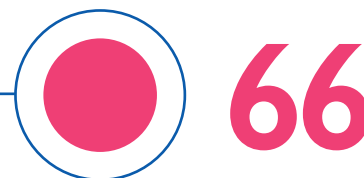


Ecuador



Summary of Findings

1. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

The tobacco industry (TI) has had a strong presence in the development of regulations that for several years have directly benefited the industry and commercial interests through decrees such as 645, issued by the Presidency of the Republic in January 2023, in which taxes on special consumption are reduced.

The Interinstitutional Committee for Tobacco Control (CILA) has not been affected by the interference of the TI tobacco industry. In the case of the Ministry of Public Health (MoPH), while there is no evidence of interference, there is a lack of firm positions. Among others, the tax reduction on products that are harmful to health stands out as an example.

Ecuador did not allow any representatives of the TI in the delegation meetings or to the WHO FCTC COP, or in the MOP of the Protocol. Ecuador's leadership in the proposed intervention of the Americas region on maximizing transparency, which was applauded by various regional and global tobacco control civil society organizations, is noteworthy.

Many of the observations proposed by CILA were accepted. Worth highlighting were those related to regulating conflicts of interest and those in power of the Inter-Agency Committee to Strengthen the Prevention and Combat Illicit Trade (specifically on illicit trade in tobacco products), and the other stakeholders who have been advocating for the draft text to be aligned with the WHO FCTC and the Protocol.

2. INDUSTRY CSR ACTIVITIES

The Organic Law for the Regulation and Control of Tobacco (LORCT) in Article 19 expressly prohibits the promotion of social responsibility programs by the TI. The information collected for this Index shows various actions where the presence of the TI is observed, using the well-known Corporate or Business Social Responsibility (CSR), on issues related to illicit trade and support to organizations to impart environmental sustainability programs.

3. BENEFITS TO THE INDUSTRY

The TI, during this new political moment of the country, has had the benefits of being a sector protected by a government supportive of corporate interests. Through the Chambers of Production the TI lobbied and achieved the rollback of taxes on tobacco in all its forms.

Despite the fact that the SRI received recognition from the WHO for its System of Identification, Marking, Authentication, Traceability and Fiscal Traceability (SIMAR) for cigarettes and alcoholic beverages, the new SRI Resolution, allowing the provision of traceability services to any provider, shows a setback. It provides an open door to the interference of the TI, and non-compliance with the provisions of the WHO FCTC. The current system provider uses Codentify technology, a system developed and patented by PMI.

4. UNNECESSARY INTERACTION

The executive director of Itabsa and Proesa (subsidiaries of PMI) referred to the collaboration with the government on smuggling: "public-private cooperation is essential, the opening of the current national government to listen to the problem and try to take action to combat smuggling is laudable and must continue".



The TI is part of an organization called Leaders to Govern (Corporación Líderes para Gobernar), which in its mission seeks ties between companies and public institutions; and, that it is also a sponsor of a prize on contraband.

5. TRANSPARENCY

The National Assembly makes public the meetings and appearances of the actors in the different Legislative Commissions. Thanks to this public documentation, civil society members who are free of conflicts of interest and other actors allied to tobacco control can generate alerts and act in defense of health interests.

The MoPH has a record of communication with the TI. However, these documents are not made public. There is still no instrument to make public meetings and interactions between the TI and government officials.

The highest tobacco control body in Ecuador, CILA, has a non-conflict of interest form for its members and board of directors.

6. CONFLICT OF INTEREST

There is no policy that prohibits contributions from the TI of any kind. Nor is there policy to prohibit entities that work for their interests to contribute towards political parties, candidates, or campaigns - nor is there required disclosure of such contributions. The reporting period of this index did include a change of officials to the governments local,

provincial, and parochial, and no relationship or contribution from the TI was found to candidates nationally.

It should be noted that the re-elected executive president of the Chamber of Industries and Production (2021-2022), was Corporate Affairs Manager of Philip Morris Ecuador (2012). The former Vice President of the Chamber of Industries and Production (since 2018) was also under the employ of Philip Morris Ecuador as Director of Corporate Affairs for Ecuador and Peru (2016-2018). They are influential people with proximity to the Chamber of Industries and Production.

7. PREVENTIVE MEASURES

Ecuador does not have a program, system, strategy, or plan to raise awareness of the importance of not engaging with the TI or its representatives.

No policy has been proposed to prohibit the relationships between the TI and public officials in joint actions such as technical assistance, contribution to the construction of draft laws or invitations to labor or academic presentations offered to the government, institutions, or their officials or direct relatives. There is, however, national legislation in force; which could be applied in the case of the TI.

For lobbying, philanthropy, political contributions, and other activities, the LORCT and its Regulations establish provisions requiring information from the TI. Additionally, the SRI also requests information related to traceability systems, which applies to cigarettes, alcoholic beverages, and beers.

Recommendations

1. Strengthening of Policies and Cooperation

- Strengthen current policies, to avoid TI interference in different governmental spaces, in the CILA and other inter-institutional and multisectoral coordination activities on tobacco control proposed in the country. Strengthen cooperation between national, international organizations and governmental institutions, to implement Article 5.3 guidelines, and Article 4.2 of the Protocol.
- Strengthen the current process for requesting information on production, import, distribution, market share, marketing expenses, and other activities including lobbying, philanthropy, political contributions, and all other activities.

2. Development of Regulation

- Propose an amendment to the national legislature to add issues such as prohibiting the TI to conduct CSR activities or contributions, prohibit any type of agreement with the branches of public power, to avoid any interference in the development and implementation of tobacco control policies.
- Promote a Presidential Decree that prohibits the participation of public officials in social events or others that are sponsored or organized by the TI or companies that seek to promote their interests.
- Propose an amendment to national legislation to require disclosure or registration rules for TI entities, affiliated organizations, and individuals who represent the TI, including lobbyists or public relations officers.

- Propose an amendment to current legislation to prohibit contributions from the TI or any entity promoting its interests to political parties, candidates, or campaigns, or, failing that, to require full disclosure of such contributions.
- Establish a code of conduct for public officials that clearly spells out the standards they must meet during their interaction with the TI, including sanctions, such as disciplinary action or punitive charges, for non-compliance.

3. Transparency

- Make all information related to meetings or interactions with the TI public and easily accessible, for those cases in which these interactions are strictly necessary to comply with regulations.
- Establish a procedure to make public and easy access to the records of interaction.

4. Processes and Programs

- Establish a process for monitoring and analyzing information provided by the TI in order to take action, if necessary, in a timely manner.
- Implement a training program for public officials on article 5.3 of the WHO FCTC.