



# Integrated Country Strategy

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## Ecuador

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## 1. Chief of Mission Priorities

The next four years offer many opportunities to advance the U.S. relationship with the government and people of Ecuador to achieve mutual interests in security, prosperity, and democratic governance. Following his inauguration in May 2017, President Lenin Moreno publicly called for national dialogue, participatory democracy, and greater press freedom; launched an anti-corruption campaign that resulted in the imprisonment of his vice president; repealed some authoritarian decrees related to civil society; and welcomed greater international cooperation, including with the United States. President Moreno's reform agenda faces challenges as a result of a weak economy and the lack of a consolidated political base. Ecuador will have local and regional elections in March 2019 and presidential elections in 2021 that could test the sustainability of Moreno's reforms.

President Moreno repeatedly expressed his desire to "refresh the relationship" with the United States and took steps to improve the bilateral dialogue. Since the 2017 inauguration, Ecuador and the United States have begun to expand cooperation in areas of mutual interest, particularly counternarcotics and security. In addition to several visits by Ecuadorian Cabinet members to the United States, the June 2018 visit of Vice President Mike Pence represented the highest level U.S. official to visit Ecuador in more than 30 years and sent a strong signal of both countries' intention to relaunch a long-term partnership to strengthen security, prosperity, and democratic governance in Ecuador, our Mission goals for the next four years. Mission Ecuador's public diplomacy strategy will promote these objectives, stressing that they represent the mutual interests and goals of the United States and Ecuador.

### **Security: Expand security partnerships to address transnational threats and global challenges.**

The government of Ecuador is facing significant challenges of narco-trafficking and transnational crime. In the first months of 2018, Ecuador suffered several attacks, kidnappings, and killings of journalists, civilians, and military personnel along its northern border with Colombia by a narco-trafficking FARC dissident group. Transnational crime groups linked to Colombia and Mexico are also operating in Ecuador. Ecuadorian law enforcement and military do not have the capacity to monitor Ecuador's porous borders and maritime routes or to interdict and destroy seized drugs. Although Ecuador seized 98 metric tons of drugs in 2017, this represents only a fraction of the increased flow of cocaine estimated to be transiting Ecuador from Colombia to the United States and other destinations. Ecuador is also seeing growing drug consumption rates, particularly of a heroin-based drug "H" among youth.

Mission Ecuador's security strategy will utilize new INL funding and staffing, the newly established Office of Security Cooperation (OSC), and new U.S. programs with the National Police to combat transnational crime, strengthen Ecuadorian security institutions, and support the armed forces, Ecuadorian National Police, Customs, prosecutors, and the judiciary in their efforts to investigate, interdict, and prosecute these crimes. In particular, the OSC will focus on

providing military training and professional military education, supporting military sales, and facilitating Ecuador's participation in regional conferences and multi-national exercises focused on countering illicit trafficking.

The Mission's security strategy also will include activities that protect and assist U.S. citizens in Ecuador, including the 250,000 annual visitors and the approximately 90,000 resident U.S. citizens, particularly in light of the ever-present threat of natural disasters. The Mission will work with the Ecuadorian government through the newly established Bilateral Working Group on Consular and Migration Issues to improve information sharing with the Ecuadorian government to support the protection of U.S. borders, while ensuring legitimate travel to the United States.

**Prosperity: Promote mutual, inclusive, and sustainable economic prosperity.**

The United States is Ecuador's largest trading partner and one of its largest foreign investors, so a prosperous Ecuador advances U.S. economic interests. Ecuador's dollarized, oil-dependent economy returned to positive but sluggish growth in 2017, following an extended recession sparked by the 2014 collapse of world oil prices. Ecuador's petroleum sector is the country's largest single source of export earnings and government revenue. The public sector remains an important economic actor, but is unsustainable at current levels. Foreign direct investment is roughly one percent of GDP, one of the lowest levels in Latin America. President Moreno's economic team faces the challenge of increasing economic growth and employment and implementing promised social programs at the same time it cuts government spending to reduce the significant budget deficit and addresses concerns by indigenous communities related to the key oil and mining sectors.

To foster a more open bilateral trade and investment relationship, Mission Ecuador's objectives will be to promote an improved regulatory environment to benefit U.S. companies, resolution of commercial disputes, and respect for intellectual property and science-based agricultural trade policies. Mission Ecuador will continue to promote programs to economically empower women and marginalized populations through women's entrepreneurship programs, English language programs for disadvantaged youth, international student exchanges, programs to improve English teacher competency, targeted English programs in the professional sector, and Peace Corps sponsored English and community health and family programs. USAID will continue to support the Ecuadorian government's efforts to combat malaria and Zika, and new USAID programs will seek to reduce the negative impacts on Amazon forest and water resources from large-scale infrastructure projects, extractive activities, and climate change.

**Democracy: Strengthen institutions, democratic governance, and international collaboration.**

President Moreno has expressed a strong commitment to strengthening democratic institutions and fighting corruption. The Moreno administration and the National Assembly are working on a reform of the restrictive communications law as well as legislation to combat corruption and

facilitate the recapture of funds gained through corrupt practices. Ecuador joined the Open Government Partnership, a group of countries committed to transparency and accountability in government practices. Ecuador also signed an agreement with the UN Office of Drugs and Crime (UNODC) to strengthen anti-corruption practices.

Mission Ecuador's objectives are to expand the bilateral political dialogue, continue strengthening democratic governance, and increase the U.S. focus on anti-corruption efforts. The Mission will support activities that promote the rule of law, transparency, judicial independence, and accountability; build legislative skills; champion universal freedoms; and encourage Ecuador's constructive role in regional and multilateral fora. Progress in these areas will help Ecuador revitalize its civil society, restore public confidence in government, institutionalize democratic practices, and foster greater support for shared U.S.-Ecuador values and policies. Mission Ecuador also aims to support the government's efforts to provide services to increased numbers of Colombian refugees and Venezuelan migrants and protect the rights of vulnerable populations, particularly by combatting gender-based violence and trafficking-in-persons.

Pursuing these three objectives requires a Mission platform where employees can work efficiently in safe and secure facilities. It also requires that Mission staff know how to respond to natural disasters and potential security threats. To that end, the Management and Regional Security Offices in Embassy Quito and Consulate General Guayaquil will maintain the effective delivery of ICASS support services, cultivate a motivated and capable workforce, improve Mission personnel's access to technology and collaborative work spaces, conduct thorough contingency planning and emergency communication drills, and ensure Mission facilities are in optimal operating condition.

## 2. Mission Strategic Framework

**Mission Goal 1:** Expand security partnerships to address transnational threats and global challenges.

**Mission Objective 1.1:** Assist U.S. citizens in Ecuador, protect U.S. borders, and address global challenges related to children's issues.

**Mission Objective 1.2:** Increase Ecuadorian military capacity and capability through normalized security cooperation.

**Mission Objective 1.3:** Improve the capacity of the police and judiciary to address transnational and domestic crime through INL programs and work with vetted units.

**Mission Goal 2:** Promote mutual, inclusive, and sustainable economic prosperity.

**Mission Objective 2.1:** Foster a more open bilateral trading relationship and an overall regulatory and judicial environment that provides a level playing field for U.S. businesses.

**Mission Objective 2.2:** Develop human capital and support increased economic opportunities for women and marginalized communities.

**Mission Goal 3:** Strengthen institutions, democratic governance, and international collaboration.

**Mission Objective 3.1:** Strengthen institutions to promote the rule of law, transparency, and accountability in Ecuador.

**Mission Objective 3.2:** Promote universal freedoms and democratic principles and practices.

**Mission Objective 3.3:** Seek Ecuadorian support for U.S positions in regional and multilateral fora.

**Management Objective 1:** Build and develop a talented, motivated workforce that is properly equipped to meet evolving mission goals.

**Management Objective 2:** Deliver a robust, secure, resilient, efficient, and technologically up-to-date infrastructure to achieve our mission goals.

### 3. Mission Goals and Objectives

**Mission Goal 1:** Expand security partnerships to address transnational threats and global challenges.

**Description and Linkages:** Mission Ecuador's strategic goal of security reengagement over the next four years is to support the emergence of a government that shares U.S. interests in combating transnational criminal and terrorist networks and contributes to regional security. Ecuador is a hub for illicit trafficking and other activities by transnational criminal networks, including narcoterrorism. It is also vulnerable to natural disasters, such as earthquakes and volcanoes, which can create humanitarian crises. Improving the ability of Ecuadorian security forces to combat these threats and strengthen Ecuador's borders is a direct investment in the security of the United States, as well as in a safer and more prosperous hemisphere. Expanded collaboration with the Ecuadorian armed forces contributes to sustained U.S. influence and a realignment of Ecuador toward the United States and other partners in the region. Strengthened partnerships with Ecuadorian law enforcement will allow the United States to identify and address illicit pathways in Ecuador utilized by transnational criminal organizations to reach U.S. borders. The Mission will continue to be vigilant in identifying and deterring fraud and illegal activity among consular clients, including laundering illegally gained profits in the U.S. economy. Although Ecuador is rated critical for crime with an unstable northern border, the country remains a key destination for U.S. citizen travelers. The Mission must provide timely, relevant, and actionable information to the U.S. citizen community in Ecuador regarding security, personal, and environmental threats. This goal links with: the National Security Strategy to protect the American people, the homeland, and the American way of life; the Joint Strategic Plan to protect America's security at home and abroad; the Joint Regional Strategy for a secure hemisphere; and Executive Order 13773 on Countering Transnational Organized Crime.

**Mission Objective 1.1:** Assist U.S. citizens in Ecuador, protect U.S. borders, and address global challenges related to children's issues.

**Justification:** Mission Ecuador supports a community of an estimated 90,000 U.S. citizen residents and 250,000 U.S. citizen visitors annually. Ensuring the welfare of U.S. citizens abroad is a core responsibility for the Department and its overseas missions. Preparing for disasters is essential in Ecuador where threats to U.S. citizens' safety and security include 30 potentially active volcanoes, frequent earthquakes, and civil unrest. Consular Mission Ecuador will safeguard U.S. citizens from these threats by working with the GOE, local officials, and expatriate community to improve emergency response capabilities and coordination. U.S. citizens in Ecuador often encounter bureaucratic obstacles that impede access to government services and adversely affect their stay in

the country. As such, the Mission will develop programs and initiatives to reduce or eliminate these barriers. To protect U.S. borders and the American homeland, Consular Mission Ecuador will continue its focus on detecting U.S. visa and passport fraud, preventing illegal immigration, and thwarting travel to the United States by individuals with nexuses to terrorism, organized crime, trafficking in persons, and corruption. To address global challenges related to children's issues, the Mission will facilitate Ecuador's progress toward compliance with the Hague Abduction Convention and engage the Ecuadorian Central Authority for Adoptions to facilitate a streamlined process for U.S. citizens to adopt in Ecuador.

**Mission Objective 1.2:** Increase Ecuadorian military capacity and capability through normalized security cooperation.

**(U) Justification:** After many years of neglect and underfunding, Ecuador's armed forces require modernization, maintenance, and training to be able to effectively confront the security threats posed by transnational criminal networks and natural disasters. Engagement with Ecuador's armed forces will allow for commercial opportunities for U.S.-based suppliers, while enhancing Ecuador's military capacities. Such mil-mil engagement must take place within the context of a normalized security cooperation framework, to include the new Office of Security Cooperation (OSC) in the Embassy.

**Mission Objective 1.3:** Improve police and the judiciary capacity to address transnational and domestic crime.

**(U) Justification:** Transnational crime occurring in Ecuador has a direct impact on the safety and security of the United States. Transnational organized crime in Ecuador threatens citizen security, the environment, human health, and economic progress. Transnational crime erodes the rule of law, undermines government efforts, and destabilizes democratic processes. Ecuador's location between the world's two largest producers of cocaine makes it a natural transit point for narcotics trafficking. Ecuador's use of the U.S. dollar facilitates money laundering and other crimes. Illicit gains are laundered through financial institutions and the informal economy and are often used to bribe officials, putting Ecuador's democratic institutions at risk. Due to the threat that transnational organized crime poses both to Ecuador's democracy and economic growth and to U.S. security, U.S. law enforcement assistance is essential to our national interests.

**Mission Goal 2:** Promote mutual, inclusive, and sustainable economic prosperity.

**Description and Linkages:** The promotion of mutual, inclusive, and sustainable economic prosperity requires a whole-of-Mission approach to ensure Ecuador remains a

dependable diplomatic, economic, and security partner. Mission activities and programs that support human rights and engage marginalized communities strengthen democracy and ensure an inclusive, participatory society. In order to promote free, fair, and reciprocal economic relationships, as well as facilitate new market opportunities that will strengthen U.S. exports and job opportunities, the Mission will continue to engage with interlocutors in the Ecuadorian government and the private sector. The Mission will seek to mobilize support and resources for entrepreneurial activities, particularly for population sectors traditionally excluded from the formal Ecuadorian economy. Entrepreneurial programs also promote U.S. best practices and champion American values, while empowering Ecuadorians, particularly women and youth. By supporting education and apprenticeship programs as an important services export, the Mission promotes American prosperity, fosters innovation, and attracts inventors that will help the United States lead in research, development, and technology, as well as contribute to U.S. job creation. Education and English programs also support the development of like-minded partners and a positive Ecuadorian public opinion of the United States. This goal links with: the National Security Strategy to promote American prosperity; the Joint Strategic Plan to renew America's competitive advantage; and the Joint Regional Strategy for a prosperous hemisphere.

**Mission Objective 2.1:** Foster a more open bilateral trading relationship and an overall regulatory environment that provides a level playing field for U.S. businesses.

**Justification:** Ecuador is a medium-sized market for U.S. exports and investment; the United States runs a trade deficit with Ecuador. U.S. exports to Ecuador totaled \$5.44 billion in 2017, while imports from Ecuador totaled \$7.02 billion. Ecuador attracts one of the lowest levels of foreign direct investment in the region, with the stock of U.S. foreign investment about \$779 million. Ecuador retains many restrictive trade policies that reduce access for U.S. products, particularly in agriculture, and a regulatory and judicial environment that makes the conduct of business challenging. Ecuador terminated the Bilateral Investment Treaty, effective in May 2018. Actions undertaken in pursuit of this objective are designed to advance U.S. economic interests and increase the use of international best practices in Ecuador.

**Mission Objective 2.2:** Develop human capital and support increased economic opportunities for women and marginalized communities.

**Justification:** Ecuador is defined by the World Bank as a middle income country, but it still faces considerable economic development challenges. The economy is highly dependent on volatile oil revenues and export sales of other commodities. Rural poverty is increasing and isolated areas in the Amazon jungle are vulnerable to tropical diseases. The United States has an interest in attracting greater numbers of Ecuadorian students to the United States, as well as increasing the level of English language proficiency to enable more Ecuadorians to participate in

the global economy. While Ecuador has made important strides in promoting social inclusion, some populations remain vulnerable or underserved, including women, persons with disabilities, LGBTI individuals, and Afro-Ecuadorian and indigenous communities.

**Mission Goal 3:** Strengthen institutions, democratic governance, and international collaboration.

**Description and Linkages:** Mission Ecuador’s strategic goal of promoting an inclusive, more accountable, and democratic government in Ecuador will strengthen the bilateral partnership by reinforcing shared principles and mutual interests. The Moreno government is working to create stronger democratic, judicial, and oversight institutions, as well to support an independent press, judiciary, and civil society. After years of serving as a rubber stamp of the executive branch, the National Assembly is learning to play an independent role, which requires members to develop coalitions to achieve working majorities to adopt legislation. Efforts are also underway to root out endemic corruption and increase transparency in the public sector. This goal links to: the National Security Strategy goal of preserving peace through strength and advancing American influence; the Joint Strategic Plan of protecting America’s Security and renewing U.S. competitive advantage; the Joint Regional Strategy goals of promoting a democratic hemisphere that seeks to end impunity and support democratic institutions and engendering hemispheric receptiveness to U.S. leadership and values.

**Mission Objective 3.1:** Strengthen institutions to promote the rule of law, transparency, and accountability in Ecuador.

**Justification:** Although the Ecuadorian constitution provides for an independent judiciary, outside pressure and corruption have impaired the judicial system. In many cases, judges have allegedly reached decisions based on bribes or political and economic pressures, particularly where the executive branch has expressed interest. NGOs, journalists, and international human rights organizations faced pressure from authorities in the past, although President Moreno has publicly welcomed investigative reporting on corruption and abuses and lifted restrictions on civil society. The 2018 national referendum provided the government a public mandate to remove corrupt and ineffective officials and reform oversight bodies. Continued engagement with the Ecuadorian judiciary, civil society, and the business community will support anti-corruption efforts and foster an informed citizenry. U.S. Mission efforts will also promote training opportunities and support programs to combat corruption and impunity.

**Mission Objective 3.2:** Support democratic principles and fundamental freedoms.

**Justification:** Strengthening Ecuador’s civil society, building the capacity of non-governmental organizations, and engaging government interlocutors is vital to institutionalizing Ecuador’s democracy and its respect for human rights. Democratic norms are strengthened with the inclusion of all segments of society, including vulnerable and underserved populations.

**Mission Objective 3.3:** Encourage Ecuador’s constructive role in regional and multilateral fora.

**Justification:** Ecuador’s foreign policy has undergone a slow, but marked transition towards more open, constructive engagement with democratic partners, including the United States. President Moreno ended Ecuador’s participation in the Bolivarian Alliance for the Peoples of Our America (ALBA), citing the lack of democracy in Venezuela and Nicaragua, and re-engaged with the Organization of American States (OAS). President Moreno withdrew from UNASUR in 2019 and joined PROSUR. Ecuador could play a larger role in addressing regional and multilateral issues, including transnational crime, internet governance, and instability in Venezuela, Nicaragua, and Cuba . Continued dialogue with Ecuadorian decision-makers and opinion influencers will increase both understanding of U.S. policy and the potential for finding common ground in addressing these challenges.

#### 4. Management Objectives

**Management Objective 1:** Build and develop a talented, motivated workforce that is properly equipped to meet evolving mission goals.

**Justification:** The Mission’s efforts to build security and prosperity through a deepening bilateral relationship with Ecuador will require a motivated, capable workforce.

**Management Objective 2:** Deliver a robust, secure, resilient, efficient, and technologically up-to-date infrastructure to ensure continuity of Mission operations.

**Justification:** The potential for natural disasters, civil unrest, and the ongoing pandemic highlight the need for continued emergency planning.