

The Country of Return Information Project functions as a network of NGO's for the collection and transfer of specific information on reintegration possibilities for potential returnees and their counsellors.

All questions you may have on reintegration possibilities and on which you don't find the answer in this country sheet, can be directed to the helpdesk "Country of Return Information".

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COUNTRY SHEET

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The Country Sheet Ecuador is a product of the CRI project.

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Our local partners in Ecuador are:

✦ « El Centro de Documentación en Derechos Humanos “Segundo Montes Mozo S.J.” (CSMM)”, organisation specialized in human rights and good governance

✦ “Hebrew Immigrant Aid Society” (HIAS) specialized in humanitarian, social and legal assistance to Refugees

ABBREVIATIONS

BID	Banco Interamericana de Desarrollo
CEDATOS	Centro de Estudios y Datos
CELADE	Centro Latinoamericano y Caribeño de Demografía
CEPAL	Comisión Económica Para América Latina y el Caribe
CIF	valor CIF Centro de Información y Orientación para la Población Refugiada e Inmigrante
CINOR	
CIRE	Coordinación y Iniciativas para Refugiados y Extranjeros
CONADIS	Consejo Nacional de Discapacidades
CONELEC	Consejo Nacional de Electricidad
CONESU	Secretaria Técnica Administrativa
CONQUITO	Corporación de Promoción Económica del MDMQ
COVIPROV	Corporación de Vivienda Provincial
CPS	Programa Crédito Productivo Solidario
CRS	Catholic Relief Services
DAP	Declaración Aduanera de Pasajero
DAS	Declaración Aduanera Simplificada
ENEMEDU	Encuesta Nacional de Empleo, Desempleo y Subempleo Urbano
ESCI	delitos de la trata y la explotación sexual comercial infantil
FEDAEPS	Fundación Ecuatoriana de Acción y Educación para la Promoción de la Salud
FLACSO	Facultad Latinoamericana de Ciencia Social Sede Ecuador
FODI	Fondo de Desarrollo Infantil
HIAS	Hebrew Immigrant Aid Society
IESS	Instituto Ecuatoriano de Seguridad Social
IESS	Instituto Ecuatoriano de Seguridad Social
ILDIS	Instituto Latinoamericano de Investigaciones Sociales
IMF	Instituciones Microfinancieras
INEC	Instituto nacional de Estadísticas y Censos de Ecuador
INHMT	Instituto Nacional de Higiene y Medicina Tropical Leopoldo Izquieta Pérez
ISSFA	Fuerzas Armadas
ISSPOL	Policía y sus familiares
IVA	Impuesto al Valor Agregado
MBS	Ministerio de Bienestar Social
MCCH	Maquita Cusunchic Comercializando Como Hermanos
MDMQ	Municipio del Distrito Metropolitana de Quito
MIDUVI	Ministerio de Desarrollo Urbano y Vivienda
MSP	Ministerio de Salud Pública

OIM	Organización Internacional de las Migraciones
OIT	Oficina Internacional del Trabajo
ONG	Organización Non Gubernamental
OPS	Organización Panamericana de la Salud
PIB	Producto Interno Bruto
PREVIE	Programa de Retorno Voluntario de Inmigrantes desde España
REAB	Return and Emigration of Asylum Seekers ex Belgium
SECAP	Servicio Ecuatoriano de Capacitación Profesional
SELBEN	Sistema de Identificación y Selección de los Beneficiarios de los Programas Sociales
SIAN	Programa de alimentación para el desarrollo comunitario
SIV	Sistema de Incentivos para la Vivienda
TGF	Tasa Global de Fecundidad
TVPA	Ley de Protección de las Víctimas de la Trata de Personas y la Violencia
UE	Unión Europea
UNHCR	Alta Comisionado de las Naciones Unidas para los Refugiados
USD	US dolares (\$)
VARRP	Programa de Retorno Voluntario Asistido y de Reintegración

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1. Access to territory (from country of migration to region of return)

1.1. Documents

1.1.1 Travel documents required for persons desiring to return¹ and documents required in country of return²

A person desiring to return to Ecuador should voluntarily produce the same documents as any Ecuadorian citizen abroad. Current legislation considers as travelling documents: a passport, a safe-conduct, a special travel document known as the “blue passport” for refugees and stateless persons (those who have lost or relinquished their nationality/citizenship); as for national ID, it has also been accepted as a valid travel document following international conventions.³

Passport.- This is a document issued by competent authorities which enables Ecuadorians to travel abroad.⁴

National ID.- In case of loss of the main travel document (the passport), an Ecuadorian citizen residing abroad should contact his local Consulate, where upon verification of the citizen’s identity and nationality, a new passport shall be issued.

Certificate of nationality.- A copy of this document is used only in the exceptional case of a citizen losing both his passport and his national ID. An Ecuadorian citizen residing abroad shall apply via a family member or a friend for this document at the General Registry Office of his place of birth. Once his nationality confirmed by this document, his passport will be extended to allow him to travel.

Safe-conduct.- This is a document issued by diplomatic missions and consular offices abroad, free of charge, to Ecuadorian citizens who are destitute or confronted with an exceptional situation, in the sole purpose of returning to Ecuador.⁵

Ecuadorian citizens staying abroad may thus use whichever of the above mentioned documents if they only desire to return to Ecuador. For travelling to other countries, only a passport will be acceptable.

1.1.2. How to obtain necessary documents

The only condition to obtain a travel document is to prove one’s Ecuadorian nationality. It is sufficient to produce either a national ID or a certificate of nationality.

¹ Interview with Ms Consuelo González, technical secretary of Ambassador Fernando Cháves Dávila, director general de Documentos de Documentos de Viaje, Ministerio de Relaciones Exteriores (Quito, enero 25 del 2007).

² Interview with Javier Galarza, law assessor at the Dirección Nacional de Migración (Quito, January 23, 2007).

³ Codification of the Law on travel documents, Article 1 (Codificación 2005-005, Registro Oficial N° 562, abril 11 del 2005).

⁴ Reglement of the law on travel documents, Article 4 (Registro Oficial N° 537, septiembre 29 de 1994).

⁵ Codification of the Law on travel documents, Article 14 (Codificación 2005-005, Registro Oficial N° 562, abril 11 del 2005).

Passport.- Valid for 6 years following its issue.

National ID.- Valid for 12 years.

Certificate of nationality.- Valid until a new passport is issued.

1.1.3. Issuing fees for necessary documents⁶

Passport.- Passports are issued by the General Directorate of Travel Documents of the Ministry of Foreign Affairs in Quito (situated at the corner of Calle Roca and Calle Reina Victoria), for a fee of USD 78. The Regional Sub-secretariat in Guayaquil and the Regional Office in Cuenca charge USD 80. The fee is USD 100 in consulates abroad and the application may be processed around two weeks.

Certificate of Nationality.- It costs US\$1 and is issued by the *Dirección General de Registro Civil*.

A national ID can only be delivered if the applicant's data is present in a branch of the Registro Civil.

1.2. Return journey to country of origin

It is important to note that there exist many programmes whose aim is to assist voluntary repatriation. Their methods vary depending on the country.

The International Organization for Migration (IOM) is currently developing various programmes abroad to help Ecuadorians wishing to do so to return to their country⁷. Generally speaking, the assistance offered to persons participating in these programmes consists of:

- * Information/guidance useful for the return journey,
- * Help with necessary paperwork,
- * Issuing tickets,
- * A small travel allowance (50 euros),
- * In certain countries of departure, it is possible to obtain financial support for re-integration and/or continuing life in Ecuador.

For more information, please contact local offices of the IOM ("IOM Worldwide"):

<http://www.iom.int/jahia/Jahia/lang/en/pid/1>

SPECIFIC PROGRAMMES

Currently, three specific programmes to assist returning Ecuadorians exist in Europe.

Belgium

The REAB (Return and Emigration of Asylum Seekers ex Belgium) programme of the IOM helps organize the return trip by plane and process the paperwork. It may also

⁶ Decreto Ejecutivo N° 777, de septiembre 13 del 2000: Tarifas por los Servicios que presta la Dirección General de Registro Civil (Registro Oficial N° 170, de septiembre 25 del 2000), Artículo 1.

⁷ See: <http://www.inmigraex.org/documentos/doc31.pdf> - (accessed 9 February 2007).

assist the passenger at the airport if requested. The returnee receives an allowance of 250 € in cash upon arrival.

How to apply:

- **Contact a social service** or the **CIRE** (Coordination and Initiatives for Refugees and Foreigners: 02/629 71 80) where you can obtain information about IOM services and the REAB programme.

The person applying for him/herself or for his/her family may have indifferently the status of refugee, or a denied status of refugee, or the status of illegal alien. Please note that the definition of “voluntary return” according to the IOM includes people living in closed centres.

Access to IOM’s REAB programme is limited to once every 5 years. If you re-apply earlier, you will have to refund the cost of the last trip organized by the REAB.

ADDITIONAL HELP TO THE REAB PROGRAMME:

The **CIRE** (Coordination and Initiatives for Refugees and Foreigners) offers a **re-insertion aid for individuals and families** who circulate freely in Belgium and who wish to return to their country of origin. Via its “**Programme of re-insertion in the Country of Origin**” and the Re-Insertion Fund, the CIRE may finance a project of individual or family re-insertion. It has socio-professional orientation service which helps to determine what kind of re-insertion to choose.

The CIRE cooperates with organizations based in Quito that are specialized in socio-economic insertion and which upon request and if necessary help create a business plan, follow of the business’s development, organize training, job research and a personalized following of the individual or family.

The re-insertion aid is **€700 per person** individual and a maximum of **€1750 per family**; all this in material help only.

There is also a **€700 subsidy** specifically designed to help **vulnerable people** in the field they are most vulnerable in.

For more information, contact the **social services** or the **CIRE** directly:

+32 2 609 71 80- Julie Papazoglou

England:

IOM London is developing the **Voluntary Assisted Return and Reintegration Programme (VARRP)** in cooperation with the Home Office. Its aim is to assure sustainable returns on investment be helping people find income-generating jobs.

It is important to plan the activity chosen by the returnee and IOM Quito well before implementing it as its costs, aims, location, expectations and other factors need to be analyzed carefully.

IOM Ecuador has assisted approximately 88 persons from 2003 to May 2006 in various activities, micro-productive as well as educational. The Programme works under a budget reserved for its annual activities.

Telephone (toll free): 0800 783 2332

<http://www.iomlondon.org/varrp.php>⁸

Spain:

The aim of the *Programa de Retorno Voluntario de Inmigrantes desde España (PREVIE)* is to assist returning emigrants in finding a means of subsistence upon arrival and during the period of adaptation.

The first contact with beneficiaries is established at the IOM offices in Madrid so that the IOM in Quito be able later to forward the migrant's requests to the reintegration assistance service.

The exact amount of aid for each approved applicant is determined individually according to the number of persons in the family. The money is invested in different businesses via direct purchases to make sure the funds are allocated properly.

Furthermore, in order to guarantee the effectiveness of reintegration activity, beneficiaries are assisted during a period of three to six months.

This programme operates by receiving a service fee for every returnee. Between 2003 and 2006, 173 individuals have been assisted via an assistance fund upon returning. Between 2005 and 2006, twenty cases were treated within the initial phase of reintegration.

Contact: iommadrid@iom.int

Tel: +34 91 594 3670

<http://www.inmigraex.org/documentos/doc31.pdf>⁹

2.2.1. By airplane

Prices vary according to season and demand. Approximate prices are as follows*:

Brussels - Quito/Guayaquil:

1. IBERIA¹⁰: Approximately USD 1600
2. KLM: Approximately USD 1450/ 1600

* These prices include airport departure tax in Belgium.

For more up-to-date information, visit the airlines' websites:

Iberia: www.iberia.com

Air Europa : www.aireuropa.com

Continental Airlines: www.continental.com

Avianca: www.avianca.com

American Airlines: www.aa.com

Delta: www.delta.com

⁸IOM United Kingdom, Voluntary Assisted Return and Reintegration Programme- (accessed 1 March 2007).

⁹IOM España, Programa de Retorno Voluntario de Inmigrantes desde España (PREVIE) - (accessed 1 March 2007)

¹⁰ Iberia, tarifas,-<http://www.iberia.com/OneToOne/v3/home.do>- (accessed 1 February 2008).

1.3. Entry procedure¹¹

1.3.1 By air

When an Ecuadorian citizen returns to Ecuador without having broken any migratory law, the Migration Service authorities do not conduct the usual border control if there is no suspicion of fraud. If fraud is suspected, the traveller is interrogated and taken into custody. He/she may be arrested only with a warrant issued by a competent judge if there is reasonable suspicion of responsibility¹².

However, if a returning Ecuadorian had had his travel documents' validity extended in his country of residence, he/she will be briefly interrogated upon re-entry in order to find out the reasons for having those documents extended abroad. This is standard procedure and it permits to discard any possibility of fraud, as it is not unusual to have one's documents stolen or lost.

If an Ecuadorian citizen has upon re-entry a warrant issued against him or her for any act committed before leaving the country or for a migratory offence - like counterfeiting documents, or as the Ecuadorian Penal Code states, "*whoever has modified or counterfeited a passport or any other public travel document, national or foreign, or has used any of those document fraudulently, shall be punished by three to six years of imprisonment*"¹³, he or she will be arrested at re-entry.

1.4. Consequences of antecedents and personal status of returnees.

1.4.1 Consequences of refugee status or subsidiary protection.

NA

1.4.2. Consequences of a refugee status refusal.

NA

1.4.3. Consequences of an illegal departure from country of origin¹⁴.

If an Ecuadorian has left Ecuador illegally and wishes to come back, he or she shall be interrogated upon arrival to determine the circumstances of his or her departure - how it was achieved and who other was involved, among other questions. The citizen in question shall not be arrested if he or she is in possession of a valid travel document delivered by a consulate.

This means that the sole purpose of the interrogation is to learn more details about the persons who organized the transportation, the itinerary followed, the money involved in the process, etc.

¹¹ Interview with Katerine Renjifo, International Organization for Migration, IOM (Quito, January 25, 2007).

¹² Penal Code, Article 164 (Official Register Supplement N° 360, January 13, 2000).

¹³ Penal Code, Article 343 (Official Register Supplement N° 147, January 22, 1971).

¹⁴ Interview with Javier Galarza, law assessor at the Dirección Nacional de Migración (Quito, January 23, 2007).

1.4.4. Consequences of crimes committed abroad (risk of double sentencing)

When an Ecuadorian re-enters Ecuador, any criminal offence he may have committed abroad will not be prosecuted, except in the case in which he has committed a crime in Ecuador and has lived in a country that has signed a bilateral extradition agreement which allows for him to be judged in Ecuador. The Constitution of Ecuador states that “in no case shall an Ecuadorian citizen be extradited. He will be judged according to the laws of Ecuador”¹⁵.

Otherwise, if an Ecuadorian commits a criminal offence in his country of residence and is sentenced according to the laws of that country, he may be transferred to Ecuador to serve his sentence if the country in question has signed the aforementioned extradition agreement.

1.5. Customs regulations (how to obtain current regulations)

PROCEDURES FOR TRAVELLERS¹⁶

In Ecuador, goods imported for the personal use of a passenger are exempt from all exterior commerce taxes except a Customs handling fee.

Customs regulations specifically details procedures applicable to persons entering the country. Thus, if a Customs official deems necessary to subject certain pieces of luggage to a more thorough search, he is working according to these rules and is performing his duties.

More generally speaking, all persons entering Ecuador must fill out a form called “Formulario de Declaración Aduanera para Pasajeros” in which one lists the contents of one’s luggage. Merchandise (items to be sold or commercialized) shall be declared separately.

If a Customs official finds undeclared goods during a more thorough search of the passenger’s luggage, the goods shall be secured until the traveller justifies their origin and pays the applicable taxes.¹⁷.

What is considered as “personal belongings”.- These are articles transported by passenger travelling alone or with his or her family whose use can reasonably be deemed necessary during the journey; they shall be listed in the Declaración Aduanera de Pasajero (DAP). Any merchandise of commercial value or character is excluded from this list.

What items can be included in personal luggage.- The following items, whether brand new or used, will be considered as part of personal luggage as long as their personal use is evident and as long as their amount and value exclude them from commercial use:

- Clothes
- Cutlery.
- Jewellery and personal adornments.
- Books, magazines, photographic material and printed or written documents.

¹⁵ Article 25 (Registro Oficial N° 1, agosto 11 de 1998).

¹⁶ Customs of Ecuador - “Procedure”: <http://www.aduana.gov.ec/contenido/procViajeros.html> - (accessed 24 January 2007).

¹⁷ Entrevista con Raúl Arteaga, agente fedatario de aduanas (Quito, febrero 2 del 2007).

- Food and child care products.
- Tools and equipment for professional use.
- Wardrobes of artists, theatre companies, circuses, etc.
- Medicine and psychotropic substances, **with their appropriate medical prescription.**
- Wheelchairs, crutches, orthopaedic devices etc. used by disabled persons and whose necessity is proven.
- Camping equipment.
- Suitcases, bags, etc. needed to transport the traveller's luggage.
- Vinyl recordings, audio tapes, compact discs, audio and video cassettes, DVDs and video CDs; the total amount of these articles cannot exceed 30.
- One live pet, if conform to relevant sanitary regulations.
- A maximum of two musical instruments which can normally be carried by one person.
- A maximum of two sports articles which can normally be carried by one person.
- A maximum of five toys, video games or their accessories which can normally be carried by one person.
- A maximum of 205 grammes of tobacco, 20 packs of cigarettes or 50 cigars and 2 litres of liquor for travellers aged 18 or more. If the traveller produces a customs declaration as head of family, the allowance shall be doubled.
- A maximum of 10 rolls of photographic film or 10 camcorder cassettes.

The passenger must fill out the "Formulario de Declaración Aduanera para Pasajero" in which he or she must list in detail all personal belongings, or, if applicable, goods which are subject to tax.

If the passenger possesses any goods not considered as personal belongings, they will have to be described in the aforementioned formulary and shall be weighed and counted in order to determine the applicable taxes for each via the Simplified Customs Declaration - Declaración Aduanera Simplificada (DAS).

Which additional portable items may be included in the passenger's personal belongings? Any adult or head of family who presents a Customs declaration will be allowed to take one piece each of the following items, whether brand new or used:

- Camera
- Camcorder
- Mobile (cell) telephone
- Electronic agenda
- Audio or video playback device
- Portable TV (up to 14")
- Laptop computer with accessories
- Binoculars
- Projector
- Electronic calculator
- Tent.

Important notice.- If undeclared goods that should have been declared are found, they will be confiscated in accordance with Customs Organic Law.

The passenger will not be allowed under any circumstances to modify his/her declaration once it has been submitted to Customs.

Travellers cannot declare any third-party luggage as their own and cannot accept to transport goods not belonging to them.

Personal belongings of a passenger that have been declared as merchandise by Customs and which value exceeds US\$ 4000 according to official rates will have to comply with all formalities established by the Customs Organic Law and its General Regulations. Failing this, sanctions will be applied as stated in the Customs Organic Law¹⁸.

1.6 Access to region of return

1.6.1. Restrictions on domestic travel

There are no restrictions on domestic travel.

1.6.1.2. Practical obstacles

NA

1.6.1.3. Administrative restrictions

The only existing administrative restrictions on settling in Ecuador are those imposed on persons desiring to live in the Galápagos province or in the Región Insular, as specified by the Special Regime Law for the Conservation and Sustainable Development of the Province of Galápagos¹⁹.

1.6.2. Dangerous or inaccessible areas

[As described in 1.3.3. and 3.1]

1.6.3. Domestic transportation

Domestic transportation mostly relies on buses due to their low cost. Approximate prices of transport between provinces are as follows²⁰:

<i>ORIGEN</i>	<i>DESTINO</i>	<i>TARIFA (USD)</i>
QUITO	IBARRA	2.50
QUITO	TULCAN	4.95
QUITO	LATACUNGA	1.80
QUITO	AMBATO	2.75
QUITO	GUARANDA	4.65

¹⁸ Codificación de la Ley Orgánica de Aduanas, Artículos 80 a 95: De las infracciones aduaneras – <http://www.dlh.lahora.com.ec/paginas/judicial/PAGINAS/Ley.Org.Aduanas.CC.htm> - (accessed 22 February 2007).

¹⁹ Ingala, Presidencia de la República Instituto Nacional Galápagos - “Canje Credencial de Residencia”- <http://www.ingala.gov.ec>. (accessed 3 January 2008).

²⁰ Consejo Nacional de Transporte y Tránsito- Tarifas transportes Interprovincial”, January 2003, <http://www.cnttt.gov.ec/paginas/tarifas.html#> - (accessed 25 January 2007).

QUITO	PUYO	5.70
QUITO	RIOBAMBA	3.75
QUITO	CUENCA	8.65
QUITO	LOJA	12.65
QUITO	ESMERALDAS	6.25
QUITO	BABAHOYO	6.00
QUITO	GUAYAQUIL	8.25
QUITO	MACHALA	10.15
QUITO	PORTOVIEJO	7.00
QUITO	TENA	6.50
QUITO	LAGO AGRIO	13.30
QUITO	MACAS	11.25

<i>ORIGEN</i>	<i>DESTINO</i>	<i>TARIFA USD</i>
GUAYAQUIL	BABAHOYO	1.50
GUAYAQUIL	GUARANDA	4.10
GUAYAQUIL	RIOBAMBA	4.60
GUAYAQUIL	AMBATO	7.80
GUAYAQUIL	LATACUNGA	7.00
GUAYAQUIL	QUITO	8.25
GUAYAQUIL	IBARRA	10.65
GUAYAQUIL	TULCAN	12.90
GUAYAQUIL	ESMERALDAS	9.20
GUAYAQUIL	PORTOVIEJO	4.25
GUAYAQUIL	AZOGUES	4.20
GUAYAQUIL	CUENCA	4.80
GUAYAQUIL	MACHALA	4.15
GUAYAQUIL	LOJA	8.90

There are, however, domestic air links, whose approximate prices are listed below:
AEROLINEA ICARO²¹:

<i>ORIGEN</i>	<i>DESTINO</i>	<i>TARIFA (USD)</i>
QUITO	GUAYAQUIL	- 70.70 (adults) - 39.90 (old or disabled person) - 15.26 (children)
QUITO	CUENCA	- 69.40 (adults) - 39.25 (old or disabled person) - 15.13(children)

²¹ Compañía Aérea Icaro, <http://www.icaro.com.ec> – (accessed 3 January 2008).

QUITO	LOJA	- 88.25 (adults) - 48.68 (old or disabled person) - 17.02 (children)
QUITO	ESMERALDAS	- 58.00 (adults) - 33.55 (old or disabled person) - 13.99 (children)
GUAYAQUIL	QUITO	- 66.85 (adults) - 36.05 (old or disabled person) - 6.16 (children)

AEROLINEA TAME²²:

ORIGEN	DESTINO	TARIFA (USD)
QUITO	GUAYAQUIL	1.87.50 (adultos) 2. 50% of discount for babies 3. 10% of discount for children
QUITO	CUENCA	4.85.26 (adultos) 5. 50% of discount for babies 6. 10% of discount for children
QUITO	ESMERALDAS	7.59.50 (adultos) 8. 50% of discount for babies 9. 10% of discount for children
QUITO	LOJA	10.89.74 (adultos) 11. 50% of discount for babies 12. 10% of discount for children
GUAYAQUIL	QUITO	13.83.65 (adultos) 14. 50% of discount for babies 15. 10% of discount for children
GUAYAQUIL	CUENCA	16.66.85 (adultos) 17. 50% of discount for babies 18. 10% of discount for children

All prices include airport taxes and 12% VAT.

²² Compañía Aérea Tame, <http://www.tame.com.ec/tame/tarifas/default.asp> - (accessed 3 January 2008).

2. PHYSICAL SAFETY (IN THE DISPUTED REGION)

2.1. Expected armed conflict

Ecuador does not expect any armed conflict that might trigger a civil war or armed conflict.

2.2. Regions with high levels of security risks (political, inter-ethnic or inter-religious tensions)

It should be pointed out that in the northern border zone, due to Colombian armed and political conflict, the Ecuadorian government has deployed a greater military presence to ensure the safety of its inhabitants²³. The provinces of the northern border (Esmeraldas, Carchi and Sucumbíos, as well as Imbabura, Orellana and Napo), because of their location, are the provinces with the greatest vulnerability in terms of the intensity of the Colombian conflict in the border areas of Ecuador.

Even though the area of special focus in terms of security is the northern strip of the country, given not only the proximity of the social, political and armed Colombian conflict but also the wide socio-economic gaps, the presence of violence and the lack of security, factors that affect the quality of life for the people²⁴, it is not possible to accept that the existing violence on the northern border is simply a result of the Colombian conflict.

The homicide and crime rates as well as the occurrences of violated rights in the provinces of the northern border serve to support this hypothesis.

Comparative homicide rates on the northern border²⁵
(x/100,000 inhabitants)

Provinces / Years	1990	1995	1999	2004	2005	2006*
Carchi	9.6	12.8	18.8	4.5	7.53	9.47
Sucumbios	23.3	17.9	33	57.9	48.82	38
Esmeraldas	23.8	30.4	33.6	52.3	42.2	28.5
Ecuador	10.3	13.4	14.8	12.5	11.03	15.94

* Only homicides up until September 2006 are recorded.

The country has thus lived with this reality which was exacerbated following the set up of the anti-narcotics and counter-insurgency strategy called the “Colombia Plan” in 1990, which has been primarily based on military support and fumigation programmes using aerial sprays and backed by the neighbouring United States government. Since then, thousands of dollars have been invested to support these activities.

²³ Moreano Urigüen, Hernán, *Colombia y sus vecinos frente al conflicto armado*, Quito, FLACSO / Abya Yala, 2005, page 147.

²⁴ Ciudad Segura-Programa de Estudios de la Ciudad de la Facultad Latinoamericana de Ciencias Sociales (FLACSO Ecuador) - http://www.flacso.org.ec/docs/ciudad_segura10.pdf - (accessed 26 February 2007).

²⁵ The data for 1990, 1995 and 1999 are from the Report on Violence and Citizen Safety (2003) from FLACSO Ecuador branch. The data for 2004, 2005 and 2006 are from the ARMOR Group (2006).

Another factor that allows us to continue with this analysis is the increase in the number of people leaving Colombian territory, crossing the international border and seeking protection in Ecuador.

According to the United Nations High Commissioner for Refugees (UNHCR), in June 2005, the people viewed as being of “interest” to this international organisation was in the region of 219 thousand, of whom 184 thousand were “invisible”²⁶.

DISTRIBUTION BY STATUS		
STATUS	POPULATION	%
Recognised Refugees	11,492	5.2%
Other Registrations	25,173	11.5%
Resettled and Repatriated	1,248	0.6%
Others of Interest (invisible)	184,327	83.9%
TOTAL JUNE/05	219,744	

Source: UNHCR Ecuador

This situation is a result of the serious humanitarian crisis experienced by Colombia but has not been recognised by the Colombian government due to political implications.

However, during the recent visit to Ecuador by António Guterres, United Nations High Commissioner for Refugees, there was recognition of the complex situation of the thousands of people seeking refugee status in Ecuador, possibly up to 250 thousand people, and the political desire of the State and the Ecuadorian people to take them in and offer them protection²⁷.

2.3. Crime

2.3.1. A region with a very high level of crime (physical safety that could be threatened)²⁸

According to the National Judicial Police Office, the provinces with higher levels of crime are: Pichincha and Guayas, whose capitals are the two largest cities in the country, Quito and Guayaquil respectively. To a lesser extent, according to the same source, the following provinces also feature: Manabí, El Oro, Los Ríos, Esmeraldas, Azuay, Imbabura and Chimborazo.

Crime reported to this body relates mainly to Pichincha and Guayas, respectively accounting for 31.8% and 29.9% of the total crime reported nationally in 2006.

The province of Pichincha accounts for 18.79% of the arrests made by the National Judicial Police in 2006, while Guayas accounts for 33.9%. These figures clearly show that these two provinces have the highest national levels of both reported crime and

²⁶ De la Vega M., Pablo A., *Migración irregular, políticas públicas y derechos de los niños, niñas y adolescentes* (Paper in the International Seminar-Workshop “Family, Childhood and Migration), Quito, mimeo, March 2005, page 4.

²⁷ United Nations High Commissioner for Refugees ends his visit to Ecuador - http://www.acnur.org/index.php?id_pag=6159 – (accessed 29 March 2007).

²⁸ Interview with Colonel Oscar Acosta Muñoz, Head of National Police (Quito, 31 January 2007).

arrests. Of these arrests, 95.46% are Ecuadorians, 2.20% Colombians and 1.67% Peruvians²⁹.

To return to the northern border analysis, between 2000 and 2004, the province of Sucumbios accounted for the highest rates of sex crimes.

Comparative rates of sex crimes

Provinces / Years	2000	2002	2003	2004
Esmeraldas	19.3	20.7	32.4	36.3
Carchi	13.8	8.4	6.4	10.9
Sucumbíos	47.1	57.7	64.2	49.1
Ecuador	15.7	23.4	24.8	22.2

Source: National Judicial Police Office, Statistics Department.

2.3.2. Risk of being a victim of human trafficking³⁰ and Risk of being a victim of forced prostitution³¹

Ecuador has no precise studies on this problem, however the International Labour Organisation (ILO) estimates that there are about 5000 children and adolescents being used for sexual exploitation purposes. There is also a high percentage of labour exploitation, begging and organ trafficking³².

The majority of victims are people from low and medium-low economic backgrounds, who come from small towns and who are transported to the larger cities.

Citizens are also taken out of Ecuador and sent mainly to Colombia, Peru, Venezuela and Europe³³.

In December 2006, the country joined the “Llama y Vive” Campaign, promoted by the Inter-American Development Bank (IDB), the International Organization for Migration (IOM) and the Ricky Martin Foundation, together with regional and local organisations, with the aim of preventing and raising awareness among people about human trafficking crimes.

The 101 telephone number was set up for people to call for reporting cases of human trafficking, in total anonymity.

The Ecuadorian government has taken significant steps towards combating trafficking crimes³⁴. On 31 August 2004, Executive Decree No. 1981 was published and created the Commission for developing a National Plan to combat kidnapping, illegal immigrant trafficking and sexual and labour exploitation; as well as other forms of

²⁹ National Police Office, Statistics Department.

³⁰ Interview with Oscar Acosta Muñoz, Head of National Police. (Quito, 31 January 2007).

³¹ Follow-up meeting of the “2nd World Congress against Commercial Sexual Exploitation of Children”. UNICEF

³² Regional Office for Latin America and the Caribbean of the International Labour Organisation – International Programme for the Eradication of Child Labour – Draft of “Línea de Base: Dimensión, naturaleza y entorno de la explotación sexual comercial” http://www.oit.org.pe/ipec/documentos/lb_final_esci_ecuador.pdf - (accessed 26 February 2007).

³³ Regional Campaign against Human Trafficking “Llama y Vive” - www.llamayvive.org - (accessed 1 February 2007).

³⁴ Interview with lawyer Roberto Mancino, Social Communication Adviser at the National Institute for Childhood and Family (INNFA).

exploitation and prostitution of women, children and adolescents, child pornography and corruption of minors³⁵.

On 23 June 2005, the Penal Code was reformed and classified trafficking crimes and commercial sexual exploitation of children (ESCI) through the “Amendment Act of the Penal Code which classifies crimes of sexual exploitation of minors”³⁶. Perpetrators of these crimes get ordinary imprisonment of six to nine years, where there is no sexual exploitation. If the victim is a person less than eighteen years of age, the punishment is extraordinary imprisonment of nine to twelve years³⁷.

Mention should also be made of the State Department Report from the United States of America on Human Trafficking (6 June 2006), which is based on the “Trafficking Victims Protection Act” (TVPA)³⁸, in order to show its assessments on this matter. This takes an approach centred on the victims in order to deal with human trafficking, combining the objectives of the fight against crime and the respect for human rights.

In this context, the US State Department in its latest report (2007) highlights the approval and validity of the National Plan for Combating Human Trafficking, written together with public organisations and civil society, and indicates the State’s commitment to completely defeat this crime. The report also highlights the efforts made by the Ecuadorian Government in identifying and helping victims of trafficking through a victim and witness protection programme which during the period covered by the report helped 27 victims, providing them with shelter, medical care, psychological support and education assistance for their children.

The report also praises the follow-up of the INNFA national education campaign which was set up in 2006 to raise public awareness via the radio, television, information points at concerts and billboards. It goes on to highlight the Ministry of Tourism’s national campaign against sexual tourism which involves 11 public organisations and is designed to raise public awareness. It also recognises the efforts made by the Ecuadorian Government in setting up a police force targeting human trafficking in Guayas and a national unit for protecting victims and witnesses of human trafficking. Mention is also made of the efforts of police and the public prosecutor’s office in investigating more than 100 cases of human trafficking (consulted Monday 7 January 2008).

³⁵ Official Register of Ecuador - Tuesday, 31 August 2004 - R. O. No. 410-
<http://www.dlh.lahora.com.ec/paginas/judicial/PAGINAS/R.O.Agosto.31.2004.htm#anchor178646> -
(accessed 1 February 2007).

³⁶ Ministry of Foreign Affairs Ecuador -
http://www.mmrree.gov.ec/mre/documentos/ministerio/academia/documentos/trata_usaid.pdf - (accessed 1 February 2007).

³⁷ Penal Code. Chapter III.1. on crime relating to human trafficking (Amendment Act of the Penal Code which classifies crimes of sexual exploitation of minors, Law 2005-2, Official Register N° 45, 23 June 2005).

³⁸ United Nations High Commissioner for Refugees (UNHCR) - “State Department Report from the United States of America on Human Trafficking” - 6 June 2006-
<http://www.acnur.org/biblioteca/pdf/4233.pdf> - (accessed 1 February 2007).

2.3.3. Effectiveness of protection (capacity, competence, corruption etc.)

2.3.3.1. Police Forces³⁹

The Public Ministry, through the Authority responsible for Victim and Witness Protection, is responsible for proposing and executing policies for the efficient operations of the “Protection and Assistance Programme for Victims, Witnesses and others involved in the Penal Process”⁴⁰.

The legal basis of this Programme is its Regulation⁴¹ which was published in Official Register No. 671 dated 26 September 2002.

It is designed for all people who through cooperating with the Penal System have been subject to threats and aggression: victims, witnesses, families with blood relations up to the fourth degree and others involved in the legal process such as: public prosecutors, experts, judicial workers, police officers and their families.

The Programme offers the following services:

19. Immediate shelter;
20. Police protection;
21. Medical help;
22. Psychological help;
23. Financial assistance if people have changed residence;
24. Assistance in finding work; and
25. Support so that children and young people can continue studying.

Nevertheless, Public Ministry workers have said through the media that the witness protection is not a complete plan, as there are insufficient resources and inadequate infrastructures for protecting not only the victims or the witnesses, but also the families who are often left defenceless⁴².

The model for verbal charges required a reformulation of the functions for each of the Penal System Institutions. Within the new system, the Judicial Police is an ancillary body of the Public Ministry, acting under the direction of the Public Prosecutors who are responsible for the technical and scientific investigation of the crime, all the while respecting the person’s rights.

In order to efficiently coordinate this role, the Public Ministry created the Coordination Authority with the Judicial Police, where the main aims are to:

- Coordinate the joint work between the Public Prosecutors and the staff of the Public Ministry and the Judicial Police;
- Provide specialist training for the Judicial Police staff;
- Receive complaints that Penal System users make in this area;
- Evaluate the role of members of the Judicial Police⁴³.

³⁹ Interview with Colonel Oscar Acosta Muñoz. Head of National Police (Quito, 31 January 2007)

⁴⁰ Public Ministry - “Penal Policy – Programme for the Protection of Victims and Witnesses - http://www.fiscalia.gov.ec/pol_penal/prog_prot_vict_test.html - (accessed 1 February 2007).

⁴¹ Official Register of Ecuador No. 671 - Thursday 26 September 2002 - <http://www.dlh.lahora.com.ec/paginas/judicial/PAGINAS/R.O.Septiembre.26.2002.htm#anchor360068> - (accessed 1 February 2007).

⁴² El Universo newspaper - Protección a testigos - Plan a medias - 27 February 2007- <http://www.eluniverso.com/2007/02/27/0001/10/55152C1018434430AFFBF726BE828166.aspx> - (accessed 27 February 2007).

However, the current President of the Republic, economist Rafael Correa Delgado, has decided to set up a “Support Committee for Modernisation of the Police Force”, where the aim is to prepare initiatives and develop proposals for organising the planning, supervision, monitoring and evaluation of the institution. This Committee is made up of various general officials, not in active service, and includes an academic and a human rights activist, among other members⁴⁴.

It is hoped that this Committee will put forward practical proposals resulting in the implementation of recommendations such as those presented by Amnesty International in its follow-up report on police justice⁴⁵ and especially promote the adoption of a law for constitutional development of Article 183, section four, which states that the National Police “shall be under the supervision, evaluation and control of the National Police Council”.

2.3.3.2. Judicial order

One of the most serious structural problems in the country is the state of the judicial administration.

With the exception of naming the two latest high-ranking state officials, enacted by the current National Congress during the government of President Rafael Correa, the other recommendations have still not been implemented.

The latest report on the justice administration system in Ecuador is not encouraging. The Second Evaluation of the Legal Process System covering the period 2003-2005 and carried out by the Esquel Foundation⁴⁶, concludes that the Judicial Function has not made any change in its management methods and work systems. However, the Public Prosecutor’s Office has increased the number of prosecutors, made improvements in the infrastructure, furniture and technology tools, and developed a programme to reduce reporting.

The Judicial Police have continued depending on the National Police and in its relationship with the Public Prosecutor’s Office red tape still predominates.

The Public Defence body is not currently expecting the “Organic Law” necessary for providing an institutional aspect to this sector of justice.

All these factors and the continued corruption⁴⁷ in the Judicial Service unfortunately do not offer an encouraging picture for the full enforcement of human rights, notably of the citizens and politicians in the country.

Between November and December 2004, Ecuador experienced a serious institutional crisis through the non-constitutional dismissal of the members of the Constitutional Court, the Electoral Supreme Court and the Justice Supreme Court, a situation that received the attention of the international community and that led to intervention at the highest level, through the good offices of the Special Rapporteur in relation to the independence of magistrates and lawyers. Its different reports and recommendations were presented to the Human Rights Commission of the United Nations and to the highest authorities in Ecuador, as well as the international

⁴³ Public Ministry – Penal Policy – Accreditation with the Police Force – http://www.fiscalia.gov.ec/pol_penal/coord_pol_jud.html - (accessed 1 February 2007).

⁴⁴ Presidency of the Republic – President calls on the Police to be closer to the citizens – <http://www.presidencia.gov.ec/noticias.asp?noic=8648&hl=true> – (accessed 29 March 2007).

⁴⁵ See: Ecuador: Promesas Incumplidas - Continúa la Impunidad en el Fuero Policial, Índice de AI: AMR 28/018/2004, November 2004, pages 19-23.

⁴⁶ Esquel Foundation - Justice and Society Fund - http://www.esquel.org.ec/?til=d_proyecto&id_pro=40 – (accessed 8 March 2007).

⁴⁷ Civil Control Commission for Corruption: Evidence of bribery in the Justice Administration – <http://www.comisionanticorrupcion.com/detallenoticias.htm> - (accessed 5 March 2007).

organisations that intervened to help ensure that the country return to a State of Law⁴⁸.

During two visits⁴⁹ to Ecuador, the Special Rapporteur Leandro Despouy recommended “the need to urgently undertake reforms across the entire judicial system, notably:

3. A new Organic Law for the Judicial Function;
4. A law that standardises and guarantees the judicial process;
5. The true realisation of the principle of jurisdictional unity;
6. The set-up of an efficient public defence body; and
7. The immediate appointment of a General Regulator and Minister responsible for Public Prosecution”

⁴⁸ Office of the United Nations High Commissioner for Refugees (UNHCR)- <http://daccessdds.un.org/doc/UNDOC/GEN/G06/105/09/PDF/G0610509.pdf?OpenElement> – (accessed 5 March 2007).

⁴⁹ The first from 13-18 March 2005 and the second from 11-15 July 2005.

3. SOCIAL SECURITY AND REINTEGRATION⁵⁰

3.1. Regions with no possibility of re-integration or return

During the last seven years, volcanic activity and the worsening of internal violence in Columbia has redrawn the map of risks in Ecuador.

Volcanic activity

Volcanic activity has affected the lives of thousands of Ecuadorian citizens in varying degrees, and has also had a negative impact on the economy of the region.

Among the currently dangerous volcanoes, especially in areas of returning emigrant population, Tungurahua and Cotopaxi are particularly threatening.

The Tungurahua volcano has had periodic steam and ash eruptions since 1999. It is still having a negative effect on the economy of a large portion of the provinces of Tungurahua and Chimborazo. Seven cantons (Cusúa, Bilbao, Palitahua, Cotaló, Yuibug Chico, Yuibug Grande) are in a state of emergency. Moreover, the possibility of this volcano wreaking even more havoc cannot be ruled out. The map of danger zones around Tungurahua provides a detailed picture of areas threatened by pyroclastic flows, lava flows and lahars which require permanent surveillance in order to limit the loss of life in case of an eruption, especially in the town of Baños and around the western slopes of the mountain.

For precise information on volcanic activity, consulte the website of the Geophysic Insitute of the National Polytechnical School: www.igepn.edu.ec

“As far as the Cotopaxi volcano is concerned, although it has not erupted yet, abnormal activity has been observed and preparatory measures should taken for the eventuality of an eruption.”⁵¹

Internal warfare in Columbia

As for the deteriorating conflict in neighboring Columbia, as mentioned in point 3.2, provinces adjacent to the Colombian border - Carchi, Sucumbíos, Imbabura and Esmeraldas - have been particularly affected. They have become a destination for Colombians seeking refuge from upheavals in their country. According to the UNHCR, among the half million Colombians living in Ecuador today, some 250,000 need international protection. About 45,000 Columbians have applied for refugee status in Ecuador, but until now only around 14,000 applications have been approved.⁵²

This situation has put a strain on services provided by local authorities. “Officially, there are about 44,000 Colombians spread over 12 municipalities. Sucumbíos province still

⁵⁰ Compiled by the *Hebrew Immigrant Aid Society – Ecuador* (HIAS), e-mail: hias@hias.org.ec

⁵¹ Anibal Salazar Albán, *Proyecto del Sistema de Alerta Temprana y apoyo a la gestión del riesgo natural*, Revista No. 2, Defensa Civil., pg. 10, 2006,

<http://www.defensacivil.gov.ec/docs/boletines/articulosrevista.pdf>, accessed June 4, 2007

⁵² s/a, Colombia, Cuba y Haití encabezan lista de refugiados en América, *El Comercio*, s/pg., 19 Junio 2007,

http://www.elcomercio.com/solo_texto_search.asp?id_noticia=77236&anio=2007&mes=6&dia=19, retrieved on June 20,2007.

has no comprehensive strategy of dealing with the refugees. Local authorities and aid organizations work separately. Lago Agrio canton has the second largest refugee population in Ecuador after Quito.⁵³

3.2. Housing and accomodation

3.2.1. Restitution of private homes to their legal owners and/or compensation (in former zones of armed conflict or natural disasters)

Protection of private property

The Constitution and other laws guarantee the protection of private property in Ecuador.⁵⁴ One of the conditions needed to assure keeping private is to be in ownership of the property, which simply means “possession of a particular object with the intention of being owner or steward, either by possessing the object him or herself, or on behalf of another person. A person is considered the owner until someone else can prove to the contrary.”⁵⁵

Whenever a person has bought, exchanged or acquired a good via donation, and has abandoned said good or entrusted it to a relative, the person deemed the possessor has the right to claim his or her rights as lawful possessor as long as he or she has the deed and has not transferred the property.

However, if someone lays a claim to premises which he or she has occupied for fifteen years, the person may initiate a judicial procedure called “prescripción extraordinaria de dominio”, or “exceptional property transfer”, as long as several conditions of occupation have been respected, namely that the occupation has been a) peaceful, b) openly treated as the claimant’s property, and c) uninterrupted for at least 15 years.

If that person is the owner but is not in possession of the building, he or she can make a “revindicación o acción de dominio” (property claim), asserting that he or she is owner of a single property which is not in his or her possession and thus compelling the person in current possession of the property to return it to the owner.”⁵⁶ Re-possession may be carried out for these purposes.

A person continues to be the owner of a property even if it has been rented, loaned gratuitously, provided for usufruct or used as a lien.

Protection of private property in cases of natural disasters

If a property has been flooded or otherwise affected by a natural disaster, its ownership remains intact until the effects of the disaster have subsided.⁵⁷

As far as the constant eruptions of Tungurahua are concerned, in order to compensate for damage occurring in areas exposed to the danger, the Ministry of Urban

⁵³ s/a, La atención a los refugiados en el norte tiene mejoras, El Comercio, s/pg., s/f, http://www.elcomercio.com/noticiaEC.asp?id_noticia=118548&id_seccion=10http://www.elcomercio.com/noticiaEC.asp?id_noticia=118548&id_seccion=10, retrieved June 20, 2007

⁵⁴ Constitution of the Republic of Ecuador, Article 23.23.

⁵⁵ Civil Code, Article 734

⁵⁶ Civil Code, Article 953

⁵⁷ Civil Code, Article 688.

development (Ministerio de Desarrollo Urbano y Vivienda) has developed housing and roof replacement schemes for the affected families, especially in the provinces of Chimborazo and Tungurahua.⁵⁸

Useful addresses for legal help and consultancy

For more information and for assistance with legal matters, you may turn to one of various free or inexpensive services provided by:

In Quito:

- *Pontificia Universidad Católica del Ecuador* (Foundation of Free legal advice services). Address: Ladrón de Guevara 1200 y Av. 12 de Octubre, 2do. piso. Tel.: (02) 2565627 ext 1323.
E-mail: conjur@puceuo.puce.edu.ec.
Website: www.puce.edu.ec/index.php?pagina=juridicos

26. *Universidad Central del Ecuador* (Free legal advice service). Address: Guayaquil 1740 y Caldas, San Blas, Edif. Comercial Quito, 3er. piso. Tel.: (02) 2282376

27. *Universidad Internacional SEK* (Free legal advice service). Address: Convento de Guápulo, Av. De los Conquistadores. Tel.: (02) 2225972 / 2227777

- *Fundación Tierra Nueva* (Popular legal advice service). Address: Cardenal de la Torre s/n y Ajaví (Vicaría del Sur). Tel.: (02) 2960355. E-mail: marqueinz@yahoo.com / jlcabezas@hotmail.com
- *Fundación Voluntariado Carcelario* (popular legal consultancy and assistance service for inmates of *centros de rehabilitación* (halfway houses)). Address: Av. 10 de Agosto 587 y Checa, Edif. F-L, Oficina 101. Telf.: (02) 2226456. E-mail: johnmunevar@yupimail.com
- *Fundación Regional de Asesoría en Derechos Humanos* (INREDH), (Legal assistance and human rights. Address: Tamayo 957 y Lizardo García. Tel.: (02) 2525108. E-mail: inredh@ecuanex.net.ec
- *Fundación Reencuentro* (Legal consultancy service specialized in assisting legal guardians of runaway or otherwise absent children and teenagers). Address: Av. Colón E12 y 10 de Agosto. Tel.: (02) 2238627 or 2238238. E-mail: reencuentro@uio.satnet.net.
- Centro Tres Manueles – servicio legal (Assistance for women and families victims of domestic violence). Address: Loja 641 y Guayaquil. Tel.: (02) 2284012 / 2284041 / 2284021. E-mail: tresmanueles@andinanet.net

In San Juan de Ambato:

- *Universidad Autónoma Regional de los Andes “UNIANDÉS”* (Free legal advice service) Address: Montalvo y Sucre. Tel.: (03) 2748202 or 2748098

⁵⁸ Presidencia de la República, MIDUVI: construirá casas y entregará techos, 16 de marzo de 2007, http://www.presidencia.gov.ec/imprimir_noticia.asp?noid=8803, retrieved on June 20, 2007.

- Universidad Técnica de Ambato (Free legal advice). Address: Mera entre Cevallos y Juan B. Vela
- Foro Nacional de la Mujer Ecuatoriana – Capítulo del Tungurahua (Consultorio jurídico, apoyo a la comisaría de la mujer). Dirección: Bolívar y Castillo. Telf.: (03) 2824709
- Fundación para el Desarrollo Económico Social Andino (FUNDESA), Consultorio jurídico social “María Alejandra” (Asesoramiento y patrocinio a menores infractores y personas víctimas de violencia). Dirección Sucre 09-52 y Pasaje Rodo, Edif. Sucre, Of. 2B. Telf.: (03) 2821761

3.2.2. Housing schemes in return areas

According to the Central Bank, in 2006 the building of housing units in Ecuador cost 441 million euros. This year, 25,000 houses have been built, 8,000 of them were acquired by emigrants for a total sum of 200 million euros. Mario Burbano, manager of Mutualista Pichincha, said that around 16 per cent of his sales, or approximately 15 million euros, are made to emigrants.⁵⁹

“60 per cent of building projects are located in the province of Pichincha; the remaining 40 per cent are scattered throughout the region, mostly in the provinces of Loja, Azuay and Cañar.”⁶⁰

Housing market

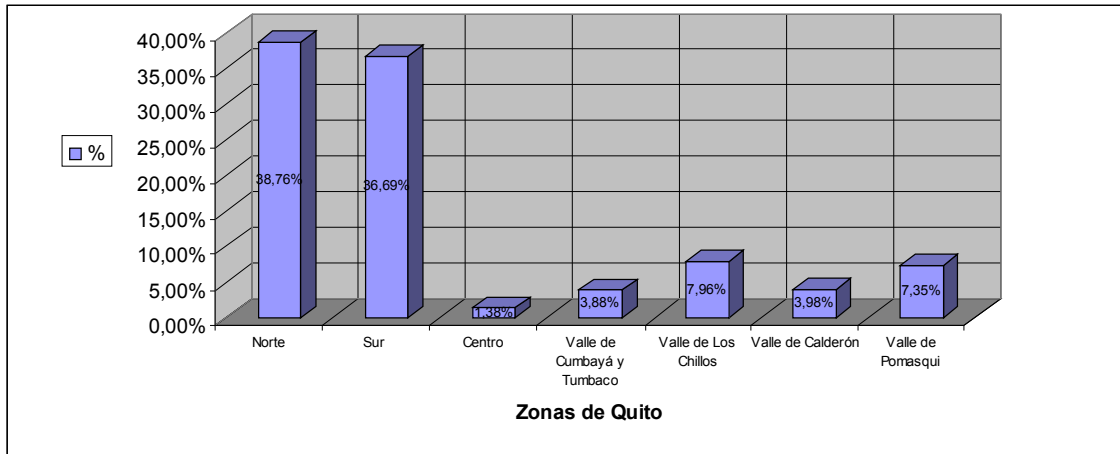
A study of the housing market in Quito by *Gridcon Consultores* revealed that the demand for housing has been on the rise in recent years, dropping only once (in 2006). The market has shown a “distinct” preference for flats in the USD 17,000 to 35,000 price range.⁶¹ Such apartments usually have a floor area between 40 and 80 sq meters (430-860 sq feet) with one or two bedrooms depending on the property’s location. Housing units with two or more bedrooms can be found starting at approximately \$30,000.

602 housing units are bought each month in Quito, mostly in the northern and southern districts of the city as shown in the following chart:

⁵⁹ s/a, Los inmigrantes invierten más en el sector inmobiliario, *El Comercio*, s/pg., s/f., http://elcomercio.com/noticiaEC.asp?id_noticia=111160&id_seccion=21, consultado el 3 Junio 2007.

⁶⁰ Patricia Villarroel, , Inmigrantes más interesados en comprar casas en Ecuador, *El Universo*, 5 de Abril 2007, <http://www.eluniverso.com/2007/04/05/0001/626/23E8C634DA884B248687444B22CD0E43.aspx>, retrieved on June 20,2007.

⁶¹ Fabián Cuesta, Actualización de la oferta inmobiliaria, *El portal Inmobiliario – Ecuador* No. 22, pg., 46 y 47, Diciembre 2006 / Marzo 2007.



Source: Survey by *Gridcon Consultores*

As you can see above, most available housing is in the northern and southern parts of the city.

Studies have shown that buyers are more interested in acquiring houses (56.64% of sales) than apartments (47.36%).

The average price per square meter has risen considerably (about 8%) in 2006 compared to 2005, especially in the southern districts of Quito. The increase was less dramatic in areas like Calderón and Valle de los Chillos. The cost of a square meter depends on the property's location and the building materials and finishing used. The cheapest square meter (in a concrete building) costs around \$230.

One of the contributing factors to this housing market expansion is the growing public awareness due to better access to information. TV programs and real estate magazines are among the media which have helped boost the offer in the housing market.

The Provincial Council of Pichincha also offers housing projects in Quito, Santo Domingo de los Colorados and Cayambe via the *Corporación de Vivienda Provincial* (COVIPROV).

'Portal Inmobiliario', a quarterly real estate magazine, carries ads for various housing projects in the entire country, with an emphasis on Quito. The magazine is distributed for free in shops like FYBECA, SUPERMAXI, MARTINIZING in Quito, Guayaquil and Cuenca. Its contents are also available on line at www.elportalecuador.com.

For more information on housing developments of the major real estate agencies, please consult the following websites:

COVIPROV (CONSEJO PROVINCIAL DE PICHINCHA): www.covipro.com.ec

PROINMOBILIARIA: www.proinmobiliaria.com

NARANJO ORDOÑEZ CONSTRUCTORA INMOBILIARIA:

www.naranjoordonez.com.ec

INMOCASALES: www.inmocasales.com

URIBE & SCHWARZKOPF PLANIFICACION Y CONSTRUCCIÓN:

www.viviendaexpress.com

3.2.3. House building opportunities

The construction sector was one of the most affected by the financial crisis of 1999. However, it has also been one of the fastest-recovering sectors as well. This was due to, among other factors, a very strong and pent-up demand for real estate, the people's lack of confidence in the banking system which caused a preference for investing one's savings in real estate, and the increase of remittances from emigrants aimed at acquiring houses.⁶²

According to Gioconda Herrera, an academic at the *Facultad Latinoamericana de Ciencias Sociales*, "the housing market in Ecuador is conditioned by the access to credit. For the sake of comparison, interest rates for mortgages in Spain are between 4 and 8 per cent; in Ecuador, they reach 12 per cent."⁶³

3.2.3.1. Requirements for buying a land plot

Before buying a plot of land, it is essential conduct a detailed survey of the land in question, especially if you are planning to build a house on it. Aspects such as access to roads and municipal services (electricity, water, telephone, sewers, public transport, greenery, hospitals, schools, etc.) are of utmost importance when selecting a plot of land.

As in the housing market, the acquisition of land largely depends on the buyer's purchasing power.

Legal requirements and procedures for buying land are broadly similar to those for buying a house. [See point 4.2.4.2.]

Problems related to land acquisition

Caution must be exercised in order not to become a victim of a phony real estate agent scam. Only in Quito in 2005, 21 illegal sales have been noted. "Pablo Salme, technical advisor at the city hall Housing and Land department, says that in the Capital District, at least 116 illegal settlements lie outside the official city limits as determined by the *Plan de Gestión y Desarrollo Territorial* (Territorial Development and Management Plan). [...] 'Those neighborhoods will never be connected to the water or sewage system or other municipal services (...) In most cases, phony real estate agents offer many incentives to buy land there, such as \$5 registry and \$10 monthly installments. He thus recommends never to pay for a sales contract commitment letter. In court, only a certificate of ownership is considered valid. A notarized contract is only shows that a deal has been made.'" To meet legal requirements, a neighborhood must have "a municipal ordinance, approved blueprints, all buildings within city limits, Deed held by the Comité Promejoras or the housing and basic services cooperative."⁶⁴

Another common problem with buying land, especially via the aforementioned 'lotizadores' is that very often a parcel may be owned by two, three or more persons.

Government plan for regularizing property ownership

⁶² Xavier Calderón, Análisis del sector de la construcción, Pichincha Casa de Valores PICAVAL, Junio 2006, <http://www.picaval.com.ec/picavalG/xmlpicaval/CONSTRUCCION%20JUN06.pdf> visited on June 20, 2007

⁶³ s/a, Los inmigrantes invierten más en el sector inmobiliario, El Comercio, s/f, s/pg., http://elcomercio.com/noticiaEC.asp?id_noticia=111160&id_seccion=21, visited on June 3, 2007.

⁶⁴ s/a, Proliferan lotizaciones ilegales, El Hoy, s/pg., 11 de julio 2006, http://www.hoy.com.ec/NoticiaNue.asp?row_id=239536, visited on June 20, 2007.

The Government housing program also includes land ownership vouchers, which allow landowners to legalize their deeds so as to obtain housing construction vouchers. This voucher is not for land acquisition but rather to legalize those lands possessed by way of inheritance or other means. It's estimated that the government will issue around 55 thousand land ownership vouchers.⁶⁵

3.2.3.2. Useful approximate prices (land, building materials, etc.)

For more information on **building materials, buying land plots of over 1000 sq meters, offices in modern buildings, renting property in Free Economic Zones, and property taxes**,⁶⁶ please contact the Return Helpdesk.⁶⁷

Costs of electricity and drinking water

Taxes and other charges included in electricity bills vary from one city to another. Every municipality can decide by ordinance which costs it will include in its bills. According to the National Electricity Council (*Consejo Nacional de Electricidad, CONELEC*) regulation N° 001/04⁶⁸, electricity bills may only contain items related to power and energy, its distribution, and other items such as:

- A public lighting tax determined by an ordinance or collective agreement,
- A firefighting tax compliant with the Law on Protection against Fires,
- Fire insurance,
- A Rural and Suburban Electrification fund contribution,
- Other taxes determined by laws and ordinances which expressly establish funding via electricity bills,
- Outstanding electric bills

Costs of electricity

Type of consumer	USD per Kwh. (1) Quito
Residential: Range of hourly tariffs (9 different):	0,68 a 0,089
Commercial: 0-300 Kwh.	0,061
Over 300 Kwh	0,084
Industrial and manufacturing: 0-300 Kwh.	0,052
Over 300 Kwh	0,084
High tension (40KV voltage): from 7 AM to 10 PM	0,051
From 10 PM to 7 AM	0,045

Source: Electricity Company of Quito.

⁶⁵ s/a, Bono para legalizar terrenos, Dinero, diario de negocios, s/pg., 17 de mayo del 2007, http://www.hoy.com.ec/NotiDinero.asp?row_id=267164, visite don June 20, 2007.

⁶⁶ Colegio de Ingenieros Civiles de Pichincha, Costo de materiales de construcción, 19 de abril 2007, <http://www.cicp.com.ec/main.html>, visited May 20, 2007.

⁶⁷The office for Information on Voluntary Return responds to specific questions on the possibilities of return and reintegration/ Helpdesk Return: + 32/2 274 00 23 or return@vluchtelingenwerk.be

⁶⁸ Consejo Nacional de Electricidad (CONELEC), Regulación No. CONELEC 001/04, pg. 2, 14 julio 2004, <http://www.conelec.gov.ec/downloads/normativas/REGULACION%20CONELEC%20-%20001-04%20MODELO%20PLANILLA%20PARA%20SERVICIO%20ELECT.doc>, retrieved on August 20,2007

* On each bill, you have an extra charge for commercialisation of US1,414

**National average for the industrial sector. A meter costs USD 30 (including refundable deposit).

Additional costs.

For more information on additional costs such as **public lighting, waste collect, fire insurance, fire fighter tax, the rural electrification fund, solidarity subvention**, contact the Return Helpdesk.⁶⁹

Costs of connection to municipal water system

Diameter of pipe	Quito
½ inch	76.60
¾ inch	90.80
1 inch	123.00
2 inches	2004.00
3 inches	2722.20
4 inches	3815.60

(1) Prices in USD, constant since December 2003.

(2) Prices per average pipe length of 5 meters laid under an unpaved street.

(3) Average reference price. Costs vary depending on location and the type of floor-covering and materials used.

* Additionally, there is a sewage treatment charge representing 38.6% of the water consumption.

Costs of drinking water

Quito (Official rates of the <i>Empresa de Agua Potable y Alcantarillado de Quito</i>)			
Range of tariff	USD per cubic meter	Fixed monthly fee	
Domestic	0 to 19 m ³	0,279	2,07
	20 to 29 m ³	0,392	2,07
	over 30m ³	0,652	2,07
Commercial and Industrial		0,652	2,07

* Additionally, you add 38% to the consumed for sewer

Source: EMAAP-Quito

3.2.3.3. Availability of credit, state aid, and other forms of assistance

The subject of credits in Ecuador has been a bone of contention between the Government and the banking sector in recent months after the publication of the actual banking fees and interest rates imposed on customers by financial institutions. By contrast to countries such as Spain, where mortgages have interest rates in the 4%-8% range, in Ecuador the norm is around 12% depending on the bank. Controversy has arisen when it was found that some banks demand an undeclared interest rate of as much as 80%.

⁶⁹The office for Information on Voluntary Return respond to specific questions on the possibilities of return and reintegration/ Helpdesk Return: + 32/2 274 00 23 or return@vluchtelingenwerk.be

“Currently, private funding for house acquisition, construction or expansion has two major sources: a) financial institutions, especially private and community development banks, and b) real estate agents and property developers who grant their customers credit directly. It is estimated that no more than 60% of houses are bought on credit (among those, 50% are funded by banks and the other 50% by real estate developers) and the remaining 40% of houses are paid for in cash.”

As for credits aimed at funding the building and/or acquisition of homes, a study by Mutualista Pichincha (a community development bank) in cooperation with Market Watch, has shown that Pichincha, Pacifico, Mutualista Pichincha, Rumiñahui and Internacional are the five first institutions in a ranking of financial institutions offering this type of credit. For the last five years, these banks have been fiercely competing with each other for market share.

Cartera originaria de vivienda					
-de enero a marzo, en dólares-					
Entidad	2003	2004	2005	2006	2007
Pichincha	3 305 103	38 062 253	17 811 656	31 284 226	39 188 077
Mut. Pichincha	7 108 468	10 714 374	19 817 561	21 438 844	22 613 925
Internacional	3 131 607	5 527 835	5 263 017	7 159 192	15 563 178
Pacifico	2 310 001	2 131 677	8 893 478	9 221 229	11 455 766
Rumiñahui	1 612 635	1 281 759	4 054 193	6 493 916	10 995 467
Guayaquil	1 167 601	2 786 771	2 165 753	3 472 508	9 079 975
Produbanco	3 594 847	2 084 628	4 200 821	6 574 907	7 283 701
Bolivariano	2 310 939	1 016 414	2 519 229	4 281 616	6 989 604
MM J. Arteaga	1 538 470	1 883 344	2 665 041	6 293 008	6 087 916
Austro	1 731 370	4 420 030	3 871 625	2 384 106	5 283 925
Machala	551 100	267 113	200 361	523 223	3 481 526

Fuente: Mutualista Pichincha - Diseño editorial DINERO

According to this study, the growth of this sector can be explained by low inflation, the dollarization of the economy, low risk and remittances from abroad.

Both housing supply and housing credits “are concentrated in Quito (50%), followed by Guayaquil, Cuenca, Ambato, Riobamba, Loja e Imbabura. Out of these cities, Guayaquil has the highest rate of delinquency at 4%, followed by Ambato with 2.7%, Quito at 2.36%, and Cuenca at 2.7%. In Cuenca, the market has grown from 18 million USD to 81 million USD, from 2003, and in Ambato the market has expanded from 12 million USD to 50 million USD.”⁷⁰

Housing loans in the private sector.

Habitat, for example, one of the biggest private housing funding projects which works with these kind of banks and the same mortgage lending system, shows how it works.⁷¹

Features:

Acquisition of a new or used house

- Funding of up to 70% of the property’s market value for new houses
- Funding of up to 70% of the property’s market value for used houses
- The minimum loan is USD 5,000, the maximum: USD 150,000.

⁷⁰ s/a, Bono para legalizar terrenos, Dinero, diario de negocios, s/pg., 17 de mayo del 2007 http://www.hoy.com.ec/NotiDinero.asp?row_id=267164,. Visited on July 20, 2007.

⁷¹ HABITAT. Crédito habitar, Banco Pichincha, <http://www.p1.pichincha.com/web/servicios.php?ID=48>, visited on April 11, 2007.

Acquisition of a holiday home

- Funding of up to 70% of the property's construction costs
- The minimum loan is USD 3,000, the maximum: USD 120,000.

Expansion, rebuilding and finishing of house

- Full financing of the construction budget.
- The minimum loan is USD 5,000, the maximum: USD 150,000.

House acquisition from abroad

- The minimum loan is USD 3,000, the maximum: USD 60,000.
- The interest rate is readjustable.
- For new and used housing purchases the terms are between 3 and 20 years.
- For property expansions, remodeling and destruction the terms is between 3 and 5 years.
- For holiday home purchases, the terms are between 3 and 10 years.
- For immigrants, the terms are between 3 and 10 years.

Guarantee:

- For the first mortgage taken out.

Advantages:

- Easy access to credit.
- The longer the term, the lower the interest rate.
- Facilitates the acquisition by requiring a lower downpayment.
- The client receives the entire amount of the requested loan.
- Easier for the applicant.
- Security of investment.
- Security for the family.
- Convenience for insurance payments.
- You can avoid paying two accounts at the same time, by beginning to pay the Bank fees after paying the home entry fee.

Requirements:

Dependant people:

- Loan pre-assessment.
- Print-out of having taken out the credit signed by the client.
- Loan application submitted by the applicant(s) and his or her guarantors(s).
- Copies of Ids of all involved parties.

For employees in the private sector:

- Up-to-date certificate or payrolls.

For employees in the public sector:

- Up-to-date income certificate or payrolls.

For retirees:

- Retirement payment slips.

If inheritance is being claimed, proof of such will be required. Retirees must always secure their loan with existing wealth. For these purposes, they must attach a document justifying wealth, as well as a copy of a vehicle registration or the copy of documents proving payment on land.

Independent natural persons:

- Credit Pre-evaluation.
- Print-out of having taken out the credit signed by the client.
- Credit application of the applicant(s) and the guarantor(s)

- Copies of national IDs of all involved parties.
- A photocopy of the applicant's entry in the Tax-Payer Registry (RUC), Fotocopia de RUC, working permit, municipal patent, craftsman registration document, or municipal occupation registration.
- For transporters, a certificate from the corresponding Transportation Cooperative (Cooperativa de Transporte)

Credit to build housing⁷²

Features:

- The starting construction costs (1 year maximum) is 80% maximum of the construction budget or cost.
- The minimum loan is USD 15,000, the maximum: USD 120,000.
- The interest rate is readjustable.
- During construction, the credit term is a maximum of 12 months counted from the first disbursement.
- Once the house is finished, the credit term is from 3 to 20 years.

Guarantee:

- First open land mortgage in the land where construction will take place.

Advantages:

- The client can continue paying rent while building his or her house.
- Helps the applicant to plan his or her budget.
- Investment security and convenience of this service.

Requirements:

Dependant people:

- Loan pre-estimate.
- Print-out of having taken out the credit signed by the client.
- Credit application from the applicant(s) and the guarantor(s).
- Copies of ID Cards of all of the participants.

For private sector employees:

- Up-to-date certificate or payrolls.

For public sector employees:

- Up-to-date income certificate or payrolls.

For retirees:

- Retirement payment slips.

If inheritance is being claimed, proof of such will be required. Retirees must always secure their loan with existing wealth. For these purposes, they must attach a document justifying wealth, as well as a copy of a vehicle registration or the copy of documents proving payment on land.

Independent natural persons:

- Credit Pre-evaluation.
- Print-out of having taken out the credit signed by the client.
- Credit application from the applicant(s) and the guarantor(s).
- Copies of ID Cards of all of the participants.
- RUC photocopy, operating permit, municipal patent, craftsman registration, or municipal card on occupation.

⁷² HABITAT, Crédito para construir vivienda, Banco Pichincha, <http://www.p1.pichincha.com/web/servicios.php?ID=49>, visited on April 11, 2007.

-For transporters, a certificate from the corresponding Transportation Cooperative (Cooperativa de Transporte)

Public Housing

The Ministry of Urban Housing and Development (MIDUVI – Ministerio de Desarrollo Urbano y Vivienda) is the organization in charge of housing and urban policy. The approach of MIDUVI is to facilitate the conditions which allow private agents to be able to meet the housing need, as well as providing preferential subsidies for the lowest-income sectors. Its goal is to create a funding scheme which combines family savings, aid from the government through direct subsidies; and mortgage credit, in order to allow easier access to housing by the poorest sectors. Specifically for the lowest-income sectors (in other words, household incomes of less than 360 USD a month), mortgage credit is linked to a direct housing subsidy scheme, called System for Housing Incentives (*Sistema de Incentivos para la Vivienda (SIV)*)⁷³.

Government Housing Voucher.⁷⁴

New Housing and Urban Housing Renovation Voucher

This voucher is “economic aid that the National Government gives to families to award them for their efforts to save, for the purposes of: Acquiring, building, or improving their living space.

The requirements for building or improving housing, under this program are: Savings+voucher+credit.

Under the criteria established by MIDUVI, they can be awarded to:

1. Adult Ecuadorian citizens.
2. For buying a house: citizens and their families who do not own any house or land in Ecuador. To expand or improve: those people and their families who do not have housing or land on the national level, to acquire: And who do not have a different building that they are applying for building or improvement.
3. Heads of households or single people above the age of 35.
4. Those who have a SEBEN⁷⁵ quality-of-life rating within 1, 2, or 3, or whose monthly income is no higher than \$510 dollars.

To receive a housing voucher, the applicant must have saved 10% of the value of the housing they would like to acquire, or 10% of the voucher value for housing renovation.
Voucher Value

For a new house: USD 3,600 for a house up to USD 20,000

For improvements: \$1500 USD for an improvement valuing up to \$3000 USD
if the property value excluding land costs \$8000 USD.

⁷³ s/a, Crédito hipotecario para vivienda en el Ecuador: la necesidad de un financiamiento a largo plazo, Agenda de la Nueva Arquitectura Financiera, Banco Central del Ecuador, s/pg, 2003,

<http://www.bce.fin.ec/documentos/PublicacionesNotas/Catalogo/Apuntes/ae37.pdf>
visited on June 20, 2007.

⁷⁴ Ministerio de Desarrollo Urbano y Vivienda (MIDUVI), Sistema de incentivos para vivienda urbana, <http://www.miduvi.gov.ec/organizacion/vivienda/como.aspx>, visited on June 11, 2007

⁷⁵ Sistema de Identificación y Selección de Beneficiarios de los Programas Sociales, www.frentesocial.gov.ec, visited on June 11, 2007.

The Voucher does not include the credit, which is needed to complement the price of the property or the renovation, which can be taken out where appropriate.

Application requirements:

For persons registered at the SELBEN

1. Application form in which the applicant states the value of the house/construction/improving;
2. Copy of the ID Cards of the applicant, his/her spouse, and any dependants.
3. Birth certificates of children aged under 18;
4. Copy of the account for the property, with the certificate of blocked funds
5. Certificate of Appraisals and Municipal Property Registry which shows that the applicant and his or her family group do not own any other building or land, as applicable.
6. Credit contract signed and sealed by the issuing entity;
7. Document or certificate showing the residence's existence for at least 2 years.

Additional documents required for building on one's own land

1. Copy of a land deed.
2. In the case of a group application, document naming the group representative and the list of the applicants (minimum 11).
3. A photograph of the land plot.
4. Certificate of payment to the urban real estate fund.

Additional documents required for improvements

- Copy of the property deed or certificate of legal ownership of the building validated by the municipality and,
- In the case of a group application, document naming the group representative and the list of the applicants (minimum 11).
- A photograph of the house in its current state.
- Document showing the property value (\$8000)

Other documents to provide in the application:

When not registered at the SELBEN:

1. A copy of your marriage certificate or of your *unión de hecho* (declaration of cohabitation made in front of a judge or mayor).
2. An ID or citizenship certificate for persons over 18.
3. A copy of the birth certificate of children aged less than 18.
4. Pay slips of the applicant and his/her spouse or legal partner.
5. A permanent handicap certificate.
6. For renovation: Certificate of property appraisal issued by the Technical Entities.

To find out which financial institutions offer property credits within this program, look at the web page of the Ministry of Urban Development and Housing MIDUVI:

www.miduvi.gov.ec

The *Instituto Ecuatoriano de Seguridad Social*, or *IESS* (Ecuadorian Social Security Institute) also allows its affiliates (active affiliates of the General Obligatory Insurance and Retirees) for access to housing credit to those who are current with their IESS obligations and do not own living space, or if they do and it is the main property of the affiliate, must obtain a credit pre-qualification and qualification certificate from the institution that will fund the credit. Mortgage credits for acquisition, transfer or widening a property will be subject to the financial system rates and based on the term (i.e. rate for a 5-year credit is 9.89%; and for 10 years, 10.39%; for 15 years, 10.89%, for 20

years, 11.39%, plus a margin up to 3 points charged for issuing and administering the credit.)

The terms for the housing credit will be defined based on the age of the active affiliate of the Obligatory General Social Security and their payment ability. The amounts range from \$12,000 USD up to \$50,000 USD.⁷⁶

For more information, go to:

www.iess.gov.ec

3.2.4. House buying opportunities

“Ecuador is facing a housing shortage estimated at 1.2 million units: 500,000 additional houses are needed in the cities and 700,000 in the countryside. This situation was caused by an accelerated growth of urban population which in its turn has led to a disbalance between offer and demand in the housing sector, and the deterioration of basic services.”⁷⁷

As mentioned previously, the housing market relies on the buyers' access to credit and their own financial resources.

In cities such as Quito, where building space is scarce, the tendency is to build high-density apartment buildings, in contrast smaller towns, where housing developments consisting of small houses or apartments are favored.

3.2.4.1. Legal requirements⁷⁸

The acquiring of a real estate property, be it a house, office, farm or plot of land, is one of the most important personal and family decisions. It is thus necessary to avoid unnecessary risks, and that requires an in-depth knowledge of rights and obligations included in a house's contract of sale.

Before concluding the acquisition, it is important to ask the seller for detailed blueprints of the property and have them assessed by an architect or engineer. It is necessary to verify that the property's area is the same one stated in the plans and that it has been built according to them. One should also compare the plans with data in the encumbrance certificate of the property (it can be obtained at the Property Registry) and with its title deeds.

It is essential that the seller confirm the construction date of the property in writing, given that the builder is responsible for hidden defects and any security-threatening weaknesses during the 15 years following its construction. A copy of the building permit must be asked for when buying a new house, as well as an ownership certificated

⁷⁶ s/a, Las dudas frecuentes sobre los créditos hipotecarios, El Comercio, s/pg., May 13, 2007

http://www.elcomercio.com/solo_texto_search.asp?id_noticia=72147&anio=2007&mes=5&dia=13, retrieved on June 20, 2007 .

⁷⁷ s/a, Crédito hipotecario para vivienda en el Ecuador: la necesidad de un financiamiento a largo plazo, Agenda de la Nueva Arquitectura Financiera, Banco Central del Ecuador, s/pg, 2003,

<http://www.bce.fin.ec/documentos/PublicacionesNotas/Catalogo/Apuntes/ae37.pdf>, retrieved on June 20,2007.

⁷⁸ Tomado de: Magdalena Vélez, Manual práctico para comprar bienes raíces, Revista judicial, s/pg., s/f, <http://www.dlh.lahora.com.ec/paginas/judicial/PAGINAS/Manual.1.htm>, retrieved on June 20,2007.

issued at the seller's name which should indicate whether the property is mortgaged or with unpaid taxes.

If the property being bought is a condominium (*propiedad horizontal*), it is useful to carefully read the co-property regulations.

The buyer may ask the seller for a written preliminary contract

The buyer may ask the seller to issue in writing everything he has promised in sales, advertisement, payment plans, funding ,materials, utilities (water, electricity, telephone), turnover time, roads, sidewalks, etc., obligatory information and annexes for sale/purchase deeds, as well as the sanitation requirement.

If the seller is a business or a legal person, in addition to the previously mentioned requirements, the buyer can request the following to verify the information:

- Designation of the CEO or legal representative;
- Authorization from the Board of Directors to sell the building or special power of attorney, given that many business apply limitations to their legal representatives in their by-laws, and thus there must be a verification of even the amounts the CEO is authorized to negotiate, if he sells without authorization the sale could be problematic with regards to consent and would be invalid.

For further certainty, the buyer can verify the property ownership by the business name (in the deed) and find out if it is legal constituted and for how long it has been legal constituted. He or she can also request financial statements from the business for at least three years. Furthermore, the buyer has the right to demand a compliance with the contract policy.

Additionally, the buyer should also request the original or the notarized copy of the updated factory line (which can be verified in the Municipality).

Furthermore, the buyer can request copies of the ID and voting cards of the seller and of his or her spouse; and the last municipal tax receipt, property taxes; income tax, etc.;

All of this must be put in writing and documents must carry the buyer's signature, whether it is a natural or legal person. If not, the papers will not be legally valid and will not constitute evidence should any problem arise.

Generally in a business purchase/sale, the sellers require a promissory note to be signed, which is not necessarily a property deed, unless it is registered in the Property Registry.

The property would be formalized with a sale/purchase promissory note to be signed before a public notary; who usually requests that both spouses be present if the seller is married, or any document guaranteeing he or she is authorized to sign alone, either because there is legal authorization or power of attorney permitting, as with couples who have separation of marital property;

All documents submitted by the seller must be part of the official documents, including advertisement; Furthermore, any payment or previous payment must also be in the sale/purchase contract.

Finally, the sale/purchase deed must be registered in the Property Register in order for the sale to be finalized. If not the sale is not formalized.

3.2.4.2. Possible obstacles for certain groups (such as single women, ethnic minorities, etc.)

In Ecuador, difficulties in acquiring a house have more to do with financial resources of a person than his or her membership in any specific group.

The Constitution of the Republic of Ecuador considers all Ecuadorians as equal before the law: "All people shall be considered equal and shall have the same rights, freedoms and opportunities. No discrimination shall be allowed on grounds of birth, age, gender, ethnicity, race, social background, language, religion, political affiliation, economic status, sexual orientation, health, disability, or of any other nature."⁷⁹

3.2.4.3. Relevant approximate prices

The housing market offers options between \$12,000 USD and those of highest demand between \$17,000 USD and \$35,000 USD. Price varies with location, meters of construction, cost of materials, etc.

According to a *Gridcon* survey, the price per square meter of construction in Quito rose from USD 508 in 2005 to USD 549 in 2006.⁸⁰

3.2.4.4. Available Credit and Subsidies

[See point 4.2.3.3.]

3.2.5. Possibilities of renting a house or apartment

As in the housing market, obtaining a house or an apartment depends largely on one's financial resources. Beyond that there are no significant obstacles to renting housing.

Landlords usually ask for a refundable deposit equal to one, two and sometimes three months of rent. Although there is no such legal requirement, the practice is very widespread.

To insure the rent agreement, a lease is signed between the Lessor and the Lessee whose basic features must include:

- Both parties (information)
- Background Information (location of the building)
- Subject of the Contract (description of the building or housing which is to be rent)
- Term of the contract
- Housing royalty
- Purpose of the property (housing)
- Lessor obligations
- Lessee obligations
- Prohibitions/Limitations
- Deposit
- Sanctions for breach of contract
- Jurisdiction and competence (legal provisions contract is subject to)
- Place and date
- Names, ID numbers, and signatures of the Lessor and Lessee

⁷⁹ Constitución Política del Ecuador, De los derechos civiles, Art. 23 numeral 3

⁸⁰ Fabián Cuesta, Actualización de la oferta inmobiliaria, El portal Inmobiliario – Ecuador No. 22, pg. 46 y 47, Diciembre 2006 / Marzo 2007.

For any possible problem arising it is a good idea to register the lease in landlord/tenant court.

3.2.5.1. Possible obstacles for certain groups (single women, ethnic minorities, etc.)

[See point 4.2.4.2.]

3.2.5.2. Relevant approximate prices

“The location of the place to live in is key. In the north part of Quito, rent fluctuates between USD 130 and 400. In the centre this is between USD 120 and 250, in the south between USD 50 and 250” (Include footnote: s/a Personal Finances, Young people should save before leaving home to live alone, El Comercio p. 12, consulted 16 December 2007).

Rent rates for apartments⁸¹

	Average price (USD/m ²) Quito
Apartments:	
Type A (high-range/luxurious)	4,00
Type B (middle-range)	2,50
Suburban houses	3,00
Furnished suites	7,00

Type of housing	Quito* US\$/month	
	Luxury sector	Medium sector
Apartments**		
One room	500 – 700	350 -500
Two rooms	700 – 1.200	450 – 700
Three rooms	1.200 – 1.800	600 – 1.000
Four rooms	2.000 – 3.000	1.000 – 1.700
Five o more rooms	2.500 – 3.500	1.200 – 1.800
Houses**		
Two rooms	-	-
Three rooms	-	-
Four rooms	-	-
Five rooms	-	-

* It's very difficult to find houses for rent

** If the house or the apartment is furnished, the price will be higher in an averidge of \$100 a \$300 monthly.

Source: Inmobiliarias, UTEPI⁸²

3.2.5.3. Available Subsidies

Does not apply

⁸¹ Municipio del Distrito Metropolitano de Quito (MDMQ), Invierta en Quito, http://www.quito.gov.ec/invierta_quito/1contsuelos.htm, accessed on April 11, 2007.

⁸² Conquito, Invierta en Quito, <http://www.conquito.org.ec/inter.asp?s=13&ss=11&sss=13>, consultado el 9 de enero 2008.

3.2.6. Other medium-term accommodation possibilities (refuges, NGOs, churches, etc.)

Various shelters exist in Quito for children, orphans, abused children, “street children”, victims of household violence, single mothers, senior citizens, and adult drug addicts. You may obtain a list of shelters at the HelpDesk Return⁸³.

There is a shelter in **Ambato** for homeless adults and senior citizens offering food and shelter : *Fundación Reinas de Ambato*, Picahua. *Centro de Asistencia y Control de la Mendicidad (CAM)*: 03 2867329

3.2.7. Shelters/Temporary Housing Centers Until Long-Term Housing Becomes Available

Does not apply

3.3. Means of existence

3.3.1. Employment

According to the “Analysis of the Economic Situation in 2006” authorized by the ILDIS, employment has increased, but it is clear that the labor force is becoming ever more informal.

In December 2006, the employment rate reached 90.97% (the highest for the year), which shows that there are more people employed in PEA, however underemployment rates also went up in comparison to the last two years (47.6%), this shows that Ecuador labor relations are becoming increasingly informal. “In other words, there are more people working, but increasingly in short days, less time and less permanent jobs and in unregulated labor relations without full benefits of the law.”

“trade liberalization has led to the growth in a fundamentally informal work sector, which has led to increases in salary inequity between formal and informal sector workers.”⁸⁴

According to information issued by CEDATOS, the sufficient employment rate is at 50,83%.⁸⁵

3.3.1.1. Unemployment (formal or informal, sector-specific and social groups)

With the increase in the employment rate, the unemployment rate has fallen to its lowest rates, in December 2006 unemployment was at 9.03%, according to the economic situation analysis for 2006. Nevertheless, the unemployment rate tends to rise in January and February, which seems to be due to the high number of labor contracts which end at the end of the year.

⁸³La Oficina de Información sobre el Retorno Voluntario responde a las preguntas específicas cuanto a las posibilidades de retorno y de reinserción. Helpdesk Return: + 32/2 274 00 23 o return@vluchtelingenwerk.be

⁸⁴ ILDIS (Instituto Latinoamericano de Investigaciones Sociales), Análisis de coyuntura económica 2006, pg, 27, 2006, <http://www.ildis.org.ec/public/titleView.do?code=2>, accessed on May 21, 2007.

⁸⁵ CEDATOS, <http://www.cedatos.com.ec/contenido.asp?id=101>, accessed on January 20, 2008

Even though Guayaquil is the city with the highest unemployment rate in the country, unemployment fell in 2006, both in Cuenca and in Guayaquil and increased in Quito, despite the fact this was the city with the lowest unemployment levels.

Rates of underemployment and unemployment per city and nationally⁸⁶
(promedio del período)

Underemployment				
	Cuenca	Guayaquil	Quito	National
2004	45.4	47.4	35.7	42.6
2005	48.7	55.1	37.8	47.3
2006	44.5	52.5	42.0	47.6
Unemployment				
	Cuenca	Guayaquil	Quito	National
2004	5.1	12.4	10.1	11.0
2005	4.1	11.7	10.6	10.7
2006	3.6	10.8	10.6	10.1

Source: Ecuador Central Bank.

Cuenca is the city with least unemployment, and although Guayaquil has the highest unemployment rate, the difference between the two cities is shrinking: unemployment is on the rise in Quito but decreasing in Guayaquil. This confirms the previously mentioned finding that “although there is less unemployment, the number of precarious jobs is rising.”

The labor market in Ecuador has three outstanding characteristics: “a) decreasing contribution to social security, which along with its institutional crisis, has implications on the labor market; b) third-party contract that operates with specific conditions in place (such as avoidance of stable contracts and flexibility with facts), and within a very wide margin of abuse of workers and avoided responsibility from the businesses; and c) the absence of state programs to respond to emergency employment situations, [...]”⁸⁷

Unemployment rate by gender and self-proclaimed ethnicity: urban sector, 2005⁸⁸

Self-proclaimed ethnicity	Gender		Total
	Male	Female	
Indigenous	6.9%	4.7%	6.0%
White	5.2%	13.6%	8.6%
Mestizo	5.8%	10.5%	7.7%
African	6.7%	17.6%	11.0%
Total	5.8%	10.8%	7.9%

Source: INEC-ENEMDU, Urban Employment, Underemployment and Unemployment Survey, 2005

Monthly current income of urban households in quintiles (2003-2004)⁸⁹

Quintiles*	Current income	Income distribution	Average income per	Per capita income	Income per recipient
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⁸⁶ ILDIS (Instituto Latinoamericano de Investigaciones Sociales), Análisis de coyuntura económica 2006, pg., 25, 2006, <http://www.ildis.org.ec/public/titleView.do?code=2>, visited on May 21, 2007.

⁸⁷ Luis Verdesoto, ¿Quién hace qué en el territorio? Los gobiernos intermedios y los Objetivos de Desarrollo del Milenio. Quito, PRO-ODM AECI/CONCOPE, pg. 31 y 32, 2006.

⁸⁸ Organización Panamericana de Salud. Situación de Salud, Ecuador 2006, pg. 188, noviembre 2006, http://www.opsecu.org/asis/situacion_salud.pdf, accessed on July 1st, 2007.

⁸⁹ Organización Panamericana de Salud. Situación de Salud, Ecuador 2006, pg. 186, noviembre 2006, http://www.opsecu.org/asis/situacion_salud.pdf, accessed on July 1st, 2007.

		(%)	household		
Total	1,241,944,270	100.0	663.4	160,0	337.9
1st quintile	104,306,453	8.4	278.8	49.0	133.1
2nd quintile	152,568,504	12.3	407.2	86.7	195.8
3rd quintile	191,911,357	15.5	512.9	129.1	261.2
4th quintile	261,313,517	21.0	697.0	201.6	376.9
5th quintile	531,844,438	42.8	1421.9	475,7	777.0

* The quintiles were calculated on a per household capita basis.

The 40% highest-ranking (quintiles 4 and 5) of the surveyed households generate 63.8% of the total current income in the urban area. The highest average belongs to the 5th quintil, which is about 5 times greater than quintil 1, whose average household income is 278.80 USD per month.

In quintil 1, the earnings per earner is 133.10 USD per month which is 3 times less than the national average and 6 times lesser than quintil 5. The proportion between quintiles with average earnings per capita and per earner is direct; The quintil goes up as earnings go up.

Source: ENGHU, 2003-2004

3.3.1.2. Program for access to the work market (and access for people returning to it)

There are practically no employment programs specifically directed to returning people, and the few projects that have been created have not been sustainable enough or had the required impact.⁹⁰ However, those projects related to the voluntary return of migrants who live in Europe, has an employment and economic reinsertion component.

Migrant Return and Reintegration Programs

[See point 2.2. (Specific schemes)]

3.3.1.3. Short-term and occasional work conditions

According to the Labor Code, work contracts can be classified as indefinite-term contracts, long-term contracts (one year) and "short and occasional" work contracts. For more details on what types of contracts, please contact the Return HelpDesk⁹¹.

3.3.1.4. Access to short term and temporary jobs

At the beginning of the 90s, in the framework of domestic employment policy institutionalization, various initiatives were taken including labor flexibilization, which allowed for short-term and occasional contracts.

Many low-skilled workers had no other option than to turn to the informal sector of the economy, a sector with the lowest salaries and the least amount of jobs requiring education.⁹²

3.3.1.5. Specific professions in high demand

"Data from the National Association of Service Professionals Businesspeople say that the most-demanded profiles from women are in sales (30%), 25% in business offices, whereas for men, accounting accounts for 40% and 30% for the construction sector.

⁹⁰ Interview with María Caridad Peña, consultant in migration from the Esquel del Ecuador Foundation, Quito, accessed on June 5, 2007.

⁹¹ Helpdesk Return: + 32/2 274 00 23 or return@vluchtelingenwerk.be

⁹² ILDIS (Instituto Latinoamericano de Investigaciones Sociales), Análisis de coyuntura económica, Ecuador 2006, pg. 27, 2006, <http://www.ildis.org.ec/public/titleView.do?code=2>, visited on May 21, 2007.

The remaining percentages corresponding to executives or commercial sales consultants; bank and business executives; mid-level executives, followed by department store employees from different categories and levels.⁹³

3.3.1.6. Practical information and contacts (employment agencies, classified ads, etc.)

Once a person's résumé is ready, the most effective method of looking for a job is via personal and professional contacts; however, other options exist.

Looking for a job in classified ads

The fastest way to find a job is to scan the classified ads in a newspaper – this method costs only as much as the newspaper and there is a large variety of jobs on offer. The best day for looking for a job is Sunday, although classified ads appear every day. The most popular newspapers are: “EL COMERCIO” (nationwide), “LA HORA” (local), “EL HERALDO” in Tungurahua, etc. The average cost of a newspaper in Ecuador is less than one dollar.

Looking for a job on the internet⁹⁴

The government, the private sector and universities are creating more and more offices and websites for job seekers.

One of the biggest is www.porfinempleo.com which includes around 2000 businesses (mostly outsourcers); and 35,000 applicants.

Crea, Publicidad y Marketing created www.miagencia.net two years ago from the CVs of publicists and other creative professionals. It receives around 30 offers per month and is visited by 10 businesses per month looking for a candidate.

There are also other sites with this service.

- www.acciontrabajo.com
- www.computrabajo.com.ec
- www.empleo.com.ec
- www.profesionales.ec

For Ambato and other cities, there is Portal Ambato www.elportal.net.ec.

Job-Hunting with Consulting Firms

With the lack of vacancies, job firms try to facilitate the search of both businesses and applicants. Job-seekers save the trouble of applying to each ad in the newspapers, and businesses do not have to interview hundreds of people to fill a post.

⁹³ s/a, Empresas ahora ven ‘destrezas’ para la selección de su personal, El Universo, s/pg., 21 de marzo del 2007, <http://www.eluniverso.com/2007/03/21/0001/9/F26328E7776348A79C78C491292A1780.aspx>, accessed on April 11, 2007.

⁹⁴ s/a, Una opción más para buscar empleo, El Universo, s/pg., 6 de agosto del 2006, <http://www.eluniverso.com/2006/08/06/0001/9/894699D8A8854FC7A93B2B6C5D747193.aspx>, accessed on July 31, 2007.

There is now a tendency in local businesses to use headhunter firms for highly-sought-after professionals. The basic criteria for the choice are primarily: "a profile that fits the activities and needs of the business."

Once a company has determined the required profile, requests the headhunter firm to proceed to the personnel selection, which uses psychological tests and interviews, as well as general data analysis, socio-economic level, education, additional knowledge, experience and professional achievements, executive personality and potential results based on the hierarchical level, position and skills requested, and professional and personal references of the applicant. Finally, the consulting business gives the company a list of candidates short-listed for the position.

"Headhunting businesses detected that businesses valued experience, dedication and work achievements over academic education...many people who studied abroad find that their efforts are not compensated economically because the average business does not pay high salaries. High salaries are concentrated in administrative and management positions and require advanced academic degrees." ⁹⁵

These firms charge their users an amount whose price is limited to operating costs incurred while performing services.

Options available in Quito include:

- Manpower (593 2 256 4142)
- Redatos (593 2 299 5600)
- Personal Temps (593 2 243-1311).

Job Banks

Organizations and institutions such as local governments, NGOs, non-for-profits, universities, chambers of commerce offer job bank services. They function by collecting academic information on the applicants, through their applications in order to facilitate the task for applicants and the businesses looking for employees.

Among the main job banks in Quito, we have:

- Conquito: www.conquito.org.ec
- Government of the Province of Pichincha: www.pichinchacompite.gov.ec
- Centro de Información y Orientación para la Población Refugiada e Inmigrante (CINOR) [un programa de HIAS]: www.hias.org.ec
- Ministry of Labor: www.mintrabajo.gov.ec
- Colegio de Economistas de Pichincha: www.colegiodeeconomistas.org.ec.

For university students:

- Universidad de las Américas:
<http://serviciosweb.uamericas.edu.ec/BolsadeEmpleo/>
- Pontificia Universidad Católica del Ecuador:
www.puce.edu.ec

⁹⁵ s/a, Empresas ahora ven 'destrezas' para la selección de su personal, El Universo, s/pg., 21 de marzo del 2007,

<http://www.eluniverso.com/2007/03/21/0001/9/F26328E7776348A79C78C491292A1780.aspx>, accessed on April 11, 2007.

Practical information. Labor costs.

For more information on minimum monthly wage, additional payments, IESS and other contributions.

Working Hours and Contracts per Hour

Day	Hours
Normal Day	8 hours
Work Week	40 hours
	USD per hour
Valor mínimo en contratos parcial o por horas (máximo 160 horas al mes)	1.37*

*Source: Work and employment Ministry⁹⁶

Cost of Overtime

Cost of Overtime	Monthly (1)
Night Shift Day (1)	Salary + 25%
Overtime (2)	Salary + 25%
Overtime (3)	Salario +100%

(1) From 7 PM to 6AM.

(2) Beyond the normal work hours, during day or until 12AM.

(3) Additional hours between 12AM and 6AM the next day, Saturdays, Sundays and holidays

Occupational Categories in the Labor Market⁹⁷

Total Gross Incomes Position	USD por month		
	Mínimo	Average	Máximo
Guardia	216,84	432,86	743,28
Obrero Calificado	271,84	550,45	942,12
Recepcionista	301,09	515,79	1.005,23
Bodeguero	312,00	646,12	1.256,57
Mensajero	254,50	501,14	967,38
Programador	497,08	977,42	1.746,69
Supervisor de Producción	615,70	1.004,94	1.469,42
Secretaria de división	442,50	559,12	1.517,05
Analista de sistemas	769,66	1.293,81	2.209,27
Jefe de promociones y publicidad	1.280,41	2.001,03	2.561,02
Supervisor de ventas	940,55	1.711,92	3.162,10
Jefe de ingeniería	1.200,47	2.179,09	3.189,19
Contador general	1.025,64	2.061,05	3.880,76
Gerente de control de calidad	2.314,84	4.327,42	7.318,22
Gerente de recursos humanos	2.849,53	4.665,61	9.080,15
Auditor general	3.228,75	5.895,79	11.589,55
Gerente financiero administrativo	2.456,11	5.341,24	10.829,55
Gerente de comercialización	3.544,99	7.076,85	12.414,15
Director de producción	6.090,02	11.369,31	18.464,80
Gerente General	7.043,73	14.288,37	32.827,51

⁹⁶Conquito, *Invierta en Quito*, <http://www.conquito.org.ec/inter.asp?s=13&ss=11&sss=14>, accessed on January 17, 2008)

⁹⁷Municipio del Distrito Metropolitano de Quito (MDMQ), *Invierta en Quito*, http://www.quito.gov.ec/invierta_quito/4serviciostel.htm, accessed on April 11, 2007.

Fuente: Deloitte & Touche – Andean Management Solutions (II semestre 2006)
diplomas

3.3.2. Information and contacts related to equivalency of foreign diplomas

Tertiary education

The process for recognizing and convalidating a foreign diploma, is generally the following:

- Go to a university with an equivalent degree.
- Request the Dean to recognize and validate a degree, by attaching among others the following documents:
 - For graduates from countries that have signed the Hague Convention on apostilles, original diploma with the apostille and photocopy.
 - For graduates from countries that have not signed the Hague Convention on apostilles, original diploma with consular legalization and photocopy.
 - Original grade certificates and transcripts. If the certificate doesn't list the program duration, the number of credits completed must also be attached with the academic curriculum.
 - Photocopy of the ID card or passport
 - Copy of the research project

Validation and recognition of foreign degree costs vary between universities, there is no maximum or minimum. It depends entirely on each particular university policy.

If the degrees were obtained in countries Ecuador has signed conventions and international agreements with like Cuba, Chile and Peru, the validation and recognition procedure is different:

- Address the CONESUP (Technical Administrative Secretary)
- Take the following documents
 1. Original degree
 2. Transcript
 3. ID
 4. 2 notarized copies of the degree
 5. 2 notarized copies of the transcript
- 2. Foreign citizens must also show their visas along with one notarized copy with the stamp from when they entered the country.
- 3. The diploma or degree must have the respective stamps from the Consulate of Ecuador in Chile, Cuba, or Peru, Ministry of Foreign Relations, *Cancillería*, Ministry of Higher Education of Chile, Cuba, or Peru.
- 4. Fill out the CONESP form for registering a foreign degree.
- 5. This process is personal and intransferable.

Secondary education⁹⁸

In accordance with the General Regulations in the Law of Education, Ministerial Agreement 4528 and the Andrés Bello Convention, the Ecuadorian government recognizes secondary education from abroad. The following documents must be

⁹⁸ Ministerio de Educación, Validación de Estudios,
<http://www.educacion.gov.ec/servicios/validacionestudios.php?sec=5&subCat=1&subSec=2>, accessed on June 20, 2007

brought to the National Division of School Regulation and Degree Validation (Régimen Escolar y Refrendación de Títulos Nacional):

1. ID: Original birth certificate or ID and copy (Ecuadorians); Valid Passport and Visa (foreign citizens).
2. Student Documents: Grades starting at the seventh year of basic education (sixth grade) in the Consulate of Ecuador in the country of origin.
3. Certificate of tuition payment or class attendance for the group the student is registering in.
4. Paid and filled-out form.

For the recognition and validation of foreign secondary studies, the same documents are required, except for those listed in no. 2. In this case, the following must be submitted: Transcripts of the last three years of high school and the diploma or certificate showing completion of secondary studies certified in the Consulate of Ecuador in the country of origin.

Contacts⁹⁹

División Nacional de Régimen Escolar: **(Secondary education)**

Address: San Gregorio y Juan Murillo Ed. DINAMEP mezanine, (593) 2 2521473, regimen.escolar@andinanet.net o regimenescolar@mec.gov.ec
(Lcda. Bolivia Velazco o Ma. Fernanda Tapia)

- Departamento Provincial de Régimen Escolar: Reconocimiento y legalización de estudios en el exterior (Educación Secundaria) **(Primary education)**
Address: Mejía No. 322 y Guayaquil, (593) 2 2953004
(Anita Fraga)

3.3.3. Education and re-conversion program

3.3.3.1. Government

In the program, the **SECAP** (Servicio Ecuatoriano de Capacitación Profesional/Ecuadorian Service of Professional Training) is the institution in charge of training, giving diplomas and professionally certifying in these economic structures: First (Agriculture, Forestry, and Mining), Second (Industrial and Manufacturing) and Third (Trade and Services).

Among the training modules, SECAP develops courses for the following economic sectors:

Agriculture:	Agriculture and Fishery.
Industry:	Metal Mechanics, Auto Mechanics, Electricity and Electronics, Industrial Tailoring, Leather and Shoemaking, Agrobusiness, Textiles and Craftsmaking.
Trades and Services:	Administration, Marketing, Finance, Services (Hotel, Health and Nutrition, Beauty and Cosmetology, Tourism and others), Information Technology and Languages.

It also offers programs like **“Business Development”** and **“Small Business”** in Business Consultancy, Technical Assistance, and Systematic Training.

⁹⁹ Entrevista con Mónica Herrera, Casa Metropolitana del Migrante, Inventario de instituciones que trabajan en el tema de emigración e inmigración, Quito, 5 de junio del 2007.

For more information, visit the following website:

www.secap.gov.ec

On the other hand the **Provincial Council of Pichincha** through the Provincial Board of Pichincha Short (two months) and Regular (five months), in the areas of:

1. Decoration and housing
2. Culinary Arts
3. Style and Dressmaking
4. Health and Beauty

For more information, visit the following website:

www.pichincha.gov.ec

Also the **Municipality of the Metropolitan District of Quito** (DMQ) through the Economic Promotion Corporation (CONQUITO), offers training and professional development services that would allow the inhabitants of the district to acquire knowledge and skills to obtain a suitable job.

For information on training, please go to this website:

www.conquito.org.ec

3.3.3.2. Private Companies

In the page of the **Consejo Nacional de Capacitación y Formación Profesional** (National Council of Professional Training and Education)

www.cncf.gov.ec

3.3.3.3. Non-governmental organizations

[See point 4.3.3.2.]

3.3.4 Setting up a business

In Ecuador, in the January-November 2005 period, the investment for creating new businesses rose to 914.7 million dollars, with 34.1 million for the creation of 6,033 new companies and 880.6 million dollars to capital increases requested by 1.408 companies.

According to the Company Superintendency, the importance of the business sector is that the companies contribute 61% of all income tax, 77.5% of the total exportations of the country in the period analyzed and almost 30,000 national businesses give sustenance to more than 1.5 million people.¹⁰⁰

¹⁰⁰ s/a, Inversión para crear nuevas empresas, El Mercurio, s/pg., 26 de marzo del 2006
http://www.elmercurio.com.ec/web/titulares.php?seccion=fzuyEtT&codigo=hMyQ7y1r2t&nuevo_mes=03&nuevo_ano=2006&dias=26¬icias=2006-03-26, accessed on May 11, 2007.

In Ecuador, there are two types of business limited-liability sole proprietorships and companies. The difference is the number of partners.

Limited-liability sole proprietorships can be created by "Any natural persons legally able to carry out business activities can carry out, through a limited-liability sole proprietorship, any business activity not prohibited by law, and limiting his or her liability for any actions to the capital invested in it."¹⁰¹ They are characterized by belonging to only one person, are market activities, and cannot carry out activities related to banking, insurance, capitalization and saving, mutualism, currency exchange, financial intermediation and management; issue of consumer credit cards, travel checks, portfolio funding or purchase, business leasing, business trusts, third-party obligation guarantees, third-party money collection; and, none of the activities mentioned in the laws on The Bond Market; General on Financial System Institutions; And Insurance. There is a limited period of time which can be extended. The minimum capital is the basic income multiplied by ten.

According to the Law on Companies, a **company**, on the other hand, is a contract in which "two or more people unite their capital or industries to carry out business operations and participate in its functions."¹⁰²

Under the law, there are five types of companies:

8. Limited-liability company
9. Corporation
10. Mixed-economy company
11. Limited partnership divided by stocks
12. Trading partnership

Any person wishing to form a business is advised to seek a professional opinion depending on the proposed business activity, so as to choose the most appropriate option.

The **Provincial Council of Pichincha**, through **Centers of Business Consultancy (Centros de Gestión Empresarial)** has a business consultancy program and trains entrepreneurs in technical assistance in business definition and creation, financial assistance and marketing consultancy. For more information, visit the following website:

www.pichincha.gov.ec

Furthermore, the Provincial Council of Pichincha, Servipagos, the Company Superintendecy, the Ecuadorian Institute of Social Security (IESS), the Chambers of Commerce formed the **Center of Business Services** which works out of the lower level of the Las Camaras Building that with a **one-window** system take care of all of the complications that come up when setting up a business. For further information, visit the web page of the Quito Chamber of Commerce:

www.ccq.org.ec

3.3.4.1. Legal Conditions (registry, existence of corporation, protected professions, minimum capital, etc.)

Data on creation of businesses

¹⁰¹ Ley de empresas unipersonales con responsabilidad limitada, Art.1

¹⁰² Ley de compañías, artículo 1.

Type of company	Number of Partners	Minimum capital
Limited-liability company	At least 2 At most 15	USD 400
Corporation	At least 2	USD 800
Mixed-economy company	Made up of entities subject to public or semipublic law with entities subject to private law	USD 800
Limited partnership divided by stocks	At least 2	USD 800

Requirements for setting up a business¹⁰³

Data on creation of businesses Processing times and set-up costs

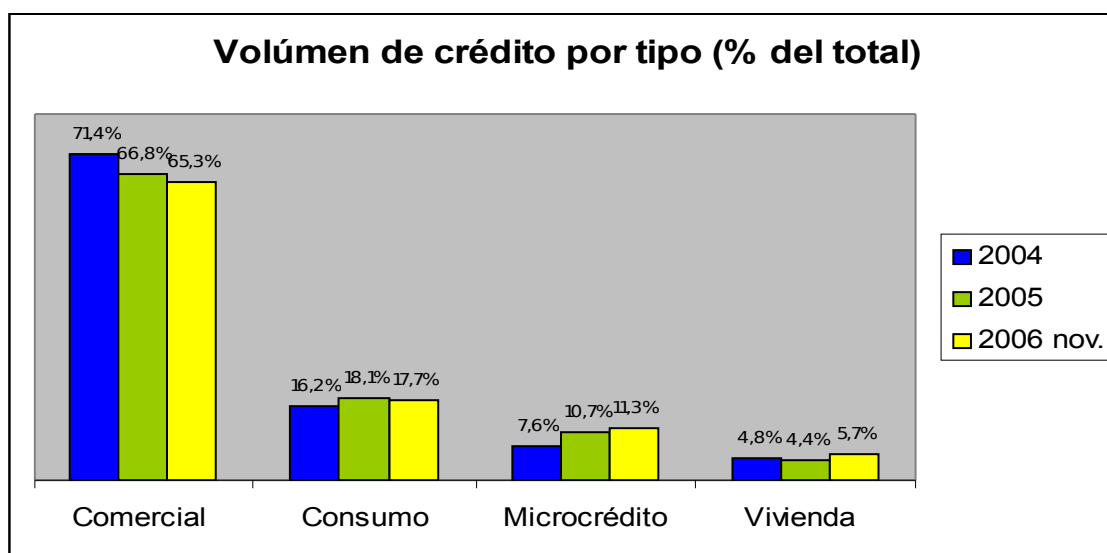
Procedure	Required time	Cost in USD
a) Approval of the business constitution	2 días	400,00*
b) Publication of the business notification	2 días	61,00**
c) Municipal Certification	1 día	0,00
d) Registration in the Chamber of Commerce	1 día	50,00
e) Business Registry	4 horas	61,82***
f) Notary: Note on the margin	1 día	11,20
g) S.R.I. and the RUC	1 hora	0,00
Total aproximado	8-9 días	584,02

For more information on **municipal and environmental patents, rates for registration and other Trademark and Patent processing services, Dues for Chambers of Commerce, Income Tax, Value-Added Tax, Municipal Taxes, Import duties, Double-Taxation and Foreign Trade Agreements**, please contact HelpDesk Return.

4.3.4.2. Credits/Subsidies and Access Conditions (Bank-interest rate, creditors, etc.)

In the financial system of Ecuador, most of the credit is for business activities, followed by consumer credit, micro-credit and housing. However, this a clear downward trend in business credit. There is a certain stability in consumption and housing credit, a slight upward trend in micro-credit, according to "Analysis of the economic situation, Ecuador 2006".

¹⁰³ *Conquito, Invierta en Quito*, <http://www.conquito.org.ec/inter.asp?s=13&ss=11&sss=12>, accessed on January 7, 2008



Source: *Superintendencia de Bancos*

The economic activity that most requires credit is the commercial sector, which is twice as much as the second sector, manufacturing. Among these two activities there is almost 57% of the credit total. The service sector with financial, agricultural and construction services account for 38%.

In 2006 only trade and construction have had a bigger portion of the total credit in the past two years, unlike the rest of the activities.

The active rate increased in 2006 and thus investment activities were not encouraged, which has led economic agents generally to opt for short-term credit for work capital. The continuing high interest rates make investment expensive and also deplete national savings (less investment, less earnings means less to save).¹⁰⁴

For 2007, during the month of April there was a slight increase in the Reference Interest Rate (84-91 day terms) which rose from 9.72% to 9.86%, to the extent that the Reference Interest Rate was 5.25%.¹⁰⁵

However, Alfredo Vergara, the bank superintendent, showed the total costs of credit, or interest plus financial costs charged (credit received + prices paid for by the clients) in the country, in a report on the policy on transparency of financial services prices. "From the information the banking authority has submitted, there was seen to be some cases where the total financing cost is up to seven times the nominal interest rate (maximum conventional rate published by the Ecuadorian Central Bank). For example, in a micro-credit of 300 dollars with a 90-day term, Unibanco offers a nominal interest rate of 10.04%, but according to Superintendencia's calculations, the total financing cost rises to 72.05%. In other words, the final value multiplied by seven. There are more examples of how the total financing costs rise. The Bank of Loja for a (vehicle) consumer credit of \$10,000 dollars with a 36-month term, Unibanco offers a nominal interest rate of 13%, but the total financing cost can be as much as 26.26%; the double. The Bank Superintendence also revealed that it will periodically analyze

¹⁰⁴ ILDIS (Instituto Latinoamericano de Investigaciones Sociales), Análisis de coyuntura económica, Ecuador 2006, pg. 36, 2006, <http://www.ildis.org.ec/public/titleView.do?code=2>, accessed on May 21, 2007.

¹⁰⁵ Banco Central del Ecuador, Ecuador, evolución del crédito y las tasas de interés-Abril 2007, s/pg., Abril 2007, <http://www.bce.fin.ec/documentos/Estadisticas/SectorMonFin/BoletinTasasInteres/ect200704.pdf>, visited on July 1, 2007

comparative cost information from all of the financial institutions and will publish it in print and on the Internet."¹⁰⁶

Financial Costs. ¹⁰⁷

Reference Rates and Credit Costs

Reference Interest Rates*	
Active **	9,79%
Passive ***	5,20%
Maximum Conventional ****	13,35%
* Calculated and published periodically by the BCE ** Average weekly rate pondered for credit operations given out by banks to the corporate sector, between 84 and 91 day terms . Week of the 19 to 25 of July 2007. *** Weighted average weekly nominal rate of all term deposits between 84 and 91 days in private banks. **** Beyond this rate is considered usury. Applicable for the month of February 2007. Source: BCE	
Costo del Crédito (%)	Porcentajes anuales
Credit for business activities for operations longer than 6 months:	
* Average Corporate Interest Rate	8,20%
Comission	
* Signature securities	De 2,0 a 5,0%
* Mortgage securitites	De 2,0 a 3,5%
Tax	1,00%
Total average cost:	12,20%
Note: Comission with different type of credits	
Sources: BCE y bancos privados	

Government Credit Program: 5-5-5 Plan

The National Governnet has rolled out the 5-5-5 Credit Plan (\$5000 on a 5-year term at a 5% interest rate) from the National Bank of Public Works (*Banco Nacional de Fomnto*) (BNF), these credits are directed at people who would like to diversify their business or take up another one, and is meant to give a push to the agricultural and small-business sector, in addition to micro-credits for business people and human development for those receiving the Bond.

The 555 BNF loans are extended in accordance with the land expanse of the applicant and its appraisal depending on the area and the cultivation, for example in Daule (Guayas) \$500 per hectar is offered whereas in Quevedo (Los Ríos) up to \$1500.00 is offered. Up until May, 6,201 credits have been extended.

Some of the sectors are not eligible since the requirements are the same as those for a private bank loan, the total remains between \$1000 and \$3000 US, and the terms vary.

¹⁰⁶ s/a, El costo de los préstamos en la banca llega hasta el 70%, El Comercio, s/pg., s/f, http://www.elcomercio.com/noticiaEC.asp?id_noticia=107855&id_seccion=6, visited on July 5, 2007

¹⁰⁷ Conquito, *Invierta en Quito*, <http://www.conquito.org.ec/inter.asp?s=13&ss=11&sss=21>, accessed on January 7, 2008

For example, short-term cultivation loans, farming properties and purchase of pigs the term is one year, and for the purchase of agricultural machinery and cows, as well as infrastructure for any type of business can have a term of up to 5 years. Furthermore, they need a guarantor which is a problem for many. The alternative is to mortgage the land, and if the applicant does not have a title deed or is renting the land, he must have a notarized contract and a guarantor. Mortgaging requires additional time and costs.¹⁰⁸ More information on credit requirements and types, which can be found by going to this website:

www.bnf.fin.ec

In the 5-5-5 Plan, the Ministry of Social Welfare (MBS) and the National Bank of Public Works (BNF) signed agreements with the CONQUITO *Corporación de Promoción Económica* (Economic Promotion Corporation) which allow citizens to access credit. The purpose of this agreement is to generate empresarial opportunities for women receiving the Human Development Subsidy in the Metropolitan District of Quito. The credits are directed to female heads of household who participate in participative urban agricultural projects so as to support them in building collective businesses to generate products and services. This mechanism also allows credit access to small businesspeople trained under the CONQUITO program in production, services or business, after meeting all of the BNF requirements.¹⁰⁹

www.conquito.org.ec

Government Credit Program: Productive Solidarity Credit

The Productive Solidary Credit¹¹⁰ (CPS) is a program meant to dynamize the economy of the vulnerable groups in the country, by incorporating the extreme poor in small business productive processes, which generate self-employment and allow for the gradual increase in income for the family, offering micro-credit and training, through a network of entities specialized in financial and non-financial services.

Its main purpose is to improve the quality of life and income of those receiving the Bono Solidario and all of the population living under the poverty line, by access to credit, training, and specialized integral assistance. Under the PCS, micro-credits of up to \$600.00 (six-hundred dollars) are given a maximum-term of up to a year, used to fund self-employment activities and generate and/or consolidate micro-businesses for the benefit of BDH and the population below the poverty line through national financial or non-financial entities.

This program has served 55,478 people since 2001. The economic activities targeted by these credits have been trade (77.87%), the agricultural sector (14.5%), small industry (4.04%) and other activities (3.5%).

The submission of requirements, oversight of the realization of credit lending, training, and general assistance can be done in the Program for Social Protection of the Ministry of Social Wellbeing located in Quito (Foch E4-38 and Colón). Telephone:

www.pps.gov.ec

¹⁰⁸ s/a, Crédito del 555 es para muchos solo una ilusión, El Universo, s/pg., 24 de junio del 2007, <http://www.eluniverso.com/2007/06/24/0001/9/0B22FE84C47041AE95E9C69D8DC1E614.aspx>, visited July 1, 2007.

¹⁰⁹ CONQUITO, CONQUITO suscribirá importantes convenios, <http://www.conquito.org.ec/inter.asp?s=28&n=10>, visited July 1, 2007.

¹¹⁰ Ministerio de Bienestar Social, Programa de Protección Social, http://www.pps.gov.ec/credito_productivo/credito_productivo_sol.aspx, visited on July 1, 2007.

Micro-credit in the private sector.

Among the 80 biggest Microfinancial Institutions of Latin America which give up to an average of \$1000.00 (thousand dollars) directed to micro, small, and medium businesses, there are eight Ecuadorian businesses that manage a credit portfolio of \$318 million USD¹¹¹.

- Banco Solidario: www.bancosolidario.com.ec
- Finca Ecuador
- Credi Fe
- Banco ProCredit-Ecuador
- Cooperativa de Ahorro y Crédito Jardín Azuay: www.jardinazuayo.fi.ec
- Fundación Espoir
- De Miro
- Cooperativa de Ahorro y Crédito San José

Furthermore in the center of the country, even though it might generate instability in the cooperatives, 30 new financial entities administered by indigenous groups are created annually. There are 12 just in Ambato (Tungurahua), the main ones being¹¹²:

- **Cooperativa Mushuc Runa** (New men), attends in Tungurahua, Chimborazo, Cotopaxi and Bolívar 71.450 partners in Quichua and Spanish.
- **Cooperativa Unión Popular**, with 5200 members and an agency in the wholesale market of Ambato, has been in business for 25 years and gives loans with a maximum total of \$4000.00 and also offers commission services, tax deduction insurance, storage, dental care and death insurance.

Non-governmental Credit Organizations

- **Maquita Cusunchic Comercializando Como Hermanos (MCCH)**: Credit management and micro-entrepreneurial training. www.fundmcch.com.ec
- **Fundación Alternativa**, through the "Emprendedores Solidarios" Credit Program, which Works specifically in marginal urban sectors of the Pinchincha North-West (San Miguel de los Bancos, Pedro Vicente Maldonado, Puerto Quito), also trains in microfinance: www.fundacionalternativa.org.ec.
- **Catholic Relief Services (CRS)**, is a program from the Catholic Church which carries out projects to stimulate agriculture, micro-financing and civil society activities responding to productive and economic needs of the local population. The Micro-financing Program, under the Communal Bank methodology, Has implemented projects in the provinces of Sucumbíos, Cotopaxi, Tungurahua, Pichincha, Chimborazo, Bolívar, Azuay, Cañar, and Loja. Address: Quito, Av. América 1805 y La Gasca. www.iglesiaecuador.org.ec
- Address: Quito, Asunción OE-3252 y Venezuela. Telephone: (593) 2 2238145. E-mail: casa_migrante@andinanet.net
- Address: Quito, Veintimilla 325 y Av. 12 de Octubre, edificio El Girón 'E', penthouse. Telephone (593) 2 2226819 or 2559692. www.cepesiu.org

¹¹¹ s/a, Unas ocho instituciones dominan el microcrédito, Dinero, Diario de negocios, s/pg., 22 de noviembre del 2005, http://www.hoy.com.ec/NotiDinero.asp?row_id=219200, visited July 1, 2007

¹¹² s/a, La banca indígena se consolida, El Hoy, s/pg., August 8, 2006.

http://www.hoy.com.ec/NoticiaNue.asp?row_id=242020, visited on July 1, 2007.

3.3.5. Social security

In Ecuador the Ecuadorian Social Security Institute (IESS) is the institution in charge of social security.

IESS functions under a personal affiliation scheme; it only protects and benefits the subscriber. For mothers, maternity insurance includes pediatric medical care for the children for their first year of life.

It is designed to protect dependant workers, both in the public sector and private business, in a social security scheme that includes economic and health care benefits and covers approximately 10% of the country's population, basically workers in the formal urban sector.

The affiliation of rural area workers is handled by the Rural Social Security Administration, whose family coverage includes social benefits (death, handicap, old age) and primary medical attention and attends a fourth of the rural population of the country.

General Social Security is funded with employer contributions that by Law correspond to 3.41% of the payroll. Furthermore, Seguro Social Campesino is funded with 1% of payroll split three ways: 0.35% of the value of the payroll of urban insured, 0.35% of the employer contributions and 0.30% of the State contribution, in addition to a symbolic monthly contribution of household heads which is 1% of minimum wage.

There are also social security models for members of the Armed Forces (ISSFA) and the Police and their relatives (ISSPOL), which are funded by contributions from the general budget of the State, the sale of services to members not related to the Armed Forces or the Police as well as contributions from the insurance scheme.¹¹³

In a diagnosis of the Social Security System, many of the problems in the IESS; differences in the way the current Social Security system Works have come to the point of being unsustainable, partially because of the deterioration in what IESS receives which is also due to the stagnation of the minimum wage; for the past few years the State has not paid 40% of its pensions; which eventually led to new generations to resist contributing to IESS.¹¹⁴

If the person was absent from the country for a period, funds contributed (that were not taken out as unemployment and provisions assistance) and the time they were contributed are recorded and considered in establishing retirement pensions.

Contributions are closely related to whether the worker stays in his or her job, and if he or she is a voluntary contributor, his or her willingness to keep up to date with the contributions. In other words, a returning migrant who has stopped *de facto* from making contributions receives all the rights he or she possessed while enrolled, even though their right to certain services such as access to loans is restored gradually.

This is why information campaigns have been published for people who after immigrating to other countries continue voluntary contributions, in order to increase their reserve funds and contributions, which will prevent them from losing their right to retirement pensions in old age. A person can retire at any age after making 480 or more monthly contributions. A 60-year old with more than 360 monthly contributions or

¹¹³ Organización Panamericana de la Salud, Situación de Salud, Ecuador 2006, pg. 102, noviembre 2006, http://www.opsecu.org/asis/situacion_salud.pdf, visited July 1, 2007.

¹¹⁴ s/a, IESS: sus cifras justifican una reforma, El Hoy, s/pg., 29 de junio del 1999, <http://www.hoy.com.ec/especial/iess/iess21.htm>, visited July 1, 2007.

more can opt for retirement. The number of contributions goes down with age. At 65, a worker can retire with 180 or more contributions, or at 70 with 120 or more.

3.3.5.1. Unemployment and redundancy benefits and applying for them

IESS protects with economic benefits for the people it covers against eventualities which effect their ability to work or obtain an income due to age, death, or handicap including disability; and lay-off.

To receive redundancy benefits a worker must show having paid 60 non-simultaneous contributions, and prove to the IESS that he or she will be laid off more than 90 days.

The following people can receive this benefit:

Any person covered who is 50 years or older as of November 30, 2001.

Any person between 40 and 50 years as of November 30, 2001.

Any person who when the entire redundancy payment is taken out exercises his or her right to retirement because of disability or age.

If a contributor dies at 40 years or older as of November 30, 2001, the capital accumulated will be distributed to the following beneficiaries in diminishing order:

Minor children younger than 18 or disabled children of any age who were dependants of the deceased, his or her spouse or partner

The parents of the contributor as long as they were dependants of the deceased if no children or spouses claim this right.

- Any person covered who is not yet 40 years or older as of November 30, 2001.
- In the case of total and permanent, any person covered who is not yet 40 years or older as of November 30, 2001.

Information on requirements and processing can be found on the IESS website:

www.iess.gov.ec

3.3.5.2. Sick benefit (mutual fund)

IESS protects the people it covers with economic benefits for against eventualities which effect their ability to work or receive income due to sickness, maternity, or work risks, age, death or disability which includes handicaps.

The Labor Code classifies work risks as **work-related illnesses** and **work-place accidents**, the first are sharp or chronic afflictions caused by carrying out a profession or job which cause disability, as far as accidents are defined by an unexpected and sudden event which causes bodily damage and functional disturbance to the worker. For effects of benefits and compensation, **common** illnesses also covered are "changes in the workers' health caused by non-work related circumstances. (Articles 353, 355 Labor Code.)

Temporary Disability

Temporary disability is considered when the contributing worker is unable to come to his or her job, because of an accident or work-related illness, while he or she is under medical, surgical, or hospital care or rehabilitation as well as for work-related illness observation periods, a prescription for interruption of work. (Art. 181, Estatuto IESS)

Any injury that can be cured within one year of occurrence and which allows the worker to recover the ability to do his or her usual job. (Art. 386, Labor Code).

Right to Insurance for Common Sickness

Common sickness coverage is one of the benefits IESS provides to its contributors. This insurance covers:

- a) Medical, dental, and pharmaceutical assistance; and,
- b) Money benefit when the sickness causes inability to work. (Art. 85, IESS Statute)

This is a right that all covered parties with at least six months of contributions have. To this effect, the worker suffering from a non-work related illness must represent this, in writing to the employer and the relevant Work Inspector within the first days of the sickness. If this condition is not met, it will be assumed that there is no sickness. (Art. 177, Labor Code). Furthermore, the worker will have to show with a medical certificate preferably from a doctor from the IESS National Social Medical Direction, that he or she suffers from a non-professional illness.

The employer cannot fire the worker while he or she is suffering from a debilitating non-professional illness, as long as this is not longer than a year. (Art. 174, Labor Code).

If the employer refuses to re-admit the employee under the conditions from before his or her illness, he will have to compensate the employer with the equivalent of six months of wages, not including other compensation he or she might be entitled to, as well as any legal fees incurred in the related trial. (Art. 179, Labor Code).

In the case of a common sickness, the employer is required to pay:

- a) Salary or Wages – 50% of the salary or wages in the first few days of incapacity.
- b) Social Benefits
 - Complementary Discount;
 - Compensation for High Cost of Living; and,
 - The sixteenth payment (since it is paid monthly).

No transportation costs will be paid for days the worker does not come to work, and the corresponding value will be paid proportionally.

- c) Additional Compensation – The thirteenth, fourth and fifth additional compensations, must be paid as if the worker had worked normally without any interruption.

IESS Benefit

- a) Money benefit – Starting from the fourth day and up to 26 weeks (six months), the worker will receive the following benefits from IESS:

- The first 70 days of their disability, the IESS must pay 75% of the average wages of the last 90 days of the month of disability and,
- For the rest of the time, 66% of this average. (Art. 85 of the Codified Statute and Articles 16 and 18, IESS Benefit Regulation)

- b) Social Benefits and Additional Compensation – IESS does not cover these benefits and as a result it is the employer's obligation to pay them. ¹¹⁵

Maternity¹¹⁶

Women covered by the General Obligatory Insurance are entitled to specialized medical attention during pregnancy (prenatal, delivery and post-delivery); complete pediatric care for one year for the child of the woman covered under IESS, including

¹¹⁵ s/a, La enfermedad común de un trabajador, Diario La Hora, s/pg, s/f, <http://www.dlh.lahora.com.ec/paginas/judicial/PAGINAS/D.Trabajo.3.htm>, accessed on April 13, 2007.

¹¹⁶ s/a, La enfermedad común de un trabajador, Diario La Hora, s/pg, s/f, <http://www.dlh.lahora.com.ec/paginas/judicial/PAGINAS/D.Trabajo.3.htm>, visited on April 13, 2007.

medicine and hospitalization; maternity benefit in money; compensation for expenses and through agreements signed with private clinics.

To access this right, the woman covered must show 360 days of continuous contributions, whether voluntary or obligatory, within the 12 months directly before the delivery; or, in its default, 378 days of contributions within the last 16 months before the delivery.

When the woman covered has been unemployed and the delivery is calculated as 11 months after the firing, IESS will give the maternity benefit in the prenatal, delivery and post-delivery phases. There will be no right to any other benefits.

11 months are considered the protection period, with 2 months before the pregnancy and a 9-month gestation. Nevertheless, those who have only paid 6 monthly contributions, IESS will only give them prenatal assistance.

Maternity benefit in money;

During 12 weeks, 2 weeks before and 10 weeks after delivery. An aborted or stillborn baby will be considered as a common illness case.

This benefit is equivalent to 75% of the last paycheck of the contributor. The employer is required to pay 25% of the salary or wages. Furthermore, in the time the benefit is being paid on 100% of the wages to pay off the benefit (Second indent of Art. 97 of the Statutes and Art. 27 of the General Benefits Rule)

Women covered under the Labor Code, Domestic Insurance and Agricultural Insurance have a right to the benefit. The following women are excluded: voluntary contributors, special schemes regardless of their dependency (professionals with polytechnic degrees, professional artists, self-employed and freelance workers), those who contribute to the Rural Social Security, part-time workers, *maquila* workers, public employees, and unemployed contributors.

Contributors, who are disabled to carry out their work, have a right to a money subsidy for a common illness for up to six months.

For money benefits purposes, miscarriage or stillborns will be considered cases of common illness.

3.3.5.3. Family Benefits and Conditions for Access

Family benefits in Ecuador consist in payment made by the employer to workers based on their dependants (children younger than 18, disabled children of any age, spouse or live-in partner whether working or not).

In private businesses that generate utilities, work law establishes that 5% of the total liquid utilities produced annually should be submitted to employees based on their dependants.¹¹⁷ As a result, businesses should liquidate up to March 31st of each year, and from then on, within 15 days the businesses must pay utilities to each worker.

To access this benefit, each of the dependants must be justified with marriage licenses or affidavits accrediting a *de facto* union, birth certificate, certified from the National Council of Disabilities, according to the case.

¹¹⁷ Código del Trabajo, Artículo 97.

3.3.5.4. Other forms of social assistance

With 1998 and 1999 crisis, the State had to implement a situation of social welfare in the country. With the elimination of general subsidies for energy consumption, the "Bono de Solidaridad" was implemented as a way to compensate the poorest households for the increase in gas and domestic-use gas, despite the fact the gas subsidy was reinstated. SELBEN exists to target social programs to the poorest. These are some of the social programs¹¹⁸ implemented by the Ecuadorian government.

Human Development Bond

(nationwide)

Meant to insure a minimum-level of consumption for the poorest sections of the Ecuadorian population, with direct cash payments (30 USD) for family members in poverty. Improves access to health and education services to these families.

Aliméntate Ecuador (ex PRADEC Programa de alimentación para el desarrollo comunitario) (SIAN)

(nationwide)

Meant to insure the most vulnerable sectors are fed well-enough and supports local development initiatives.

Programa Nacional de Nutrición PANN 2000 (SIAN)

(nationwide)

Meant to improve the nutrition of pregnant women and nursing mothers, as well as preventing malnutrition and stunted growth or malnutrition-related illnesses in children younger than 2 by offering food supplements.

Programa de Alimentación Escolar PAE (SIAN)

(nationwide)

Meant to improve the quality and effectiveness of Basic Education through a food compliment, especially in areas with higher levels of poverty.

Nuestros Niños (FODI)

(nationwide)

The goal is to improve the quality of child care systems by extending child care coverage and strengthening intuitional capacity through projects such as: Growing with Our Children, Play Circles and Learning, Integrated Centers with Childhood Development, etc.

Operación Rescate Infantil (FODI)

(nationwide)

Their main goal is to give well-rounded care to at-risk children younger than 6 in marginal urban and rural areas of the country, by implementing child care centers (recreation, feeding, care) under the care of community mothers.

Vivienda Bono Solidario

Coverage: Ecuadorian Coast)

As was previously explained, this home voucher is meant to give Coastal families new housing, if they receive the human development benefit and are landowners.

Vivienda campesina

(nationwide)

Meant to improve housing construction and renovation in rural areas, through a voucher given by the MIDUVI.

¹¹⁸ Organización Panamericana de Salud. Situación de Salud, Ecuador 2006, pg. 26 y 27, noviembre 2006, http://www.opsecu.org/asis/situacion_salud.pdf, visited on July 1, 2007

Vivienda urbana SIV

Coverage: marginal urban areas)

By submitting a voucher for housing construction and renovation in non-marginal urban areas, through the MIDUVI, the intention is to improve housing conditions in a participative fashion, which the community in turn compliments with saved money and/or materials and workforce.

Aseguramiento Universal de Salud

(nationwide)

Main purpose is to give financial protection which guarantees access to health care services for the entire Ecuadorian population, through primary health education.

Agua potable y saneamiento ambiental PRAGUAS

(Coverage in rural areas with high levels of poverty)

Funding of basic sanitation services in high-poverty areas.

Information on these programs can be found on the website of the Ministry of Social Development Coordination:

www.frentesocial.gov.ec.

3.3.5.5. Specific benefits for candidates for return

N/A (does not apply)

3.3.6. Charity Organizations with general services

Health¹¹⁹

Organization	Service provided	Contact
Quito		
FEDAEPS	HIV/AIDS help, education and prevention	2556964
Centro de Orientación Familiar	HIV/AIDS	2526766
Acción Integral Comunitaria	HIV/AIDS, sex education	2550312
Fundación Cáncer		250 9891
Fundación Epilepsia		2245691
SOLCA Sociedad de Lucha contra el Cáncer	Prevention, diagnosis, treatment and palliative care for cancer patients	www.solca.med.ec

Food

Organization	Service provided	Contact
Quito		
Ejército de Salvación (Salvation Army)	Canteen for 40 underaged refugees	Mayor Alex Nesterenko
Centro Educativo Huntsville	Asistencia alimenticia y educación de niños desplazados	

¹¹⁹ Base de Datos HIAS

EMIGRATION

Name	Address	Telephone, fax and e-mail	Contact person	Field of activity
CAAS	General Aguirre No. 135 y 10 de Agosto. Ed. CRISCOLF A Of. 303	2505616 lcahuasquí@afsc.org	Lina Cahuasquí	Coordinates the "Mis Redes" network
Centro Segundo Montes Mozo		2543845-098220906- Fax:2543845 montesdh@andinanet.net	Pablo De La Vega	Documentation on human rights
Servicio Jesuita de Migrantes	Eustorgio Salgado No. 19-83 y Av. Universitaria	2247982, ext. 119 sjm@jesuitasecuador.org.ec	Pablo Araujo Landeta	Training, Case Management. Legal Assistance. Lobbying.
Defensoría del Pueblo. Dirección Nacional de Migraciones	Av. De La Prensa No. 54-97 y Jorge Piedra	3301439-3301839 Ext. 212	Lcdo. Camilo Restrepo	Legal Assessment and Assistance for Migrants.
ALER	Valladolid No.511 y Madrid	2524358 Fax:2503996 lucho@aler.org	Luis Dávila	Facilitates communication between migrants and their relatives
FEPP: Fondo Ecuatoriano Populorum Progressio.	Mallorca N24-275 y Coruña	2520408-2554741-2554744- 2529372 Fax.2504978 FEPP@fepp.org.ec	Mario Cadena Lorena Altamirano	Productive Projects.
Asociación de Familiares de Migrantes Rumiñahui	Jorge Washington E4-54 y Av. Amazonas	2520994 Fax: 2555671 asorumiñahui_ec2000@yahoo.com	Gloria Jiménez	Defends and promotes human rights of migrants and their families. Assistance.
Asociación de Migrantes Ecuador-Llactacaru	Alonso de Bastidas S 18-147 y Antonio de Carranza.	2841284-2626619 Llactacaru@yahoo.es	Patricio Carrillo	Acompañamiento. Defends human rights of migrants and their families.
Caritas Española	Ulloa 709 y Colón Edificio Caritas del Ecuador	3215931	Vicente Martínez Mónica Eguiguren	Representation and project coordination.
Casa Metropolitana del	Jorge Washington	2238145 Casa_migrante@andinanet.net	Hermel Mendoza.	Legal assistance to migrants and their

¹²⁰Interview with Mónica Herrera, Casa Metropolitana del Migrante, Inventario de instituciones que trabajan en el tema de emigración e inmigración, Quito, June 5, 2007.

Name	Address	Telephone, fax and e-mail	Contact person	Field of activity
Migrante	n E4-54 y Av. Amazonas 1er piso	net		families. Psychological support. Workshops.
CAPLAES- Centro de Planificación y estudios sociales	Sarmiento N 39-198 entre Hogo Moncayo y Gaspar de Villaruel	2250659-2259498 Fax:2459417 ceplaes@andinanet.net	Gloria Camacho	Investigation on women and migration (rural and urban)
CORAPE- Coordinadora de Radios Populares	2901355- 2523006 Fax:25230 07	2901355-2523006 Fax: 2523007 Coraje@aler.org	Gissela Dávila	Communication. Programa “Callos y Guatitas”
FLACSO- Facultad Latinoamericana de Ciencias Sociales	La Pradera E7-174 y Av. Diego de Almagro	2556855-2232029 Fax:2566139 gherrera@flacso.org.ec	Gioconda Herrera	Migration research (women and young people).
Parroquia Cristo Resucitado- Quito Sur	Cardenal De La Torre y Ajaví	2628455-2620445. Fax:2638244	Hna. Rosa Siguenza	Assistance for Migrant Families. Reflection.

3.3.7. Useful information for calculating the general cost of life (gasoline and food prices, etc.)

The cost of a family shopping basket ¹²¹ as of June 2007 is, according to the *Instituto Nacional de Estadística y Censos* (INEC), USD 457.79 per month, or 140.45 dollars above the USD 317.34 minimal monthly wage.

The annual inflation rate (06/2006 – 06/2007) was 2.19%. The rise of prices in June 2007 was mostly due to the rising prices of food, non-alcoholic beverages, and transportation costs. ¹²²

As of May 2007, the cities with the lowest inflation rates are Ambato, Machala and Quito. Guayaquil, Cuenca, Loja, and Manta suffer from the highest inflation. The family shopping basket has grown more expensive with the rise of the prices of housing, water, electricity, natural gas, restaurants, hotels, furniture, houseware, transport, alcoholic beverages, tobacco and narcotics. ¹²³

According to INEC data from 2005, 41.5 per cent of Ecuadorians live under the poverty threshold of \$2.7 per day and 7 per cent live in extreme poverty (less than \$1.3 – the

¹²¹ Family shopping basket is the set of 75 goods and services that a standard family of 4 persons is able to access, with a 1,6 salary that allows a capacity equivalent of a ‘Remuneración Sectorial Unificada.’ (INEC: 1982)

¹²² s/a, La inflación subió en junio al 0,39 por ciento, *El Comercio*, s/pg., s/f, http://www.elcomercio.com/noticiaEC.asp?id_noticia=121596&id_seccion=6, accessed on July 6, 2007

¹²³ s/a, Cuenca segunda en aportar a inflación, *El Mercurio*, s/pg., 20 de agosto del 2007 http://www.elmercurio.com.ec/web/titulares.php?seccion=fzuyEtT&codigo=3cMSahouXl&nuevo_mes=05&nuevo_ano=2007&dias=05¬icias=2007-05-05, accessed on August 20, 2007

severely restricted consumption of these families is closely linked to the low availability or quality of employment.¹²⁴

Additional information

For **more information on living costs** such as fuel, telecommunications (time needed for installation, basic rates, calling costs per minute), mobile phone services, monthly subscription rates, the *Oficina de Información sobre el Retorno Voluntario*¹²⁵ can provide answers to these specific questions.

3.4. Health

3.4.1. General health situation of the country (epidemic risks, etc.)

There are no major health problems in the country.

Additional Information on this subject can be found in point [4.4.3.1. Regional Health care Infrastructure (Hospitals, Equipment, etc.)].

According to the United Nations, Según las Naciones Unidas, the total fertility rate maintained its downward trend between 2001 and 2005. It was 2.7 children per woman in 2005.

According to the INEC-CEPAL/CELADE, in 2005, the aging rate was 25% for (60+ adults/0-14 years) The life expectancy for the periods 1995-2000 and 2000-2005 rose for both sexes; from 72.3 to 74.2 years; 69.6 to 71.3 years for men and 75.1 to 77.2 for women.

Leading causes of death

The crude death rate (per 1,000 inhabitants) in 2005 has been estimated at 5.0.

In Ecuador, the ten leading causes of death in 2004 were heart diseases, pneumonia, cerebrovascular diseases, diabetes, arterial hypertension, assault, ischemic heart diseases, traffic accidents, liver diseases and malign stomach tumors, as indicated in the table below:

Leading causes of death/Ecuador 2004¹²⁶

Nº	Cause	Nº of cases	Rate
1	Heart diseases	4,014	30,8
2	Pneumonia	2,998	23,0
3	Cerebro-vascular diseases	2,949	22,6
4	Diabetes	2,672	20,5
5	Arterial hypertension	2,474	19,0
6	Assault	2,315	17,8
7	Ischemic heart diseases	2,300	17,7
8	Traffic accidents	1,873	14,4

¹²⁴ Banco Central, Consumo restringido, http://www.bce.fin.ec/ver_noticia.php?noti=NOT05403, accessed on July 1st, 2007

¹²⁵ Helpdesk Return: + 32/2 274 00 23 o return@vluchtelingenwerk.be

¹²⁶ Organización Panamericana de Salud. Situación de Salud, Ecuador 2006, pg. 108, noviembre 2006, http://www.opsecu.org/asis/situacion_salud.pdf, accessed on July 1st, 2007

9	Liver diseases	1,655	12,7
10	Malign stomach tumors	1,484	11,4

Rates per 100,000 inhabitants
Source: INEC, *Estadísticas Vitales*

3.4.2. Drinking water and basic hygiene per region; heating systems (where applies)

In Ecuador, the percentage of inhabitants with access to water services in 2004 was 82% in urban zones and 39% in rural zones. As for sanitation services, only 39% of the total population has access to them. This percentage is even lower in rural zones, at barely 29%.

Service	Coverage	
	Urban zones	Rural zones
Water	82%	39%
Sanitation	73%	29%

Although there is no data available on the quality of drinking water, according to the 2000 report by the *Servicios de Agua Potable y Alcantarillado* (Drinking Water and Sewer System Services), only 60% of water treatment systems in urban zones used disinfection; as for rural zones, chances were high that the overwhelming majority of the population received water that had not been disinfected.

Large inequalities exist when it comes to access to drinking water and sanitation – families with scarce resources are more likely not to have access to those services. Coverage by these services is also unequal – the country's coastal and eastern regions have worse infrastructure than the central mountain range, the Sierra.

In cities, the production of solid waste is 0,686 kg per day per inhabitant, or about 5,098 tons daily countrywide. Municipalities are responsible for hygiene services; they currently have a coverage rate of 83% in waste collection.¹²⁷

3.4.3. Health Care and Psychological Care System

The Political Constitution of the Republic of Ecuador establishes the Right to Health as a fundamental, full-fledged right which includes health promotion and health care.

The National Health Care System Law guarantees fair and universal access to health care services.

The Free Maternity and Child Care Law strengthens the health care systems action for women, mothers, and children younger than five in order to reduce mother and infant death.

3.4.3.1. Regional Health care Infrastructure (Hospitals, Equipment, etc.)].

Coverage for health care institutions or service providers

¹²⁷ Organización Panamericana de Salud. Situación de Salud, Ecuador 2006, pg. 146, noviembre 2006, http://www.opsecu.org/asis/situacion_salud.pdf, visited on July 1, 2007.

The estimated health care services coverage in Ecuador is, according to the Living Conditions Surveys (INEC-BM, 1995 and 1998), the Ministry of Public Health (MSP) on average 30% of inhabitants, the Social Security Institute (IESS) through General Coverage and Rural Social Security covers around 18% of the Armed Forces and around 2% of the Police, the Welfare Council of Guayaquil, the Soceidad de Lucha Contra el Cáncer (SOLCA) and NGOs estimate that they together cover 5% and that private services cover 20%, where as 25% of the population has no formal coverage and are basically poor, rural, spread-out populations in indigenous communities of central provinces, in the Amazon areas and in marginal urban slums.

Human Health Resources

In 2002, according to INEC, there were 70,831 people (professionals, technicians and assistants) working in both public and private health care establishments. Of these, 69.9% did so in the public sector. From this percentage, more than half of this was done in the Ministry of Public Health (59.2%), and then the Ecuadorian Institute of Social Security, IESS with its health care services (16.9%), Ministry of Defense (6.2%), Sociedad de Lucha contra el Cáncer (3.0%), Ministry of Government (2.1%), Municipalities (1.8%) and other institutions at 10.8%.

The urban-rural distribution of health care providers is very uneven. Between 85 to 92% of health human resources are in urban areas of the country.¹²⁸

Distribution of health professionals in urban and rural zones, Ecuador 2002

Type of professional	Cities	Countryside
General practitioners	92%	8%
Dentists	95%	5%
Nurses	93%	7%
Obstetricians	85%	15%
Administrative staff	98%	2%

Source: Sacoto, F., *Estabilidad y Remuneraciones*, 2004

For the year 2003, as far as the classification of health care personnel, doctors were 15.6 per 1000 people, nurses (5.3), dentists (1.7) and nurses assistants (9.8). The province with the lowest rate of doctors was Orellana (5.4 per 1000) and the mayor Azuay (26.6 per 1000). For nurses, Orellana had the highest rate (1.8 per 1000) and Pichincha had the lowest (9.8 per 1000).

Infrastructure and facilities

In 2004, in Ecuador around 3,790 health care establishments were registered, of which 700 (18.5%) had hospitalization facilities and 3,090 (81.5%) did not. In la Sierra, 339 establishments had this possibility, so that in the coast 317 establishments had this characteristic and in the East only 37 had this possibility. Of the establishments with this possibility, most of them are private clinics (70.3% with 492 establishments), followed by basic hospitals, general hospitals, and specialized hospitals.

In urban areas, there are approximately 960 centers without hospitalization facilities (52.7%); And, in the rural area the biggest portion are health subcenters with 54.6% (692 establishments), followed in importance by medical clinics.

Complementary Technical Services

¹²⁸ Organización Panamericana de la Salud (OPS), Resumen del Análisis de situación y tendencias de salud, http://www.paho.org/Spanish/DD/AIS/cp_218.htm, visited on July 31, 2007.

The **Instituto Nacional de Higiene y Medicina Tropical Leopoldo Izquieta Pérez (INHMT)** in Ecuador is headquartered in the city of Guayaquil and has 33 laboratories nationwide and oversees 250 local laboratorios (in the 22 provinces of the country). Its fields of action are definitive diagnosis and epidemiological vigilance.

The **National Blood Bank Network** (*Red Nacional de Bancos de Sangre*) is made up of institutions in charge of processing and managing blood collected in the country.

Public and private radiology centers are subject to the regulations of the National Commission of Atomic Energy and the majority meet the protection and dissymmetry radiation security measures. Nevertheless, there are serious shortcomings in quality and rate controls.

3.4.3.2. Criteria for health care access

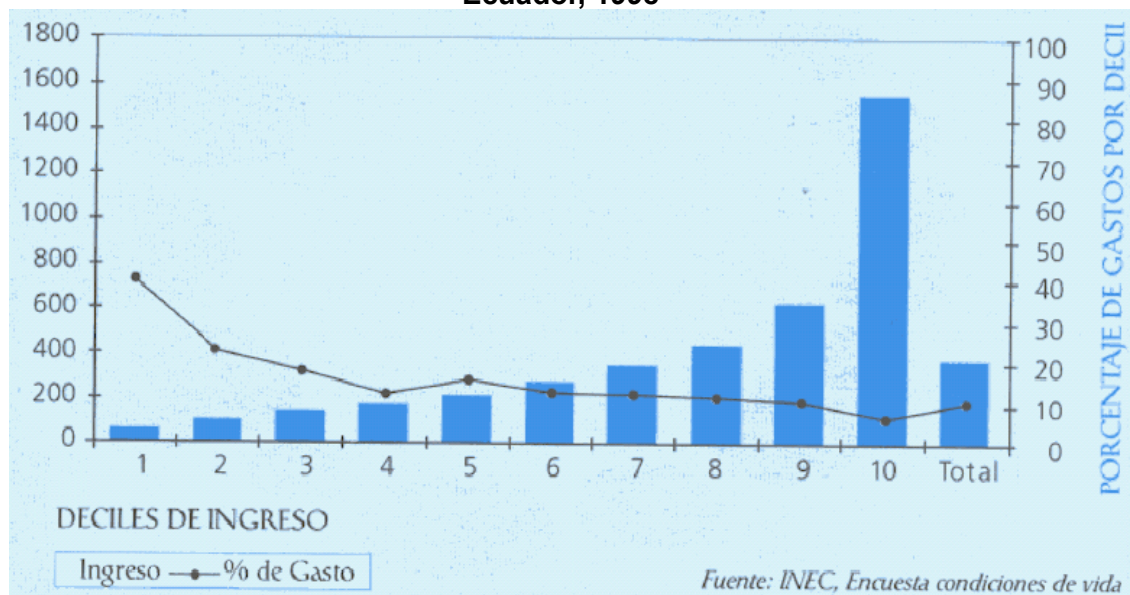
The National Health Care System does not require residence time. Even though the National Health System is pointing towards eliminating exclusions and reducing inequalities in coverage and access to health services, the population with regular access to private and public health care is only 52%, whereas the population with some private or public health care insurance is barely 23% of the total population.¹²⁹

3.4.3.3. Medical costs (treatment, medicine, bribes for doctors)

According to the 1998 Living Conditions Survey, carried out by the INEC, the health care expenditure percentage is inversely proportional to income, meaning that the lower a family's income, the more they spend in health care services. This can be explained by families with less resources do not have access to services such as water and sewers and thus are more likely to be effected by diseases.

Out-of-pocket expenditure for health services as income percentage, according to Deciles.

Ecuador, 1998¹³⁰



¹²⁹ Organización Panamericana de la Salud (OPS), Resumen del Análisis de situación y tendencias de salud, http://www.paho.org/Spanish/DD/AIS/cp_218.htm, visited July 31, 2007.

¹³⁰ Organización Panamericana de la Salud (OPS), Marco General de Reforma de la Salud en el Ecuador, pg. 15, octubre 2002, <http://www.opsecu.org/publicaciones/marco%20general.pdf>, accessed on July 31, 2007

3.4.3.4. Discrimination in the health care system (ethnic, religious, social, etc.)

[See point 4.4.3.2.]

3.4.3.5. Non-governmental health services (international, NGOs, religious)

[See point 4.4.3.1]

3.4.3.6. Diseases that cannot be effectively treated in the country

There is no information available on this topic.

3.4.3.7. Possibility to obtain standard medications

As far as medicines and supplies, the National Health Care System aims to guarantee a sufficient, timely availability of medicines, biomaterials, blood, components and blood products and medical products, with a certification of its quality, safety and effectiveness; as well as also to apply the relevant legal provisions to develop a national market of generic medications, promote national production and their obligatory use by public-sector institutions in accordance with the National Catalog of Basic Medicines and the Law on Production, Importation, Marketing and Issuing of Generic Medications for human use.

Nevertheless, there are various problems related to availability, rational use, quality control and prices of medicines, with access being one of the most important and price one of the decisive variables.

From an economic point of view, drugs represent a large portion of total medical expenses. In 2003, the total health care expenditure was 1,480 million USD (5.5% of GDP) of which 524 million were for medical expenses (1.67% of the GDP), of which 403 million is the direct expense of homes, touching mostly the poorest part of the population.

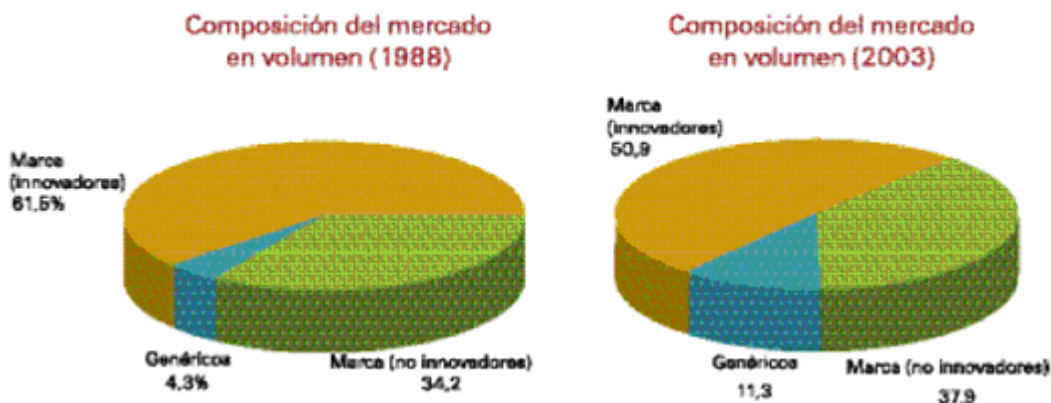
9,386 products are listed in the Ecuadorian Public Health Authority register. Only 6,439 registered products, or 68.6% of the total number, are actually sold. Among those, 1,539, or 25.29%, are generic drugs.

In 2003, sales reached USD 523,806,914, an increase of 6% over the previous year. Sales made by private pharmacies accounted for 86.86 per cent of the market (456 million dollars). The remaining 65 million dollars, or 13.14 of the market, were sales made by the public sector.

As for access to health, approximately 235 of the population has public or private health insurance benefits which guarantee medical cost coverage, but this does not include the majority of public health care users. It must be noted that 30 per cent of Ecuadorians do not have access to health services at all, and this situation is getting worse as prices keep rising.

The Ecuadorian medicine market includes innovative and non-innovative brand-name and generic medications. During the 1998-2003 period, the sale in brand-name unities (innovative), brand-name medications (non-innovative), generic medications increased by 0.5%; 34.6% and 217.0% respectively, whereas the recorded price increases were 20.4%; 63.0% and 153.9%.

This shows the growing importance of generic medications, in the last years in the Ecuadorian pharmaceutical market.



In 2003, the average market price (the total value of the market divided by the number of sold units) of drugs sold in Ecuador was USD 3.73 with significant differences in price depending on the type of drug; from \$1.70 USD average for generic medications; \$3.28 USD average-price medications of non-innovative brands; up until \$4.53 USD for the innovative drugs.¹³¹

A survey of the pharmaceutical industry by the daily *El Comercio*¹³² showed that three types of drugs are sold in the country: imported drugs, locally produced drugs, and natural/traditional drugs. The price difference between generic and brand-name drugs is 3 to 1. Products which do not have any competitors on the market have an average price of USD 46, while the average price of all other products is USD 3.85. Although locally produced drugs are cheaper due to lower manufacturing costs, the problem with drug prices in Ecuador is that the country only has distributors and retailers due to multinational pharmaceutical companies moving to Columbia after Ecuador adopted the US dollar as its currency. Moreover, no pharmaceutical research is done in Ecuador, so local production of generic drugs remains minimal.

¹³¹ Organización Panamericana de Salud. Situación de Salud, Ecuador 2006, pg. 123, noviembre 2006, http://www.opsecu.org/asis/situacion_salud.pdf, visited on July 1, 2007.

¹³² s/a, El fármaco nacional cubre el 15% del consumo interno, *El Comercio*, s/pg., s/f, http://www.elcomercio.com/noticiaEC.asp?id_noticia=122929&id_seccion=8, visited on July 12, 2007.