in the following table:

Drug use among adolescents in secondary education Metropolitan area of Quito (%) (2002)			
Type of drug	Lifetime	Last 12 months	Last 30 days
	Total	Total	Total
Alcohol	62.4	42.2	24.4
Tobacco	61.2	37.2	24
Solvents & Inhalants	2.5	1.0	0.4
Hashish	0.7	0.3	0.1
Marijuana	8.4	4.7	1.4
Hallucinogens	1.3	0.7	0.2
Morphine	0.4	0.2	0.1
Coca paste	1.0	0.5	0.2
Cocaine Hydrochloride	1.2	0.6	0.3
Crack	0.6	0.2	0.1
Tranquilizers	5.9	2.3	1.4
Stimulants	3.5	1.8	0.9
MDMA (Ecstasy)	1.9	0.8	0.3
Metamphetamines	0.5	0.3	0.1
Other drugs	2.8	1.5	0.8
All illicit drugs	12.3	7.2	2.7

The average age of first use of tobacco is 13 years and of alcohol 13.6 years. Regarding illicit drug use, the survey indicates that the average age of first use of illicit drugs is 13.4 years for inhalants, 13.6 years for tranquilizers and 14.4 years for coca paste. The country further reports that 60.5% of youth aged 10-19 years, perceive drug use as harmful to their health and well being. Data obtained from this study establishes a correlation between the perceived risk of drug use and their consumption. Ecuador began its Second National Survey of Drug Use amongst Students in 2004.



The country indicates that it does not have an estimate of drug-related morbidity among injecting drug users and further states that there are no reported cases of HIV-AIDS patients infected by contaminated needles.

Ecuador informs that in 2003, 270 deaths stemming from mental diseases related to psychoactive substances were reported, accounting for a rate of 0.2 per 10,000 inhabitants or 0.5% of total mortality. The country does not have a system to collect data on drug content or toxicity levels in the body, associated with drug mortality. However, the country indicates that it does have data on drug use and related crime, but does not have any estimates of drug or alcohol use by recent arrestees immediately prior to their arrest. The country provides statistics on traffic accidents related to the use of alcohol, as well as the number of persons arrested for traffic violations for drunk driving occurring in 2003, and 2004 as shown below:

Traffic Accidents and Arrests for Traffic Violations for Drunk Driving		
	2003	2004
Traffic accidents	1,113	1,189
Arrested for traffic violations	3,775	4,913

CICAD views with satisfaction that the country has conducted a study among the school population in the metropolitan area of Quito and that during 2004 it has begun a national study targeting this population. However, CICAD is concerned that the country has yet to conduct a study among the general population as had been recommended during the Second Evaluation Round, 2001-2002.

RECOMMENDATION:

8. CONDUCT A NATIONAL STUDY TO MEASURE THE MAGNITUDE OF DRUG CONSUMPTION WITHIN THE GENERAL POPULATION, A RECOMMENDATION REITERATED FROM THE SECOND EVALUATION ROUND, 2001-2002.

III. SUPPLY REDUCTION

A. Drug Production and Alternative Development

Ecuador reported on areas under coca cultivation and on potential production of coca leaves only. The country reports that 9 hectares of coca were under cultivation in 2002, with the potential to produce 8,100,000 kg of coca leaves. It reports that 19 hectares were under cultivation in 2003, with the potential to produce 22,800,000 kg of coca leaves. During 2004, 9 hectares were recorded under cultivation. However, the country has not detected any indoor grown crops.

In 2002, as indicated by Ecuador, the cost of forced eradication amounted to US\$1,200,000. This figure almost doubled in 2003, to US\$2,200,000 and it is estimated that the cost of forced eradication for 2004 would be approximately US\$3,800,000, almost 3 times the cost for 2002. The result of this effort has been that in 2002, 9 hectares of coca leaves were eradicated by force and this figure increased to 19 hectares in 2003 and decreased to 9 hectares in 2004.

Regarding alternative development programs, Ecuador has a Social Recovery and Alternative Development program for the provinces of Esmeraldas, Carchi, Sucumbios, Orellana, Napo, and Imbabura. In 2003 and 2004 projects were carried out or are under way in the areas of social infrastructure, productive infrastructure, productive development, social development, democracy and governance, and environmental management. In 2003, the alternative development programs on social infrastructure, productive infrastructure, productive development, social



development, democracy and governance, and environmental management in the provinces of Esmeraldas, Orellana, Napo, Carchi, Sucumbios, and Imbabura, varied in length from 3 months to one year, and as a result many have now been completed. The programs pertaining to 2004 were on average, of one year's duration.

In relation to the financing for alternative development projects, the country reports that in 2003, US\$1.2 million were assigned from national resources and US\$11,715,000 from external funding. In 2004, the government's contribution amounted to US\$1,500,000 and external contributions to US\$22,130,000.

Ecuador reports that products from alternative development projects will be used for national consumption. The country has been working on the PRONORTE Project, financed by USAID, for trading these products on the international market.

The country does not have a mechanism to evaluate the impact of alternative development programs and/or projects. However, it reports that alternative development programs for 2003, benefited 46,200 families, with an estimated number of 11,000 farmers, and approximately 68,000 families in 2004. These programs are mostly aimed at basic infrastructure such as potable water and sewage systems; productive infrastructure such as improvement of the construction of roads, bridges, and irrigation building; productive development with traditional fishing and agriculture; social development such as provision of computers to rural schools; intercultural health; democracy and governance, through institutional capacity building and training for local governments; and reforestation with 219,000 users in 2003 and approximately 350,000 users in 2004.

CICAD notes that the country has provided information regarding cultivated areas of illicit crops eradicated, however, it has not developed a system to estimate the total area of illicit crops and monitor the appearance of new crops as recommended during the Second Evaluation Round, 2001 – 2002.

CICAD notes the accomplishments of the alternative development programs, which have mainly addressed basic infrastructure areas, benefiting many families in Ecuador.

RECOMMENDATION:

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

B. Supply Reduction and Control of Pharmaceutical Products and Chemical Substances

The country reports that it has detected medium-sized laboratories for the production of coca paste (1 in 2002 and 3 in 2003), and that it has not discovered illicit laboratories for the production of synthetic drugs. Additionally, it indicates that white gasoline is the most frequently seized precursor (73,237.50 lt. in 2002 and 144,244.20 lt. in 2003).

Pharmaceutical Products

The National Council for the Control of Narcotics and Psychotropic Substances (CONSEP) is the responsible entity for preventing diversion of pharmaceutical products under international conventions. In addition, the Ministry of Health, through its Leopoldo Unquiet Pérez Institute, is in charge of controlling distribution of these products to pharmacies and must report its activities to CONSEP on a monthly basis.



The CONSEP covers activities in the commercial sector, such as import/export control, regulatory control and license-holder registration, among others.

The country does not have a qualitative mechanism to evaluate the effectiveness of the activities conducted by the institutions charged with controlling pharmaceutical products.

Ecuador reports that there is a mechanism in place which controls and regulates the use and distribution of pharmaceutical products by health professionals. This mechanism requires medical prescriptions, distribution through pharmacies or other authorized points of sale, licenses to prescribe certain drugs and license-holder registration. There is no formal mechanism to evaluate procedures used in monitoring the use and distribution of pharmaceutical products.

Ecuador has national laws and regulations for the application of penal and administrative sanctions in the event of diversion of pharmaceutical products. Additionally, it reports that penal sanctions have been applied as follows: 1 in 2002, 3 in 2003, and 0 in 2004; and administrative sanctions as follows: 50 in 2002, 150 in 2003, and 255 in 2004.

Penal sanctions range from a minimum of 3 to a maximum of 16 years imprisonment. The fine for a first offence ranges from US\$400 to US\$2,000, while for a second offence, the fine varies from US\$800 to US\$4,000 and the laboratory or company is closed down.

Ecuador reports that there have been some seizures of pharmaceutical products, for example, 21,000 pills of Rivotril seized in 2003.

Under current legislation and in accordance with the country, seized pharmaceutical products must be sold, or destroyed once they have expired. Specialized entities in Ecuador express their concern regarding these seized pharmaceutical products offered for sale, since their origin is frequently unknown.

CICAD is pleased with the country's efforts at controlling pharmaceutical products, but notes the need to establish procedures to monitor their use and distribution.

CICAD notes with satisfaction that the country has applied penal and administrative sanctions for cases of diversion of pharmaceutical products.

RECOMMENDATIONS:

10. ESTABLISH A FORMAL MECHANISM TO EVALUATE PROCEDURES FOR MONITORING THE USE AND DISTRIBUTION OF PHARMACEUTICAL PRODUCTS.
11. ESTABLISH A QUALITATIVE FORMAL MECHANISM TO EVALUATE THE EFFECTIVENESS OF THE ACTIVITIES REGARDING CONTROL OF PHARMACEUTICAL PRODUCTS CONDUCTED BY CONSEP AND THE LEOPOLDO UNQUIET PEREZ INSTITUTE FROM THE HEALTH MINISTRY.

Controlled Chemical Substances

The National Council for the Control of Narcotics and Psychotropic Substances (CONSEP) is the responsible entity for controlling production, exportation, importation and distribution of all controlled chemical substances listed under United Nations international conventions and also for preventing their diversion.



Ecuador reports that a study of supply-demand of 10 controlled chemical substances, considered in the country as critical, was recently conducted, which helped to define control strategies in the different industrial sectors. Visits were also made to companies and their industrial processes were examined as part of the study.

There is no formal qualitative mechanism in place to evaluate the effectiveness of the activities conducted by CONSEP when controlling chemical substances. This institution expresses that the main obstacles encountered in complying with its duties are: limited resources, lack of trained personnel and poor technical levels. Nevertheless, some training seminars have been held with professionals of the Technical Control and Audit Office of CONSEP.

Ecuador has national laws and regulations for the application of penal and administrative sanctions in the event of diversion of controlled chemical substances. During the period under evaluation 2003-2004, only administrative sanctions have been applied (49 in 2002, 283 in 2003, and 259 in 2004). In 2004, there were 5 previous investigations, 2 of legal persons and 3 of natural persons. Penal sanctions range from 8 to 12 years of imprisonment and a fine from 40 to 6,000 times the minimum wage (per month).

The country reports that for noncompliance of the legal provisions by the controlled sector, fines range from US\$20 to US\$800. The commission of a second offence will result in temporary suspension from duties or of license to operate. The penalty for repeated offenses is dismissal or cancellation of the license and closure of the establishment.

With regards to pre-export notifications in 2003, the country reports that it sent two notifications to a country importing such substances, and neither of them has been responded to. In addition, it received 100 pre-export notifications in 2003 from exporting countries, of which 95 were responded to in a timely manner.

The following table shows the number of seizures and quantities of controlled chemical substances seized:

Number of Seizure Operations and Quantities of Seized Substances						
Controlled chemical substances	Number of seizures			Quantities seized		
	2002	2003	2004	2002	2003	2004
Acetone	1	0	1	36 Kg.	0	4,192 Lt.
Acetic acid	2	1	0	25.40 Kg	293.40 Kg.	0
Hydrochloric acid	3	1	0	216.54 Kg	321 Kg.	0
Hydrochloric acid	3	1	1	308 Lt.	31 Lt.	40 Lt.
Sulfuric acid	2	0	0	47.72 Kg.	0	0
Sulfuric acid	1	2	0	72 Lt.	1,086.01 Lt.	712 Lt.
Isopropyl alcohol	1	0	0	1.50 Kg	0	0
Ammonia	3	1	0	9.56 Kg	15,520 Kg.	0
Acetic anhydride	1	0	1	13 Kg	0	1,600 Lt.
Benzene	1	0	0	13 Kg	0	0
Sodium bicarbonate	5	6	0	3,010.21 Kg	899.17 Kg.	0
Potassium bicarbonate	1	0	3	17 Kg	0	501 Kg.
Sodium carbonate	2	1	0	42.50 Kg	200 Kg.	0
Sodium hydroxide	0	1	0	0	3.44 Kg.	0
MEK	1	0	1	749 Kg	0	2.725 Kg.
MEK	1	1	6	3,080 Lt.	76.36 Lt.	88,940 Lt.
Methyl isobutyl ketone	1	0	0	1,24 Lt.	0	0
Potassium permanganate	2	0	0	54 Kg	0	0
Caustic soda	2	1	2	542 Kg	475 Kg.	8,660 Lt.
Liquid caustic soda	1	0	0	2,680.61 Lt.	0	0
Sodium sulfate	2	0	0	71.94 Kg	0	0
Toluene	1	0	1	5 Kg	0	1.20 Kg.
Xylene	1	1	0	1,056.93 Lt.	40 Lt.	0



Regarding the disposal of seized controlled chemical substances and in accordance with the following table, the country reports that in 2003, it disposed 18,000 kg. of Dense Sodium Carbonate and 15,926 kg of Methylene Chloride. These figures represent the largest quantities of controlled chemical substances disposed of by the country in 2003. In descending order, Methyl ethyl Cetona and the Sodium Sulfate followed with disposed totals of 3,867 kg and 2,028 kg respectively. In 2004, 25 kg of hydrochloric acid, 5.50 kg of glacial acetic acid, 2 kg. of acetone, and 1 Lt of acetone were disposed of by way of sales, donations, and destructions.

Controlled Chemical Substances Disposed of			
Controlled chemical substances	Quantities disposed of		
	2002	2003	2004
Ethyl acetate	6.50 Kg.	0	0
Acetone	3.50 Kg.	0	2 Kg.
Acetone	0	0	1 Lt.
Acetic acid	0	216 Kg.	0
Acetic acid - glacial	0	1,500 Kg.	5.50 Kg.
Hydrochloric acid	1 Lt.	3 Lt.	0
Hydrochloric acid	2,074 Kg.	970 Kg.	25 Kg.
Sulfuric acid	2,436.93 Lt.	38 Lt.	0.40 Lt.
Sulfuric acid	3,871.70 Kg.	40.50 Kg.	27 Kg.
Sulfuric acid	18.9 Lt	0	0
Sulfuric acid 96 – 98 %	1.50 Lt.	0	0
Isopropyl alcohol	0	38.68 Lt.	0.75 Lt.
Isopropyl alcohol	2.34 Kg.	0	0
Ammonia	1 Lt.	16.50 Lt.	0
Ammonia	623.00 Kg.	152.30 Kg.	25.00 Kg.
Benzene	0.75 Lt.	0	0
Sodium bicarbonate	1,026.30 Kg.	1,000 Kg.	0
Potassium carbonate	0	0	28 Kg.
Sodium carbonate	132 Kg.	308 Kg.	0.20 Kg.
Dense sodium carbonate	0	18,000 Kg.	0
Calcium chloride	641 Kg.	245 Kg.	40.30 Kg.
Methylene chloride	69 Kg.	15,926 Kg.	0
Diacetone alcohol	0	1,473 Kg.	0
Ethyl ether	21 Lt.	0	0
Petroleum ether	0	1.50 Lt.	5,262.5 Kg.
n-hexane	0	0	7 Kg.
Potassium hydroxide	2.60 Kg.	25 Kg.	210 Kg.
Sodium hydroxide	393.50 Kg.	712.77 Kg.	0.30 Kg.
Methyl ethyl ketone	0	3,867 Kg.	0
Potassium permanganate	422.11 Kg.	89 Kg.	0
Sodium sulfate	1,091.90 Kg.	2,028 Kg.	0
Carbon disulfide	2 Lt.	0	0
Toluene	0.86 Kg.	0	0.50 Lt.
Trichloroethylene	0.50 Lt.	0	0
Xylol	0	0	0.75 Lt.

Ecuador has implemented an integrated control and audit system, supported by the Law on Drugs through the Technical Control and Audit Office of CONSEP. This requires natural or legal persons who are involved in the chemical industry to be certified, licensed and registered on a database, after a thorough regulated inspection process.

CICAD notes that while the main obstacles to monitoring controlled chemical substances as reported by Ecuador are limited resources and training, the country has made progress in implementing mechanisms for controlling chemical substances.



CICAD notes that the country has applied administrative sanctions for cases of diversion of controlled chemical substances.

RECOMMENDATION:

12. ESTABLISH A FORMAL QUALITATIVE MECHANISM TO EVALUATE EFFECTIVENESS OF ACTIVITIES CONDUCTED BY CONSEP REGARDING THE MONITORING OF CONTROLLED CHEMICAL SUBSTANCES.

IV. CONTROL MEASURES

A. Illicit Drug Trafficking

The major drug seizures carried out by law enforcement agencies in Ecuador, for the years 2002-2004, are for cocaine and cannabis products as follows:

Number of drug seizures			
Type of drugs	2002	2003	2004
Poppy seeds	2	0	0
Heroin	95	140	2
Coca paste	843	1,245	56
Cocaine hydrochloride	693	570	21
Leaf cannabis (grass)	396	480	29
Cannabis seed	0	1	0
MDMA (Ecstasy) and derivatives	3	1	0
Others (specify) coca seeds	1	1	0

Amount of drug seized			
Type of Drugs	2002	2003	2004
Poppy seeds	1.03 Kg.	0	0
Heroin	352.18 Kg.	286.37 Kg.	262.26 Kg.
Coca paste	897.26 Kg.	624.20 Kg.	979.42 Kg.
Cocaine hydrochloride	10,318.65 Kg.	6,246.34 Kg.	2,460.69 Kg.
Leaf cannabis (grass)	1,896.90 Kg.	2,673.37 Kg.	576.64 Kg.
MDMA (Ecstasy) & derivatives	289 units	27,963 units	2,703 units
Others (specify) coca seeds	1,080 units	2,185 units	1,115 units

Ecuador routinely disposes of its seized illicit drugs by dilution and incineration. Seized illicit drugs, not disposed of, are held until such time as the case is heard after which they are ordered destroyed.

Ecuador reports that in 2002, there were 1,468 persons arrested, 915 tried and 593 convicted, for illicit drug trafficking. There was a slight increase in this figure in 2003, to 1,485 persons arrested, 927 tried and 602 convicted. In 2004, there were 3,270 persons arrested, 1,829 tried, and 789 convicted.

The country reports that for the year 2002, 1,121 persons were arrested, 1,044 charged and 136 convicted for illicit drug possession. In 2003, the number of persons arrested rose to 1,730, while the number of persons tried decreased to 954 and the number of persons convicted increased to 311.



Ecuador informs that there are laws/regulations which allow the possession of drugs for personal consumption, through the Interpretative Act of Article 105 of the Narcotics and Psychotropic Substances Act. Although the Act does not specify an amount limit, it refers to all substances subject to control, in keeping with appendices I and II of the Narcotics and Psychotropic Substances Act. The country notes that there is an urgent need for legislation establishing by type of drug, the quantity permitted for lawful personal consumption (personal dose). It indicates however, that there are no laws at the provincial, state or local level, that establish drug possession for personal consumption as legal.

Operational information exchange and collaboration among national authorities responsible for controlling illicit drug trafficking is facilitated in Ecuador by an interagency committee, joint forces/operations, joint training, interagency information systems/networks and interagency communications systems/networks. Ecuador indicates that operation information and statistical data is exchanged on an international level by each of the entities participating in the abovementioned means. The country indicates however, that there is no formal mechanism in place to evaluate the effectiveness of these means, neither are there any plans at this time for setting up such mechanism.

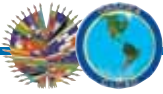
The lack of technical means and fluctuation of personnel are the major impediments encountered, as stated by Ecuador, in ensuring effective information exchange and collaboration.

During the years 2002-2004, the number of judicial cooperation requests regarding illicit drug trafficking received by the country and the number of replies made granting the request are as shown in the table below. In some cases, the requests were denied and returned to the requesting country.

Country requesting judicial cooperation	Number of requests			Number of replies granting the request		
	2002	2003	2004	2002	2003	2004
The Netherlands	1	1	0	1	0	0
Italy	1	1	1	0	1	0
Germany	0	1	2	0	0	0
Spain	1	3	2	0	2	3
Austria	2	1	0	0	0	1
Peru	0	1	0	0	1	0
Serbia & Montenegro	0	1	0	0	0	0
United Kingdom	0	0	0	0	0	0
Colombia	0	1	1	0	1	1
Poland	2	0	2	0	0	3
Costa Rica	1	0	0	1	0	0
Great Britain	0	1	0	0	0	1
Czech Republic	0	0	1	0	0	1

The country did not make extradition requests for illicit drug trafficking for the years 2002-2004. The central authority responsible for making requests for extradition to other countries is the President of the Supreme Court of Justice and the Ministry of Foreign Affairs. However, the central authority responsible for receiving extradition requests is the Ministry of Foreign Affairs.

Ecuador states that extradition treaties have facilitated extradition requests to other countries for illicit drug trafficking cases, and that there have been no major impediments encountered in those requests. The country has extradition treaties with Australia, Belgium, Bolivia, Brazil, Chile, France, Peru, Spain, Switzerland, Tanzania, Uganda, the United Kingdom, and the United States.



In 2002, the country received 8 requests for extradition; in 2003, it received 7 extradition requests; and in 2004 none were received. During these years, none of these requests were granted.

The country states that under its national law, extradition of its nationals is not permitted, nor are exceptions permitted for illicit drug trafficking cases or other transnational crimes. The country notes that the major impediments encountered in receiving requests for extradition in illicit drug trafficking cases from other countries is that the cases are already before Ecuador's tribunals and courts which are trying the accused for the same offense.

CICAD notes the efforts made and the problems faced by the country in ensuring effective operational information sharing and collaboration among national authorities responsible for the control of illicit drug trafficking. In this sense, it is concerned that the country needs to develop a mechanism that will permit a more dynamic inter-agency coordination and collaboration at the national level.

RECOMMENDATION:

13. UNDERTAKE A STUDY TO EXAMINE THE COUNTRY'S ILLICIT DRUG TRAFFICKING CONTROLS IN ORDER TO IDENTIFY DEFICIENCIES RELATED TO INTERAGENCY COORDINATION, COLLABORATION AND OPERATIONAL INFORMATION EXCHANGE AMONG INSTITUTIONS AT THE NATIONAL LEVEL AND DEVELOP A PLAN OF ACTION TO FACE THE PROBLEMS ENCOUNTERED.

B. Firearms and Ammunition

The Department of Firearms Control of the Joint Armed Forces Command is responsible for all control activities regarding firearms, ammunition, explosives and other related materials. Military control bodies, the National Police Force and Customs Inspection Service participate in tackling confiscation of illicitly trafficked items.

Internal information exchange on lost and/or stolen firearms and ammunition is facilitated through an interagency committee, joint forces/operations and joint training. This is achieved via each department's national computerized system. However, the Department of Firearms Control of the Joint Armed Forces Command will be introducing a new centralized database program, which started in January 2005. This database will include registered licensed firearms; lost, stolen, and confiscated firearms; data on the import of firearms, ammunition, and explosives; and information on arms dealers, non-dealers, manufacturers, and gun makers.

Evaluation of the effectiveness of the information exchange mechanism is carried out through regular, nationwide, surprise inspections by military control entities. This has resulted in a reduction in illicit and/or clandestine possession, importation, exportation, transport and manufacture of these items.

The country reports that Chapter VI of Supreme Decree No. 3757 of 1980 criminalizes illicit possession, trafficking and manufacture of these items as an offense and provides for the corresponding sanctions. Data on persons arrested and convicted in connection with these crimes, during the years 2002-2004, are shown in the tables below.

Illicit Possession and Trafficking of Firearms, Ammunition, and Explosives		
Number of persons arrested		
2002	2003	2004
1,731	1,980	254



Illicit Possession and Trafficking of Firearms, Ammunition, and Explosives Number of persons convicted		
2002	2003	2004
106	198	83

Decree 3757, Chapter VI establishes administrative control and sanctions for the import, export and in-transit of all these items for which the Ministry of Interior and the Office of Corporate Oversight have joint responsibility. The law which requires the country to issue import or in-transit licenses or authorizations before permitting the entry of a shipment, and the Law on the Manufacture, Import, Export and Possession of Firearms, Ammunition, Explosives and their Accessories, both require Ecuador to verify that an importing country has first issued the necessary license or authorization before an export license is issued. The Law on the Importation, Exportation, Trading, Importers, Non Importers, Collectors and Users of Explosives requires verification that the in-transit country has first issued the necessary licenses or authorizations before permitting the embarkation of shipments. Three times in 2003 shipments of ammunition and explosives were denied entry and small quantities of firearms were denied entry in 2003 and 2004. The Ministry of National Defense through its Joint Command controls imports of any of these items.

During the years 2002-04, the country reports that there were no instances where export licenses or authorizations were denied because the importing or in-transit country had not issued the necessary authorizations.

The country reports that, during the same period, 14,268 firearms of various calibers were seized; of these, 12,968 were destroyed and 1,300 remain to be destroyed. In addition, approximately 800,500 rounds of ammunition were destroyed. There are no data on seizures related to arrests for drug offenses. Furthermore, from June 2004 to January 17, 2005, there was a total of 1,500 firearms confiscated by military control bodies and the National Police Force in the storehouse of the Department of Firearms Control of the Joint Command.

The national laws of Ecuador, in keeping with the 1997 Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials (CIFTA), require that firearms be marked at time of importation and manufacture, but not when officially used after confiscation or forfeiture. The method of ensuring that seized weapons never return to the illicit trade is via destruction.

With regards to information sharing, the Department of Arms Control and the Joint Armed Forces Command keep records on statistics regarding importations, exportations, seizures, confiscations and/or forfeitures/national production.

The country reports that since 1998, it has a database containing the date, description, and serial number of the importations and exportations of firearms, ammunition, explosives and accessories. The bodies responsible for monitoring these activities exchange information and this is facilitated through joint operations. To date, Ecuador has made requests to obtain general control information to two countries regarding firearms, ammunition and explosives for which information was received.

CICAD notes with satisfaction that systems to monitor and control firearms and ammunition are working in the country.

CICAD recognizes that Ecuador has the necessary regulations, administrative controls, information networks and institutional coordination in the area of firearms and ammunition controls, to prevent their diversion, including in-transit shipments.



C. Money Laundering

Ecuador does not have the regulatory framework criminalizing and sanctioning criminal conduct, to combat money laundering as an autonomous crime¹. Under the Law on Narcotics and Psychotropic Substances, asset conversion or transfer is only criminalized as a consequence of the crime of illicit drug trafficking.

The only predicate offence in connection with money laundering is the illicit drug trafficking. It is only possible to initiate a trial for money laundering against an individual who has been convicted for this predicate offence. Additionally, under its national law, a person must first be convicted for the predicate offence in order to establish whether certain assets have been obtained as a result of such crime, and therefore convict that person for laundering such assets.

Regarding sanctions, Ecuador reports that articles 55, 77 and 86, of the Law on Narcotics and Psychotropic Substances, regarding the conversion or transfer of assets from illicit drug trafficking, provide for imprisonment of 4 – 8 years and a fine of 20 – 4,000 minimum wages. This may be increased to 8 – 12 years imprisonment and a fine of 40 – 6,000 minimum wages, where the crime is committed by an association. Additionally, the judge shall dispose of assets obtained as a result of the perpetration of such crime. The aforementioned Article 77, which was amended by Law 25 of 1997, relates to the conversion or transfer of assets derived from offences defined in the Law on Narcotics and Psychotropic Substances.

The country indicates that during 2003, 7 persons were arrested and 7 were tried for asset conversion/transfer, but does not provide information on the number of persons arrested or tried in 2002 and 2004.

The regulated sectors for the prevention of money laundering are: banks, offshore banks, currency exchanges, stock exchanges, insurance, casinos and real estate. Ecuador provides information on national laws which establish the professional duties of lawyers, notaries and accountants, but does not report on specific money laundering controls. The administrative controls established under the General Law of Financial System Institutions in force to prevent money laundering are: internal control systems for the identification of persons carrying out transactions; obligation to inform the Superintendence of Banks and Insurance Companies on the operations determined by this Superintendence in connection with their nature and amount; and, obligation of financial institutions to keep internal controls to prevent those operations which, in accordance with internal legislation and international agreements, are considered illicit acts. The control measures which financial and other responsible institutions need to comply with are: client registry, reporting large transactions, verification of client identity, transaction registry, preservation of records, existence of an enforcement official, existence of independent audits, know-your-client policies, know-your-employee policies and prohibition of anonymous accounts.

Ecuador further indicates that banking institutions must adhere to the guidelines issued by the Executive Secretariat of the National Council for the Control of Narcotics and Psychotropic Substances (CONSEP) and the Codification of Resolutions, 2001 issued by the Superintendence of Banks and Insurance and the Banking Board, which contain "Rules for the Prevention of Money Laundering in connection with Illicit Activities, by Institutions Controlled by the Superintendence of Banks and Insurance". In addition, the country has an Internal Control Manual for Preventing Money Laundering from Illicit Drug Trafficking and Offenses criminalized under the Law on Narcotics and Psychotropic Substances, 1999.

¹ Ecuador reports that in February 2004, it submitted a Money Laundering Bill, which was approved at First Debate of the National Congress. The country gives priority to the approval of this Law, which has already been introduced to the Congress' Civil Commission for its final approval.



During the years 2002 - 2004, 44 suspicious transactions were reported (33 in 2002; 10 in 2003 and 1 in 2004) to the relevant authorities by the institutions responsible. However, the investigations for 2002 and 2003 were dismissed, and therefore no criminal proceedings were initiated, while the report made in 2004 is still under investigation.

It is possible for bank secrecy to be lifted in the country, for financial intelligence purposes and indictment.

During 2002, 13 sanctions were imposed on financial institutions in Ecuador, for not reporting suspicious transactions and another 16 for non-compliance with money laundering control regulations. In both cases, the minimum sanction was 5 times the minimum wage and the maximum, 200. In 2003 and 2004 no sanctions have been applied.

The country reports that there are no forfeited assets in connection with money laundering activities, but assets were forfeited as a result of illicit drug trafficking. CONSEP is responsible for administering and disposing of forfeited assets resulting from the offenses of illicit drug trafficking and conversion or transfer of assets which are the proceeds of illicit drug trafficking.

Ecuador does not have a Financial Intelligence Unit (FIU) as required by the Egmont Group. However, it indicates that the Technical Office of the Prevention Area of Money Laundering Resulting from Illicit Drug Trafficking of the Executive Secretariat of CONSEP, is responsible for analyzing, regulating, receiving and communicating information regarding transactions which might be associated with money laundering. It may consult bank accounts directly, through the Bank Board of Directors, in order to fulfill its duties. In the case of a bank, all transactions above US\$5,000 are registered with CONSEP and the accounts may be consulted directly. For transaction amounts below this threshold, the information must be requested from the Legal Representative of the bank concerned.

The above-mentioned CONSEP Technical Office shares information with other state and foreign institutions. In the latter case, the legislation in force does not require the signing of memoranda of understanding. However, the legal structure in Ecuador is such that information may not be shared with a foreign Financial Intelligence Unit without previously signing a corresponding Memorandum of Understanding.

With regard to international cooperation for preventing money laundering, Ecuador reports that during the years 2002-2004, it has not sent nor received requests for extradition nor for the lifting of bank secrecy, neither has it frozen assets. However, the country notes that the signing of treaties on this matter facilitates international cooperation.

The Ministry of Foreign Affairs is the central authority responsible for sending and receiving requests for international cooperation. In the case of extradition, the central authority is the President of the Supreme Court of Justice. The extradition of nationals is not permitted, without exception.

The country reports that it has provided training pertaining to the application of the Law on Narcotics and Psychotropic Substances (Law 108), and the Internal Control Manual to be carried out by the National Financial System to Prevent Money Laundering from Illicit Drug Trafficking and Related Offenses. This training was made available to 5 prosecutors and 3 administrative officers in 2002; 10 prosecutors and 1 administrative officer in 2003 and no officials in 2004.

CICAD views with concern that Ecuador does not have anti-money laundering legislation criminalizing money laundering in a broader scope that permits the punishment of such an offense when it originates from an act other than illicit drug trafficking, which is the only predicate offense currently considered.



CICAD also notes with concern that the country does not have a Financial Intelligence Unit (FIU) in accordance with the Egmont Group standards. Neither does the country have legislation that allows the use of special investigation techniques in money laundering cases.

RECOMMENDATIONS:

14. ENACT LEGISLATION CRIMINALIZING MONEY LAUNDERING AS AN AUTONOMOUS OFFENSE AND INCLUDE PREDICATE OFFENSES SUCH AS TRAFFICKING OF FIREARMS, HUMAN BEINGS, AND ORGANS, PROSTITUTION, PORNOGRAPHY, KIDNAPPING, EXTORTION, CORRUPTION, TERRORISM AND ITS FINANCING AND FRAUD, A RECOMMENDATION REITERATED FROM THE SECOND EVALUATION ROUND, 2001-2002.
15. CONSIDER THE USE OF SPECIAL INVESTIGATIVE TECHNIQUES, SUCH AS UNDERCOVER INVESTIGATIONS, ELECTRONIC SURVEILLANCE, USE OF INFORMANTS, CONTROLLED DELIVERIES AND SENTENCE REDUCTION FOR COOPERATING WITNESSES FOR THE INVESTIGATION OF MONEY LAUNDERING CASES.
16. ESTABLISH ADMINISTRATIVE CONTROLS TO PREVENT MONEY LAUNDERING IN REGULATED SECTORS, SUCH AS LAWYERS, NOTARIES AND ACCOUNTANTS.
17. ESTABLISH A FINANCIAL INTELLIGENCE UNIT (FIU) WITH THE CHARACTERISTICS RECOMMENDED BY THE EGMONT GROUP.

D. Corruption

Ecuador reports that during the evaluation period 2003-2004, the country has not amended any of the provisions which criminalize acts of corruption. These provisions which are contained in the Penal Code (1977), covers all the acts detailed in the Inter-American Convention against Corruption (1996), except offshore bribery of a public official. The crimes defined as offenses in the Criminal Code relating to offenses against the government, took effect pursuant to amendments in 1977, 1979, 1985, 1998, and 1999.

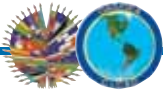
The information on the number of public officers arrested, tried and convicted for acts of corruption in connection with illicit drug trafficking, has not been provided by the country, since the Attorney General's statistical database does not contain details of whether or not those responsible for these acts are public servants.

During 2003, 5 public officers were arrested, 5 prosecuted and 1 convicted, for offences related to illicit drug trafficking in Ecuador. However, the country does not provide data for 2004.

CICAD notes that Ecuador has a legal framework that covers offenses criminalized in the Inter-American Convention against Corruption, with the exception of offshore bribery of a public official.

RECOMMENDATION:

18. EXPAND THE ATTORNEY GENERAL'S STATISTICAL DATABASE TO INCLUDE DATA ON PUBLIC OFFICIALS ARRESTED, TRIED AND CONVICTED FOR ACTS OF CORRUPTION IN CONNECTION WITH ILLICIT DRUG TRAFFICKING.



E. Organized Crime

Transnational organized crime is not criminalized in Ecuador, however the country indicates that its Penal Code is applied to combat this crime. National laws addresses all the major offenses associated with transnational organized crime as follows: participation in an organized criminal group, money laundering, corruption, obstruction of justice, trafficking in persons, illicit trafficking in migrants, illicit manufacture and trafficking of firearms, their parts, components, and ammunition on an international level. The latter crime is criminalized under special legislation. This law also provides for mutual joint legal assistance and for telephone tapping. Other major cooperation measures and special investigation techniques are not provided for in the country's legislation.

The principal institutions responsible for enforcing laws against transnational organized crime in Ecuador are the National and Judicial Police, the Office of the Attorney General and the Judiciary. The country advises that training programs are not available for its enforcement officials who need to be trained in investigation techniques, international conventions and technology. The country further notes that the Attorney General's Office may take part in training courses that its staff is invited to attend, but there have been no other efforts to obtain ongoing training programs.

Ecuador indicates that there are no mechanisms to carry out evaluations of the main institutions combating transnational organized crimes; neither are there systems in place to ensure that employees in this field are properly screened before hiring and periodically reviewed to ensure reliability in every respect. The country notes, however, that the 2004 - 2008 National Plan for Prevention, Preventive Alternative Development, and Drug Control includes in its guidelines the implementation of a program to evaluate different programs and projects being carried out by institutions committed to drug control, depending on the availability of financial resources.

CICAD notes Ecuador's need to update its legislation on transnational organized crime. Furthermore, CICAD notes that the country does not offer training programs for officials responsible for enforcing laws against transnational organized crime.

RECOMMENDATIONS:

19. UPDATE THE COUNTRY'S LEGISLATION ON TRANSNATIONAL ORGANIZED CRIME, IN ACCORDANCE WITH THE UNITED NATIONS CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME (2000).
20. PROVIDE ON GOING FORMAL TRAINING FOR OFFICIALS RESPONSIBLE FOR ENFORCING LAWS AGAINST TRANSNATIONAL ORGANIZED CRIME.



V. CONCLUSIONS

CICAD views with satisfaction that Ecuador's new Plan for Prevention, Preventive Alternative Development and Drug Control for 2004-2008 has been approved and that relevant Inter-American and United Nations conventions have been ratified. However, 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 still pending ratification. It is also noted that there is an effective network of information in operation.

CICAD views with concern that no studies have been conducted to measure the impact and effectiveness of prevention programs as recommended during the Second Evaluation Round, 2001-2002. However, it notes that the new National Plan 2004-2008 provides for these studies to be done. CICAD also notes the country's efforts to aim drug prevention activities at various sectors of the population, even though the coverage is very limited.

CICAD notes with satisfaction that there are legally-based mandatory standards of care for drug abuse treatment and that the country has instruments for the accreditation of treatment services and programs. However, CICAD notes the absence of reinsertion programs, networks for early detection, outreach, referral of cases and evaluation of treatment and rehabilitation programs. CICAD also views with satisfaction that during 2004, the country began a study targeting the national school population, but is concerned that to date no study of the general population has been undertaken as recommended during the Second Evaluation Round, 2001-2002.

The country has provided information regarding eradicated areas of illicit crops, but it has not yet developed a system to determine the total area cultivated, or to monitor the appearance of new crops as recommended during the Second Evaluation Round, 2001-2002. However, CICAD views with satisfaction the accomplishments of its Alternative Development Program.

CICAD also notes with satisfaction the country's efforts at controlling pharmaceutical products, but observes the need to establish procedures to monitor their use and distribution. With regard to monitoring controlled chemical substances, CICAD notes that the main obstacles faced are limited resources and technical training, but views with satisfaction that Ecuador has made progress in implementing mechanisms for controlling these products.

CICAD notes the efforts made and problems faced by the country in ensuring effective operational information sharing and collaboration among national authorities responsible for the control of illicit drug trafficking. CICAD encourages the country to persevere in developing a mechanism for a more dynamic inter-agency coordination and collaboration, and operational information exchange at the national level.

On the other hand, CICAD recognizes that the country has systems in place to monitor and control the movement of firearms and ammunition.

Regarding the area of money laundering and despite a Second Evaluation Round, 2001-2002 recommendation on this topic, CICAD views with concern that Ecuador has not yet enacted legislation to criminalize money laundering as an autonomous offense. Such legislation should include, as predicate offenses: the trafficking of firearms, human beings, and organs, prostitution, pornography, kidnapping, extortion, corruption, terrorism and its financing and fraud and should be used for the investigation of money laundering cases. In addition, CICAD recommends authorizing the use of special investigation techniques, such as undercover investigations, electronic surveillance, use of informants, controlled deliveries and sentence reduction for cooperating witnesses. CICAD also notes the country's need to establish a Financial Intelligence Unit (FIU) in accordance with the Egmont Group recommendations.



CICAD notes that Ecuador needs to update its legislation on the area of transnational organized crime, and to train its officials responsible for enforcing laws against this crime.

CICAD recognizes Ecuador's commitment to the MEM process together with the progress achieved and efforts made and takes note of the country's plans to overcome the problems faced.



VI. LIST 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 BUILDING

1. RATIFY 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).

DEMAND REDUCTION

2. DEVELOP PROGRAMS TO OFFER TECHNICAL LEVEL COURSES, UNIVERSITY DEGREES AND/OR PROFESSIONAL EDUCATION COURSES IN THE AREA OF DEMAND REDUCTION.
3. EXPAND NATIONWIDE COVERAGE OF PREVENTION PROGRAMS TO KEY POPULATIONS, SUCH AS, STUDENTS, WORKING AND STREET/ ABANDONED CHILDREN, WOMEN AND THE WORKPLACE.
4. CONDUCT STUDIES TO MEASURE IMPACT AND EFFECTIVENESS OF THE PREVENTION PROGRAMS CARRIED OUT, A RECOMMENDATION REITERATED FROM THE SECOND EVALUATION ROUND, 2001-2002.
5. ENSURE THAT PREVENTION PROGRAMS ARE ALLOCATED ADEQUATE FUNDING.
6. IMPLEMENT SOCIAL REINTEGRATION PROGRAMS AS WELL AS NETWORKS FOR THE EARLY DETECTION, OUTREACH AND REFERRAL OF CASES.
7. CARRY OUT EVALUATIONS ON TREATMENT AND REHABILITATION PROGRAMS.
8. CONDUCT A NATIONAL STUDY TO MEASURE THE MAGNITUDE OF DRUG CONSUMPTION WITHIN THE GENERAL POPULATION, A RECOMMENDATION REITERATED FROM THE SECOND EVALUATION ROUND, 2001-2002.

SUPPLY REDUCTION

9. DEVELOP A SYSTEM TO ESTIMATE THE AREA OF ILLICIT CROP CULTIVATION AND MONITOR THE APPEARANCE OF NEW CROPS, A RECOMMENDATION REITERATED FROM THE SECOND EVALUATION ROUND, 2001-2002.
10. ESTABLISH A FORMAL MECHANISM TO EVALUATE PROCEDURES FOR MONITORING THE USE AND DISTRIBUTION OF PHARMACEUTICAL PRODUCTS.
11. ESTABLISH A QUALITATIVE FORMAL MECHANISM TO EVALUATE THE EFFECTIVENESS OF THE ACTIVITIES REGARDING CONTROL OF PHARMACEUTICAL PRODUCTS CONDUCTED BY CONSEP AND THE LEOPOLDO UNQUIET PEREZ INSTITUTE FROM THE HEALTH MINISTRY.
12. ESTABLISH A FORMAL QUALITATIVE MECHANISM TO EVALUATE EFFECTIVENESS OF ACTIVITIES CONDUCTED BY CONSEP REGARDING THE MONITORING OF CONTROLLED CHEMICAL SUBSTANCES.



CONTROL MEASURES

13. UNDERTAKE A STUDY TO EXAMINE THE COUNTRY'S ILLICIT DRUG TRAFFICKING CONTROLS IN ORDER TO IDENTIFY DEFICIENCIES RELATED TO INTERAGENCY COORDINATION, COLLABORATION AND OPERATIONAL INFORMATION EXCHANGE AMONG INSTITUTIONS AT THE NATIONAL LEVEL AND DEVELOP A PLAN OF ACTION TO FACE THE PROBLEMS ENCOUNTERED.
14. ENACT LEGISLATION CRIMINALIZING MONEY LAUNDERING AS AN AUTONOMOUS OFFENSE AND INCLUDE PREDICATE OFFENSES SUCH AS TRAFFICKING OF FIREARMS, HUMAN BEINGS, AND ORGANS, PROSTITUTION, PORNOGRAPHY, KIDNAPPING, EXTORTION, CORRUPTION, TERRORISM AND ITS FINANCING AND FRAUD, A RECOMMENDATION REITERATED FROM THE SECOND EVALUATION ROUND, 2001-2002.
15. CONSIDER THE USE OF SPECIAL INVESTIGATIVE TECHNIQUES, SUCH AS UNDERCOVER INVESTIGATIONS, ELECTRONIC SURVEILLANCE, USE OF INFORMANTS, CONTROLLED DELIVERIES AND SENTENCE REDUCTION FOR COOPERATING WITNESSES FOR THE INVESTIGATION OF MONEY LAUNDERING CASES.
16. ESTABLISH ADMINISTRATIVE CONTROLS TO PREVENT MONEY LAUNDERING IN REGULATED SECTORS, SUCH AS LAWYERS, NOTARIES AND ACCOUNTANTS.
17. ESTABLISH A FINANCIAL INTELLIGENCE UNIT (FIU) WITH THE CHARACTERISTICS RECOMMENDED BY THE EGMONT GROUP.
18. EXPAND THE ATTORNEY GENERAL'S STATISTICAL DATABASE TO INCLUDE DATA ON PUBLIC OFFICIALS ARRESTED, TRIED AND CONVICTED FOR ACTS OF CORRUPTION IN CONNECTION WITH ILLICIT DRUG TRAFFICKING.
19. UPDATE THE COUNTRY'S LEGISLATION ON TRANSNATIONAL ORGANIZED CRIME, IN ACCORDANCE WITH THE UNITED NATIONS CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME (2000).
20. PROVIDE ON GOING FORMAL TRAINING FOR OFFICIALS RESPONSIBLE FOR ENFORCING LAWS AGAINST TRANSNATIONAL ORGANIZED CRIME.