



I. INSTITUTIONAL BUILDING/ NATIONAL ANTI-DRUG STRATEGY

Ecuador is making an effort to consolidate a regulatory base to cover all aspects of the drug problem; its National Anti-Drug Plan, which is in effect through the end of 2003, covers the following areas: institutional framework, demand reduction, supply reduction and control measures. The plan itself does not cover alternative development, but the central government has alternative development prevention programs aimed at preventing illicit crops through the Northern Border Development Unit (UDENOR).

The country currently is working on a preliminary draft of the Organic Drug Law which introduces the issue of Alternative Development. The law provides that this area will be incorporated as a function of the Executive Secretariat of the National Council to control Narcotics and Psychotropic Substances (CONSEP) through the reform of its Operational Organic Regulation and subsequent modification of the National Plan.

Ecuador is facing serious difficulties in applying its National Anti-Drug Plan. Its budget is limited by a Fiscal Austerity Decree that restricts public spending and does not allocate Central Government resources for the development of activities under the National Plan. International cooperation has not covered the foreseen expectations. The country's initiative towards creating a Consultative Group with a Table of Donors, held in October 2001 in Brussels, generated commitments to fund Alternative Development projects and programs under the auspices of UDENOR.

CONSEP is the national central authority responsible for coordinating the following activities: demand reduction, supply reduction, alternative development, control measures, information and statistics related to the drug problem and planning of national anti-drug plan activities. It is also in charge of coordinating international cooperation. It has an approved budget for the year 2002 of US \$ 2,794,499, of which 43% is allocated by the Central Government, 54% is expected to be funded by resources generated through self-financing and 3% funded by international entities. Of the amount budgeted by international resources, as of May of 2002 25% of what was initially anticipated has been received (US \$ 21,074, of which only US \$919 was in cash).

The Inter-American Drug Abuse Control Commission (CICAD) deems it worthwhile to point out that the national resources to develop the activities contemplated in the National Anti-Drug Plan are completely funded by income generated by CONSEP itself, including remuneration of its officials. As there is no contribution by the Central Government, it is impossible to continue projects that, while funded through international cooperation, require a national counterpart that CONSEP is unable to provide and the Central Government has not released the resources due to an austerity decree.

Even though it has support regulations and its Executive Board is composed of entities directly related to the drug problem, CONSEP has serious coordination and convocation problems at the corresponding levels, particularly problems related to control of pharmaceutical products and controlled chemical substances. The country hopes to be able to overcome these problems with the passage of the new Organic Drug and Money Laundering Act, a preliminary draft of which is being reviewed by the Executive Board of CONSEP and which provides that the President of the Republic shall appoint the highest official of the National Drug Council, with the rank of Minister of State and that the Attorney General's Office shall be incorporated into the Executive Board.

Despite CONSEP's efforts, it is possible to identify a shortage of centralized systems or computer support to manage databases shared by the different institutions involved, due essentially to the lack of economic and human resources. In view of this, Ecuador has requested technical and financial assistance from CICAD in order to maximize the operation of the Ecuadorian Observatory on Drugs which will provide a national level database for use by the different levels of government involved in the drug issue.



Regarding international conventions, in keeping with CICAD's recommendation from the First Evaluation Round 1999 - 2000, Ecuador ratified the Inter-American Convention on Mutual Assistance in Criminal Matters, but will not comply with Article eight of that instrument, because the Convention shall not apply to offenses that are within the exclusive sphere of competence of military legislation.

On September 17, 2002, Ecuador deposited its instruments of ratification of the United Nations Convention against Transnational Organized Crime and its Protocols to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children and the Protocol against the Smuggling of Migrants by Land, Air and Sea. It also delivered the texts of the statement and reservation with respect to the Protocol to Prevent, Suppress and Punish Trafficking in Persons and the statement and reservation related to the Protocol against the Smuggling of Migrants.

Ecuador has an Observatory that organizes, compiles and coordinates drug-related statistics and other information. However serious obstacles were identified stemming from the lack of a stable budget and of trained personnel to maintain it. The same obstacles impede publication by the government of an annual report on drug-related statistics and it does not have a formal mechanism in place to evaluate Ecuador's capacity to compile data. The resolution creating the Ecuadorian Observatory on Drugs is currently in the Ministry of Economy and Finances, with the aim of seeking funding allocation from the central government. In April 2002, the Ecuadorian Observatory on Drugs, with support from the Inter-American Drug Use Data System (SIDUC), conducted a study on drug use by secondary school students in the Quito Metropolitan District, the findings of which are pending.

In contrast, Ecuador, through CONSEP, has made an outstanding effort with a limited budget to use the Internet to distribute information and it carries out spots, radio announcements, posters, billboards and radio and television interviews with officials.

RECOMMENDATIONS:

- 1. REINFORCE EFFORTS TOWARD ENTRY INTO FORCE OF THE PRELIMINARY DRAFT ORGANIC DRUG LAW.**
- 2. MAKE THE NECESSARY EFFORTS TO ENSURE AN APPROPRIATE BUDGET TO SUPPORT THE NATIONAL ANTI-DRUG PLAN.**

II. DEMAND REDUCTION

Ecuador has a national demand reduction strategy that covers the prevention, treatment and research areas. Despite the progress made since the First Evaluation Round 1999 – 2000, the budget allocated continues to limit its implementation. In this sense, it is noted that what was indicated in the budget for 2001 (approximately US\$2.1 million) 1.74% was destined to prevention (US\$36,248), 0.63% to treatment and rehabilitation (US\$13,128) and 0.15% to research (US\$3,067).

In relation to extend and coverage of key populations, the country considers working children, street children and indigenous groups as a formal educational sector (pre-school, elementary and high school). In the case of indigenous groups, efforts were concentrated in areas affected by displacement.

CONSEP has validated approaches to intervention with children of and on the street and with youths in organizations in conflict (gangs) and, in the field of health, is helping to tap the experience acquired in diverse cultural groups with protective and preventive factors.



Ecuador has launched programs to comply with the recommendation from the First Evaluation Round 1999 – 2000 to prepare prevention programs for prisoners and covered 1.04% of the prison population. Six prison guards and 20 members of the media were also trained.

The country offers training to preventive agents such as teachers, youth leaders, health workers and social communicators, among others. It also has specialized professional training in the areas of treatment, prevention and research in the different schools of the University of Guayaquil. It should be highlighted that there is Masters degree program in the Nurse School of the mentioned University.

Due primarily to limitations related to budget, trained staff and technical resources, it is impossible for the country to systematically carry out research programs, surveys and activities to measure impact or effectiveness of the prevention programs it carries out.

Through CONSEP, the country conducts Internet information campaigns on prevention. In that connection, it has a National Network for Prevention, Treatment and Social Rehabilitation, which covers 19 of the 22 provinces.

RECOMMENDATIONS:

- 1. EXPAND NATIONAL STUDIES TO ESTIMATE PREVALENCE AND TRENDS OF DRUG CONSUMPTION IN THE GENERAL POPULATION OF THE COUNTRY AND IN PARTICULAR THE SCHOOL POPULATION.**
- 2. CONTINUE TAKING STEPS TO CARRY OUT STUDIES TO MEASURE THE IMPACT AND EFFECTIVENESS OF THE PREVENTION PROGRAMS THAT THE COUNTRY CARRIES OUT.**

III. SUPPLY REDUCTION

A. Drug Production and Alternative Development

The substantial difference from the First Evaluation Round 1999 - 2000 is the appearance of illicit crops. In this regard, in 2000 Ecuador identified 222 coca plants and 30 poppy plants, all of which were eradicated manually. In 2001 it identified and manually eradicated 120 coca plants. The country does not have data to estimate annual production potential.

Ecuador identifies the provinces of Carchi, Sucumbíos, Esmeraldas and Orellana, located to the northeast of the country, as affected areas of the displacement phenomenon due to the actions taken by neighbor countries in their fight against the drug problem. In this sense, CONSEP has strengthened the Zone Authorities in Esmeraldas and Carchi and has approved the creation of a Zone Authority for Sucumbíos with the objective of developing programs and projects that will help decrease the effects of this phenomenon.

Ecuador has found an increase in drug consumption in these provinces and the appearance of illicit crops in the province of Sucumbíos, which were destroyed. There is some information on the possible existence of coca illicit crops in the province of Carchi; however, up to today there has been no operations leading to the confirmation of this information. Consequently, the country has increased National Police and Army Forces in the borderline with Colombia in order to prevent that the crops and other manifestations of the drug problem are displaced to its territory.



A laboratory has been identified in Sucumbíos and the increase of controlled chemical substances and illicit drugs seized have been noted. Ecuador reports that the fundamental factor that has facilitated this new trend is the constant search by traffickers for new areas that are free of interdiction and fiscalization actions in the nearby areas.

When referring to the provinces of Carchi, Sucumbíos and Tena, knowing that commerce has decreased, unemployment has increased and the zone has been dolarized; the authorities of Ecuador are surprised to see the appearance of new rich people as well as the big amounts of money handled by the town people.

Ecuador, through the Northern Border Development Unit (UDENOR), has begun to execute several preventive alternative development projects totaling US\$77 million of which 93% corresponds to international cooperation, which have had a positive impact in the provinces of Carchi and Sucumbíos.

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

The National Directorate of Control and Fiscalization of CONSEP has Regional and Area Divisions nationwide that provide information on control of chemical substances and pharmaceutical products, to the extent possible. However, they have significant shortcomings for exchanging operational information and collaboration with the responsible entities.

The country has a system on annual needs of pharmaceutical products, based on historical consumption, but the lack of a single national control policy, together with the lack of human, material and financial resources, prevent it from exercising efficient control. CONSEP is in charge of maintaining the registry of medical, biochemical and pharmaceutical professionals responsible for handling these products.

Ecuador has been complying with the requirements of specialized international agencies. It has laws and regulations to impose penal and administrative sanctions for the diversion of pharmaceutical products and controlled chemical substances. In this regard, there has been a substantial drop in the number of administrative sanctions since the First Evaluation Round 1999 - 2000 (450 administrative sanctions and 14 penal sanctions) in 2000 and 2001 there were a total of 151 administrative sanctions and zero penal sanctions.

Ecuador does not export controlled chemical substances and therefore does not send pre-export notifications. Nonetheless, it has not yet taken steps to prevent the diversion of imported controlled substances. It replied to 100% of the notifications received. The country reports a lack of cooperation in the pre-export notification system on the part of some countries exporting controlled chemical substances.

RECOMMENDATIONS:

- 1. DEVELOP A SYSTEM WHICH WILL ENABLE TO DETERMINE THE EXTENSION AREA OF ILLICIT CROPS AND MONITOR THE APPEARANCE OF NEW CROPS.**
- 2. STRENGTHEN MECHANISMS TO IMPROVE COORDINATION AMONG DIFFERENT SECTORS INVOLVED IN THE DRUG PROBLEM.**
- 3. REITERATE THE RECOMMENDATION FROM THE FIRST EVALUATION ROUND 1999 - 2000 TO STRENGTHEN APPLICATION OF THE PRE-NOTIFICATION MECHANISM FOR COMMERCIAL TRANSACTIONS OF CHEMICAL SUBSTANCES, IN FULFILLMENT OF THE UN CONVENTION AGAINST TRAFFIC IN NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES, VIENNA, 1988.**



4. REINFORCE THE UNITED NATIONS QUOTA CONTROL SYSTEM TO PREVENT THE DIVERSION OF CONTROLLED PHARMACEUTICAL PRODUCTS.
5. IMPLEMENT AND CONTINUE EFFORTS TO REINFORCE ZONE AUTHORITIES IN THE NORTHEASTERN PART OF THE COUNTRY, ASSIGNING HIGHER PRIORITY TO ACTIONS BEING TAKEN IN THE REGION TO PREVENT THE CONSEQUENCES OF THE PHENOMENON OF DISPLACEMENT.

IV. CONTROL MEASURES

A. Illicit Drug Trafficking

Ecuador has judicial and administrative institutions responsible for investigating, controlling and eliminating illicit drug trafficking. The entities devoted to law enforcement are the: National Police, National Anti-Narcotics Office, Armed Forces and Customs Surveillance Service. The competent administrative institution is CONSEP and the judicial institutions are the Superior Courts in each province and the Supreme Court at the national level.

In contrast to the 1,436 drug seizure operations the country reported in 1999, in 2000 it only conducted 59 and in 2001, 62.

Type of Drugs	Unit of Measure	Quantity		
		2000	2001	2002 *
Heroin	gr.	108,715.00	253,636.52	189,439.00
Coca Paste	gr.	1,600,830.83	1,321,184.02	523,752.88
Cocaine Base	Envelope		3	
Cocaine Hydrochloride	gr.	1,707,587.39	10,921,145.10	4,614,033.05
Leaf Cannabis (grass)	gr.	18,263,357.66	3,079,376.22	1,571,008.23
Cannabis Seed	gr.	233		
MDMA (Ecstasy)	Pills		7	185
Others (specify)				
1. Heroin hydrochloride	gr.		1,002	
2. Codeine	gr.	31,432.47	4,025	
3. Liquid cocaine hydrochloride	gr.		4,516	
4. Tumps	Ampule	2		
5. Tryptanol	Ampule	9		
6. ZIAC	Ampule	10		
7. Phentanyl (Janssen)	Ampule	2,880		

* Note: This information is up to June 2002.



ECUADOR

The country reported a slight variation in the number of persons arrested for illicit drug trafficking, compared to the First Evaluation Round 1999 - 2000 – 1,236 persons were arrested in 2000 and 1,319 persons in 2001. Likewise, 1,608 persons were arrested for illicit drug possession in 2000; of those 422 were arrested for possession for personal use. In 2001, those numbers were 1,186 and 161 respectively. Ecuador does not criminalize possession of drugs for personal use.

In 2000, there were 157 convictions for illicit drug trafficking, corresponding to 23.93% of persons charged. In 2001, there were 272 persons or 30.49% of those charged.

In 2000, there were 192 convictions for illicit drug possession, corresponding to 22.56% of persons charged. In 2001, there were 148 persons convicted, or 25.69% of those charged.

Ecuador reported that it has laws that criminalize acts of corruption in accordance with the Inter-American Convention Against Corruption. It also reported that no public officials were convicted of corruption.

B. Firearms and Ammunition

Ecuador does not produce or export firearms. It has criminalized the illegal manufacturing, trafficking, importation and exportation of firearms and ammunition; the Joint Armed Forces Command is the only control mechanism and no information is available on this.

The country reports that National Judicial Police Directorate records show that, in 2001, 1,555 persons were arrested for possessing and trafficking in weapons and 872 in 2002. For possessing and trafficking in explosives, in 2001, 29 persons were arrested and seven in 2002. The National Judicial Council has a record of 128 convictions for possession and trafficking in weapons in 2001 and 68 such convictions in 2002. In both cases, 2002 figures pertain to the January-to-June period.

Ecuador does not have a system for identifying cases in which seizures of firearms and ammunition are related to arrests for illicit drug trafficking. The country does have computerized registries for firearm and ammunition imports; they are the responsibility of the Joint Armed Forces Command.

It did not record information on requests to receive or obtain information on shipments of firearms and ammunition, taking into account international agreements.

C. Money Laundering

Ecuador does not have a specific law on money laundering. Articles 55, 77 and 86 of the Narcotics and Psychotropic Substances Act constitute the legal framework regulating money laundering.

There is a financial intelligence unit within CONSEP called the Confidential Information Processing Unit (UPIR). It is responsible for analyzing, regulating and reporting findings. The Executive Secretariat of CONSEP is authorized to apply administrative penalties for failure to comply with decisions of the UPIR. The country states that its main impediment is a lack of means to investigate and act in the most efficient manner. Ecuador is associated with the Financial Action Task Force for South America (GAFISUD).

In 2001, only one person was arrested and charged for money laundering. There were no convictions.

There was a substantial increase in the number of suspicious transactions reported, jumping from 60 in 2000, to 2,300 in 2001. In 2000, 35 persons were accused of money laundering and none



were convicted. In 2001, 85 persons were accused and 10 convicted and in 2002, 126 have been accused, of whom 43 have been convicted. There is no information on the number of investigations conducted or the value of the assets forfeited.

In 2000, CONSEP imposed 24 administrative sanctions for failure to report suspicious transactions; it imposed 31 sanctions in 2001 and 4 sanctions in 2002. In 2000, there were 30 sanctions imposed for noncompliance with money laundering control laws and 23 sanctions in 2001. Judicial sanctions are the competence of the State judiciary. The institutions sanctioned were primarily those devoted to the international money transfer business.

The country reports that currently administrative controls have been extended throughout the Financial System, which will maintain its registers for a minimum of six years and indicates that external audits are in place to control the financial system's movements and transactions.

RECOMMENDATION:

- 1. EXTEND THE CRIMINALIZATION OF MONEY LAUNDERING TO INCLUDE AS PREDICATE OFFENSES OTHER SERIOUS CRIMES APART FROM ILLICIT DRUG TRAFFICKING AND THE OBLIGATION TO REPORT SUSPICIOUS OR UNUSUAL TRANSACTIONS.**

V. CONCLUSIONS

CICAD notes that the CONSEP is fulfilling an important role in the development of its integral strategy to confront the drug problem. However, it is hoped that it will ensure the necessary budget that will allow to finance human, technical and material resources for its full implementation.

CICAD acknowledges the efforts of CONSEP, particularly in demand reduction, emphasizing that the country has a Masters degree program in the Nurse School of the University of Guayaquil, even though it is not enough to cover the national demand.

CICAD is concerned that in supply reduction, the country has weaknesses in its coordination and control mechanisms, specially in controlled chemical substances, arms and ammunition, as well as in the prevention of the money laundering offense.

The vulnerability of the country due to its exposure to the displacement problem is also a concern. In this sense, Ecuador records the appearance of different manifestations of the drug problem, particularly in its northern border. These are the presence of coca illicit crops, storage installations and illicit trafficking of controlled chemical substances and the possible existence of drug processing laboratories. Since the geographic location of Ecuador makes its territory fragile to the production and illicit trafficking of drugs and controlled chemical substances, the authorities of the country are strengthening its control in its border with Colombia. They are creating and strengthening the Zones Authorities of CONSEP and increasing the Police and Army Forces.

CICAD values the efforts of the country in its commitment with the Multilateral Evaluation Mechanism (MEM).



SUMMARY OF RECOMMENDATIONS

1. **REINFORCE EFFORTS TOWARD ENTRY INTO FORCE OF THE PRELIMINARY DRAFT ORGANIC DRUG LAW.**
2. **MAKE THE NECESSARY EFFORTS TO ENSURE AN APPROPRIATE BUDGET TO SUPPORT THE NATIONAL ANTI-DRUG PLAN.**
3. **EXPAND NATIONAL STUDIES TO ESTIMATE PREVALENCE AND TRENDS OF DRUG CONSUMPTION IN THE GENERAL POPULATION OF THE COUNTRY AND IN PARTICULAR THE SCHOOL POPULATION.**
4. **CONTINUE TAKING STEPS TO CARRY OUT STUDIES TO MEASURE THE IMPACT AND EFFECTIVENESS OF THE PREVENTION PROGRAMS THAT THE COUNTRY CARRIES OUT.**
5. **DEVELOP A SYSTEM WHICH WILL ENABLE TO DETERMINE THE EXTENSION AREA OF ILLICIT CROPS AND MONITOR THE APPEARANCE OF NEW CROPS.**
6. **STRENGTHEN MECHANISMS TO IMPROVE COORDINATION AMONG DIFFERENT SECTORS INVOLVED IN THE DRUG PROBLEM.**
7. **REITERATE THE RECOMMENDATION FROM THE FIRST EVALUATION ROUND 1999 - 2000 TO STRENGTHEN APPLICATION OF THE PRE-NOTIFICATION MECHANISM FOR COMMERCIAL TRANSACTIONS OF CHEMICAL SUBSTANCES, IN FULFILLMENT OF THE UN CONVENTION AGAINST TRAFFIC IN NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES, VIENNA, 1988.**
8. **REINFORCE THE UNITED NATIONS QUOTA CONTROL SYSTEM TO PREVENT THE DIVERSION OF CONTROLLED PHARMACEUTICAL PRODUCTS.**
9. **IMPLEMENT AND CONTINUE EFFORTS TO REINFORCE ZONE AUTHORITIES IN THE NORTHEASTERN PART OF THE COUNTRY, ASSIGNING HIGHER PRIORITY TO ACTIONS BEING TAKEN IN THE REGION TO PREVENT THE CONSEQUENCES OF THE PHENOMENON OF DISPLACEMENT.**
10. **EXTEND THE CRIMINALIZATION OF MONEY LAUNDERING TO INCLUDE AS PREDICATE OFFENSES OTHER SERIOUS CRIMES APART FROM ILLICIT DRUG TRAFFICKING AND THE OBLIGATION TO REPORT SUSPICIOUS OR UNUSUAL TRANSACTIONS.**