UNCLASSIFIED

# Annual Budget Submission

# FY 1985

# ECUADOR

JUNE 1983

Agency for International Development
Washington, D.C. 20523

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# E C U A D O R

## ANNUAL BUDGET SUBMISSION

## FY - 1985

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# 518 - ECUADOR
# FY-1985 ABS
# MISSION ACTION PLAN

As defined in the CDSS prepared in conjunction with the Ecuador program resumption in 1979, USAID's underlying strategy has been to: (1) develop and strengthen public and private institutions so that they can effectively address Ecuador's key development problems, and (2) collaborate in innovative pilot or geographically targeted approaches and technologies (principally in agriculture, health, and housing) which more efficiently and effectively provide for basic human needs.

Nevertheless, new economic circumstances that Ecuador faces require urgent measures to stimulate increases in production, employment, and foreign exchange reserves. The GOE is now confronted by an inescapable need to apply austerity measures to a degree unanticipated only two years ago. Resulting financial constraints can only aggravate the existing institutional bottlenecks to development. At the same time, the private sector, accustomed to a rapidly expanding internal market, readily available external credit, and abundance of foreign exchange, has suddenly found itself in a severe crisis with few prospects for an easy recovery.

Therefore, during the 1985-1989 CDSS period, USAID will address Ecuador's development needs within the context of its deteriorated economic situation by more strongly promoting productive activities. This effort will focus on a more rational use of Ecuador's natural resources and on a strengthened human resource, institutional, and technological base. General objectives to be achieved by the end of the CDSS period are:

## Public Sector

-- Better equipped institutions--particularly in USAID's traditional sectors of agriculture, health and housing--for refining and carrying out public policies (to be accomplished primarily through training, technical assistance, and the improvement of information systems);

-- Successful completion of model service delivery systems (again with emphasis on agriculture, health and housing) that demonstrate more cost-effective approaches; and

-- A strengthened institutional base for improving the GOE fiscal situation through technical assistance and training in revenue generation and through training in the hydrocarbons sector.

Private Sector

-- Strengthened producer associations that can carry out constructive policy dialogue with the GOE and can facilitate the flow of technology and information to their members;

-- Increased institutional capacity in skills training and managerial preparation;

-- A greater proportion of export-oriented enterprises involved in competitive ventures (e.g., rural based agro-industries); and

-- Increased development programs being carried out by P.V.O.s, especially Ecuadorean organizations.

Both Sectors

-- Greater development of growth poles outside of Quito and Guayaquil where employment opportunities based on comparative natural resources advantages can be generated;

-- Improved institutional mechanisms to promote and develop small scale enterprises; and

-- Lower population growth rate to be achieved through public and private sector family planning activities.

These objectives are fully consistent with the LAC regional strategy statement which focuses on achieving: (1) economic stabilization; (2) increased growth of productive employment; (3) improved distribution of the benefits of growth; (4) lower population growth; and (5) increased utilization of the private sector.

FY 1984 will be a transitional year during which the groundwork in preparation for implementation of the FY 1985-1989 country development strategy will be undertaken. By 1985, studies required for more precise program definition will have been carried out, working relationships with private sector institutions will have been established, and dialogue with a new government (which will take office in August 1984) will have been initiated. Short range (FY 1984-1985) operational objectives, bench marks and management steps are identified below.

Private Sector

Consistent with the CDSS goal of strengthening capacity of private sector institution to contribute to the development process, USAID's immediate objective is to improve the private sector role in

management and skills training. USAID will assist a broad-based group of Guayaquil businessmen with the foundation of graduate management training school in the private sector. The school will produce trained graduates necessary to fill the human resource needs for managers. It will also serve as a private sector resource for business consulting, investigation, and research, as well as a center for promoting constructive policy dialogue between the private sector and the GOE. At the same time, USAID will follow through with the implementation and evaluation (fourth quarter FY 1984) of a Vocational Education Development OPG being carried out with a private foundation in Guayaquil. The cost-effectiveness and quality skills training approach of this activity will be shared with other private sector organizations with the expectation they will emulate this experience. The project results will also be discussed with Ecuador's State Skills Training entity, SECAP (which is implementing an IBRD loan), in an effort to encourage SECAP to improve its interaction with the private sector.

USAID also expects to encourage greater private sector leadership in the expansion and diversification of Ecuador's exports. For this purpose, a new project to help establish a private sector trading corporation will be developed by the end of FY 1985.

Ecuador's fishery resources are underutilized, both for foreign exchange earnings as well as domestic consumption. In Ecuador, fishing is still basically a private sector activity. Yet, the government service structure in terms of research, investigation, technical assistance, credit, etc., is ineffective. USAID will develop a small technical assistance project to improve the study of marine resources and to promote their rational commercial development. Through this activity USAID will be able to identify policy constraints and initiate a policy dialogue. Depending on the outcome of this initial activity, a larger marine resources project in the private sector could be developed later in the CDSS period.

Key management steps to accomplish the initiation of these activities are: (a) completion of the Socio-Institutional Profile (SIP) of private sector initiatives by early FY 1984; (b) allocation of USAID management time to establish and strengthen contacts with private sector institutions; (c) contracting a PSC private sector advisor; (d) continuation of advisory contracts with the American Association of Collegiate Schools of Business (AACSB) and with skills training experts; and (e) completion of arrangements for technical support under a proposed Coastal Resources Management Project of S&T's Office of Forestry, Environment, and Natural Resources.

Agriculture and Rural Development

Progress will be demonstrated under four on-going projects: Rural Technology Transfer System (RTTS); Integrated Rural Development

(IRD); Campesino Training; and Forestry Development. The RTTS project will: (1) establish a capacity to identify and prioritize agricultural and rural research needs; (2) strengthen Ecuador's internal system for agricultural research, education, and extension by creating formal linkages to the U.S. Agricultural Title XII System and the other centers of agricultural expertise; and (3) promote the generation and adoption of agricultural technology appropriate to Ecuador's varied ecosystems. For example, Ecuador's Agricultural Research Capacity will be strengthened in the areas of farming systems research, soil conservation/fertility analysis, and fruits and vegetables production. Likewise, an agricultural information system will be in place and contributing to improved agricultural policies, and several universities will have increased the finality of its human resource base through short and long-term training and specialized technical assistance from the U.S. Title XII network of agricultural universities. Linkages to the international centers for agricultural research will also be enhanced for a more effective research, education and extension system. Additionally, the National Council for Science and Technology (CONACYT) will have established itself as a leader in coordinating Ecuador's science and technology efforts for its rural sector. The IRD project will complete its institutional strengthening activities with the National Secretariat for Integrated Rural Development (SEDRI) for planning and coordinating rural development. At the field level, the IRD project is expected to demonstrate a cost-effective model for irrigation improvements, credit delivery, technical assistance, and greater community participation and self-determination.

The Campesino training project also will be nearing completion by the end of FY 1985 and will have demonstrated the institutional viability of the National Institute for Campesino Training (INCCA). Field level experience in non-formal education techniques emphasizing the extension of appropriate farm technologies will have been obtained; model regional centers within the IRD areas will be established; and INCCA's staff and financial budget consolidated. The Forestry Sector Development Project will continue its implementation activities and will concentrate on the institutional development of the country's forest service through specialized training and leading to more rationale policies and programs retarding the utilization of this renewable resource. At the same time, demonstration activities will be set-up to test the viability of model agro forestry systems, plantations, and watershed management techniques on a commercial scale. By the end of FY 1984, a bamboo cultivation subproject in the coast will have been developed in conjunction with the USAID housing program. By the end of FY 1985 at least three demonstration subprojects involving private sector organizations will have been initiated.

During the ABS time frame, USAID will design and obtain funding authorization for a new portfolio fo projects which are responsive

to the goals of increased private sector participation in the development of Ecuador's rural areas, and improved capacity to meet an expanding demand for food products. Proposed new projects include: Agro-Industry Development Services; Agricultural Marketing Systems; and Private Sector Agricultural Technology Transfer. Additionally, USAID expects to begin a bilaterally funded follow-on activity in Agricultural Crop Insurance, which has been initiated under a LAC regional project.

Key management steps to accomplish these objectives are: (a) addition of a Joint Career Corp (JCC) agricultural economist to assist with evaluation of the on-going activities and the identification of policy issues regarding the new projects; (b) filling the existing vacancy of assistant ADO (scheduled for August, 1983); (c) attendance of all Direct Hire professionals of the Agricultual and Rural Development Office in the A.I.D. Project Implementation Workshop by no later than the end of FY 1984; (d) hiring at least one Ecuadorean staff professional under a PSC for the Agricultural and Rural Development Office; (e) an additional staff position (perhaps IDI) in USAID's loan office by no later than FY 1985 to assist with new project design; and (f) access to PD&S funds to obtain short term U.S. expertise in the design of new projects.

Health and Population

A small but important component of the rural health delivery project currently being implemented is to strengthen the National Health Council, the health policy formulation board for the GOE. During the ABS period, several policy studies will be carried out, including: development of a plan to coordinate better the resources of the Ministry of Health (MOH) and the Social Security Institute (IESS), since both operate rural health programs; development and implementation of a sector wide pharmaceutical procurement policy to achieve economies in purchasing; and a study on the use of paraprofessionals that will lead to new regulations to facilitate their use in rural health delivery.

The same project is funding an MOH advisor to develop a decentralization plan. By the end of the ABS period the plan will be completed and Provincial and Area Health Chiefs will have been trained in cost-effective primary health care (PHC) activities.

In three IRD areas, model PHC programs will be completed or underway. Diarrheal disease control program based on oral rehydration techniques will be carried out through approches using mass media campaigns and health promoters. The community based health promoters will also be actively involved in sanitary education, immunization and nutritional surveillance. At the same time, coverage of

potable water supply and sanitation services in the three areas will increase from 15 to 50 percent of the rural population.

USAID will assist the GOE to undertake nutrition studies, analyses and surveys and will promote training in nutrition at the masters level. With an improved information base and human resource capacity, the GOE will have the basis for a more coherent national nutritional strategy by the end of FY 1985. Specifically, it will be able to locate geographic areas and population groups at high nutritional risk, better understand the demensions and causes of these problems and design targeted interventions to solve them.

During FY 1984 USAID will complete a feasibility study of the possibilities for increasing private sector initiatives in public health. If the study is favorable, an OPG will be designed to test a private or quasi-private health service delivery model in FY 1985.

In population, the rate of population growth is expected to decline to 2.7 percent by the end of FY 1985. Among other things, this is based on an increase in the number of clinics providing services to 359 and an increase in the percentage of fertile age women using contraceptives to 42 percent.

Key management steps in the health sector are largely in place as a result of the resources provided under the rural health delivery systems project (including a PASA sanitary engineer). Given the breadth of the population program, USAID will seek periodic TDYs to assist in monitoring and evaluating the different components. PD&S funds must be obtained in order to carry-out the private sector health service study. LAC regional and S&T central funding will be necessary to support the nutrition training and study initiatives. USAID will seek short term training for its office professionals in: (a) nutrition planning and policy formulation; and (b) population program evaluation and management.

Housing and Urban Development

During the ABS time period, the Solanda (HG) low income housing project in southern Quito will be complete. The grant funded technical assistance and training carried out in conjunction with the HG will cause the Solanda project to be a significant model for low income housing. The project will demonstrate: (a) new planning concepts for project analyses and low cost designs; (b) the advantages of community participation in the construction of the own dwellings (the first time in a large scale public housing project in Ecuador's Sierra region); (c) improvements in information gathering and analysis of user needs and the identification of special requirements such as for women headed households; and (d) innovative financial techniques such as variable amortization rates. Also, as the

housing units are completed, a small grant program will be designed and initiated to generate employment and self-employment opportunities for Solanda residents.

A secondary cities HG will be two thirds completed by the end of FY 1985. It will directly contribute to the development of growth poles outside Quito and Guayaquil by helping resolve the housing deficit in secondary cities and by upgrading the institutional capacity of the regional offices of the National Housing Board (JNV). During FY 1984 a third HG project will be designed for initiation in FY 1985. It will focus on the serious housing problems of Guayaquil.

All HG's are vehicles for continued dialogue with the GOE on public sector housing policy and programs. USAID uses the HG program to demonstrate the application of cost-effective technologies and to achieve a greater resource flow to lower income groups. In the Solanda project, short term training is being provided in design methodology and socio-economic data analysis. In the secondary cities project, revival and upgrading of local technologies (e.g., bamboo, wood, and adobe) will be demonstrated. All projects will promote greater interaction with private sector entities in order to achieve cost-savings and/or desired community development.

USAID is also promoting improvements in urban planning by providing technical assistance to FONAPRE, a fund that finances pre-investment studies and urban plans. Under an S&T/MD Cooperative Agreement technical assistance is being provided to FONAPRE and selected municipal clients. The joint efforts are directed at improving FONAPRE's capacity to incorporate rural-urban linkage concerns in the municipal development studies it finances. Such efforts, for example, will help identify needs and approaches for investments in market centers. During the ABS time frame USAID will continue these research/investigation efforts and by FY 1985 will have developed and tested a methodology for analyzing Ecuador's secondary city and market town growth needs.

A key management steps are: (a) assure adequate o/e funding to continue the PSC Housing Advisor; (b) using projects funds, contract a host country national professional to assist with the institutional and appropriate technology development components of the secondary cities project; (c) draw on PRE/Housing Office and RHUDO/Panama for technical assistance in the development and the design of the Guayaquil HG; and (d) continue receiving assistance from S&T/MD for research support on rural-urban linkages in Ecuador.

Other Activities

By mid FY 1985 USAID will have completed a small grant project for improving the GOE's revenue generation capacity. A follow-on

project is anticipated, depending on the new government's political will to take appropriate measures. A go or no go program management decision on this follow-on effort should be made before the end of FY 1985 and, if appropriate, a tentative program design completed.

In the energy sector, USAID will complete an intensive evaluation of the Alternative Energy Project in late FY 1984 with the incoming government. If appropriate, a mid-course project reprogramming exercise will be carried out. Also, by mid FY-84 USAID expects to have a participant training program with the National Directorate of Hydrocarbons. The only key management actions required are: (a) the assignment of the regional energy advisor in FY-83 as scheduled; and (b) continued access to the S&T/Energy Office a project in Conventional Energy Training.

CARE's PL 480 Title II food contributions to the MOH's maternal and child health (MCH) feeding program will be phased out by the end of FY 1984 and replaced with locally produced commodities. By the end of FY 85, a PL 480 outreach grant and evaluation will have been implemented, and model MCH programs established in the Provinces of Manabi, Chimborazo, and Cotopaxi. By the start of FY 1985 CRS will have re-oriented its Title II Program from a charity approach towards a more structured development effort, e.g., the formulation and promotion of locally produced weaning foods, improved health/ nutrition education, school gardens.

Principal management activities include the signing of an agreement with the MOH to evaluate the MCH program, the provision of technical assistance to support this effort, and the securing of additional outreach and OPG funds to support the new CRS program. Increased USAID staff time will be required to assist CRS and the MOH to plan and monitor these activities.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT ($000)

COUNTRY/OFFICE 518 - ECUADOR

| | | FY 1983 ESTIMATE | FY 1984 CP | FY 1984 ESTIMATE | FY 1985 AAPL | PLANNING PERIOD 1986 | 1987 | 1988 | 1989 |
|---|---|---|---|---|---|---|---|---|---|
| AGRICULTURE, RURAL DEVELOPMENT & NUTRITION | TOTAL | 4546 | 7060 | 7091 | 7550 | 7250 | 1500 | 3500 | 6600 |
| | GRANTS | 1821 | 3060 | 4091 | 3750 | 3250 | 1500 | 500 | 1600 |
| | LOANS | 2725 | 4000 | 3000 | 4000 | 4000 | -- | 3000 | 5000 |
| POPULATION | TOTAL | 1020 | 1020 | 839 | 40 | 600 | 540 | 1510 | 950 |
| | GRANTS | 1020 | 1020 | 839 | 40 | 600 | 540 | 1510 | 950 |
| | LOANS | -- | -- | -- | -- | -- | -- | -- | -- |
| (CENT.PROC.COMMOD.) | | | | (250) | (350) | | | | |
| HEALTH | TOTAL | 150 | 60 | 250 | 250 | 400 | 1260 | 3790 | 250 |
| | GRANTS | 150 | 60 | 250 | 250 | 400 | 260 | 790 | 250 |
| | LOANS | -- | -- | -- | -- | -- | 1000 | 3000 | -- |
| EDUCATION | TOTAL | 1223 | 1090 | 1120 | 1000 | 1050 | 700 | 1800 | 2600 |
| | GRANTS | 1223 | 1090 | 1120 | 1000 | 1050 | 700 | 800 | 800 |
| | LOANS | -- | -- | -- | -- | -- | -- | 1000 | 1800 |
| SEL.DEV.ACT. | TOTAL | 1761 | 770 | 700 | 960 | 1500 | 7600 | 1800 | 2800 |
| | GRANTS | 1761 | 770 | 700 | 960 | 1500 | 1600 | 800 | 800 |
| | LOANS | -- | -- | -- | -- | -- | 6000 | 1000 | 2000 |
| FUNCTIONAL SUBTOTAL | | 8700 | 10000 | 10000 | 10000 | 10800 | 11600 | 12400 | 13200 |
| | GRANTS | 5975 | 6000 | 7000 | 6000 | 6800 | 4600 | 4400 | 4400 |
| | LOANS | 2725 | 4000 | 3000 | 4000 | 4000 | 7000 | 8000 | 8800 |
| (DISASTER) | TOTAL | 276 | -- | -- | -- | -- | -- | -- | -- |
| | GRANTS | 276 | -- | -- | -- | -- | -- | -- | -- |
| | LOANS | -- | -- | -- | -- | -- | -- | -- | -- |
| DA ACCOUNTS | TOTAL | 8976 | 10000 | 10000 | 10000 | 10800 | 11600 | 12400 | 13200 |
| | GRANTS | 6251 | 6000 | 7000 | 6000 | 6800 | 4600 | 4400 | 4400 |
| | LOANS | 2725 | 4000 | 3000 | 4000 | 4000 | 7000 | 8000 | 8800 |
| (OF WHICH PVO's) | | 1259 | 745 | 1220 | 1210 | 1250 | 1000 | 1100 | 1300 |
| PL-480 TITLE II | | (732) | | (880) | (713) | (800) | (800) | (800) | (800) |
| HOUSING GUARANTIES | | -- | -- | (25000) | | | (30000) | | (30000) |
| TOTAL PERSONNEL | | | | | | | | | |
| USDH WORKYEARS | | 11.75 | | 17 | 14.75 | 14 | 14 | | |
| FNDH WORKYEARS | | 19 | 19 | 19 | 18 | 18 | | | |

*No ESF funds are included for Ecuador

# 518 - ECUADOR
# FY-85 ABS
# TABLE I NARRATIVE

## I. Mortgaging

Recently there has been some concern expressed in AID/W about a perceived mortgaging problem in the Ecuador project portfolio. Such a concern is not warranted as it has been established that there is no serious mortgaging problem in Ecuador. In fact, Ecuador is far from reaching the point of having a mortgage problem as defined in the ABS guidance, i.e., "mortgages more than twice as large as the FY-83 program levels".

Furthermore, in FYs 84 and 85, USAID/Ecuador is assigning the highest priority to fully fund ongoing projects and then move into the implementation of project level activities contemplated under the new CDSS, with only a marginal mortgage situation. It should be noted that the Mission's ability to better accomplish this objective has been greatly curtailed by the significant funding level cut that have been experimented for FYs 83, 84, 85 and also for the ABS long range planning period.

## II. Pipeline

There are three activities in Ecuador's project portfolio that have pipeline problems as described below:

1. 518-0017 Training for Development. This project is a prime candidate for deobligation if key implementation actions are not initiated by mid July, 1983. These actions are the contracting of the technical assistance services contemplated under the project, and the procurement of required commodities. Presently, the GOE implementing agency is engaged in active negotiations with a U.S. consulting firm and a draft contract has been sent to the firm for final comments. At this writing it is anticipated that final agreement will be reached and that a contract will be signed prior to the mid-July deadline. Once the contract is operative, commodities are ordered and local currency expenditures are initiated, it is anticipated that disbursements will begin to flow at an adequate pace. Obviously, it is anticipated that extension of the PACD will be required.

2. 518-0032 Rural Technology Transfer System. RTTS commitments to specific project activities total approximately 97 percent of the total grant funding available. $5.0 million in loan funds were added to the project in FY-82 to meet increasing project needs. These funds, however, have recently become available because of condition precedent requirements.

To date only 31 percent of the total grant available has been disbursed. There are several reasons for this. First, contracting of services and financial reporting of expenses by the University of Florida have been slow. Second, although many subprojects are now entering the implementation phase, several months of design work was involved before receiving final approval from CONACYT and the Mission. Third, recent sucre devaluations have resulted in that the dollar amounts allocated for local cost expenditures have yielded more sucres. Finally, many of the subprojects are being carried out under the host-country contracting mode especially as they relate to commodity provision. These procedures are time consuming. The Mission anticipates that as the subprojects begin the process of implementation, the financial demand on the project will increase. The University of Florida has been adviced of the need to provide expense vouchers every month, instead of every three months. The Mission also has encouraged the GOE implementing agency to expand its assistance to agencies implementing subprojects agencies in order to speed-up input provisions.

3. 518-0012 Integrated Rural Development. During the first two years of the Integrated Rural Development Project, the primary focus on developing and strengthening the Integrated Rural Development Secretariat as an effective planning, coordinating and financing mechanisms for the IRD system. This objective has been sustantially achieved and implementation is now of field activities, where the major portion of loan funds are targeted, has recently begun to accelerate rapidly. Disbursements are expected to rapidly increase in FY 1984.

TABLE IV PROJECT BUDGET DATA

Country/Office
518 - ECUADOR

| PROJECT NUMBER | TITLE | G/L | OBLIGATION DATE INITIAL | OBLIGATION DATE FINAL | LIFE OF PROJECT COST AUTH | LIFE OF PROJECT COST PLAN | ESTIMATED U.S. DOLLAR COST ($000) CUM PIPELINE AS OF 9/30/82 | FY 1983 OBL. | FY 1983 EXP | FY 1984 OBL. | FY 1984 EXP | FY OBLIGATIONS 1985 AAPL | FY OBLIGATIONS BUDGET TO MO/YR | FY OBLIGATIONS 1986 | FY OBLIGATIONS 1987 | FY OBLIGATIONS 1988 | FY OBLIGATIONS FUTURE YEAR | ITEM # |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION | | | | | | | | | | | | | | | | | |
| 518-0005 | Program Development & Support | G | 79 | C | -- | -- | 223 | 150 | 160 | 190 | 200 | 200 | 9-85 | 200 | 200 | 200 | 800 | 337 |
| 518-0006 | Food Processing & Fortification-OPG | G | 80 | 81 | 110 | 110 | 4 | -- | 4 | -- | -- | -- | -- | -- | -- | -- | | 338 |
| 518-0012 | Integrated Rural Development | G | 80 | 85 | 2000 | 2000 | 633 | 400 | 500 | 900 | 700 | -- | -- | -- | -- | -- | | 344 |
| | | L | 80 | 85 | 9800 | 9800 | 9650 | -- | 3000 | -- | 2000 | -- | -- | -- | -- | -- | | 345 |
| 518-0019 | Agro-Industrial Development | G | 84 | 84 | -- | 1000 | -- | -- | -- | 1000 | -- | -- | -- | -- | -- | -- | | 352 |
| | Services | L | 84 | 84 | -- | 3000 | -- | -- | -- | 3000 | -- | -- | -- | -- | -- | -- | | 353 |
| 518-0018 | Rural Youth Development | G | 82 | 83 | 448 | 448 | 299 | 149 | 150 | -- | 100 | -- | -- | -- | -- | -- | | 360 |
| 518-0023 | Forestry & Natural Resources | G | 82 | 86 | 2100 | 2100 | 200 | 200 | 75 | 250 | 300 | 400 | 1-86 | 550 | 500 | -- | | 358 |
| | Conservation | L | 82 | 86 | 6500 | 6500 | 3775 | 2725 | 400 | -- | 1500 | -- | -- | -- | -- | -- | | 359 |
| 518-0027 | Agricultural Marketing System | G | 85 | 86 | -- | 1000 | -- | -- | -- | -- | -- | 500 | 7-86 | 500 | -- | -- | | 365 |
| | | L | 85 | 86 | -- | 7000 | -- | -- | -- | -- | -- | 4000 | -- | 3000 | -- | -- | | 366 |
| 518-0031 | Environmental Conservat. OPG | G | 80 | 82 | 340 | 340 | 121 | -- | 75 | -- | 46 | -- | -- | -- | -- | -- | | 372 |
| 518-0032 | Rural Technology Transfer | G | 80 | 85 | 5300 | 5300 | 1853 | 700 | 1300 | 2000 | 1500 | 1100 | 3-86 | -- | -- | -- | | 373 |
| | System | L | 80 | 85 | 5000 | 5000 | 5000 | -- | 2147 | -- | 1500 | -- | -- | -- | -- | -- | | 374 |
| 518-0039 | Private Sector Agricultural Technology Transfer | G | 85 | 87 | -- | 2000 | -- | -- | -- | -- | -- | 500 | 4-86 | 1000 | 500 | -- | | |
| 518-0040 | Agricultural Insurance | G | 85 | 85 | -- | 400 | -- | -- | -- | -- | -- | 400 | 3-87 | -- | -- | -- | | |
| 518-0041 | Fisheries Development | G | 85 | 86 | -- | 1000 | -- | -- | -- | -- | -- | 300 | 4-86 | 700 | -- | -- | | |
| 518-9999 | Private and Voluntary Organiz. | G | 78 | C | -- | -- | -- | 222 | 150 | 420 | -- | 350 | -- | 300 | 300 | 300 | 1200 | 382 |
| | Appropriation | | TOTAL | | 31598 | 46998 | 21758 | 4596 | 7961 | 7091 | 7846 | 7750 | -- | 6250 | 1500 | 500 | 2000 | |
| | | | GRANT | | 10298 | 15698 | 3333 | 4546 | 2414 | 4091 | 2846 | 3750 | -- | 3250 | 1500 | 500 | 2000 | |
| | | | LOAN | | 21300 | 31300 | 18425 | 1821 | 5547 | 3000 | 5000 | 4000 | -- | 3000 | -- | -- | -- | |

TABLE IV PROJECT BUDGET DATA

Country/Office
518 - ECUADOR

| PROJECT NUMBER | PROJECT TITLE | G/L | OBLIGATION DATE INITIAL | OBLIGATION DATE FINAL | LIFE OF PROJECT COST AUTH | LIFE OF PROJECT COST PLAN | ESTIMATED U.S. DOLLAR COST ($000) CUM PIPELINE AS OF 9/30/82 | FY 1983 OBL | FY 1983 EXP | FY 1984 OBL. | FY 1984 EXP | FY OBLIGATIONS 1985 AAPL | FY OBLIGATIONS FUNDED TO MO/YR | FY OBLIGATIONS 1986 | FY OBLIGATIONS 1987 | FY OBLIGATIONS 1988 | FY OBLIGATIONS FUTURE YEAR | ITEM # |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | POPULATION PLANNING | | | | | | | | | | | | | | | | | |
| 518-0013 | Program Development & Support | G | 79 | C | -- | -- | 1 | 20 | 15 | 20 | 10 | 40 | 9-85 | 40 | 40 | 40 | 200 | 346 |
| 518-0026 | Population & Family Planning | G | 81 | 85 | 5600 | 5600 | 909 | 1000 | 1135 | 819 | 1300 | -- | -- | 560 | 500 | 1470 | | 364 |
| | Appropriation | | TOTAL | | 5600 | 5600 | 910 | 1020 | 1150 | 839 | 1310 | 40 | -- | 600 | 540 | 1510 | 200 | |
| | | | GRANT | | 5600 | 5600 | 910 | 1020 | 1150 | 839 | 1310 | 40 | -- | 600 | 540 | 1510 | 200 | |
| | | | LOAN | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| | HEALTH | | | | | | | | | | | | | | | | | |
| 518-0002 | Rural Community Health | G | 78 | 81 | 264 | 264 | 50 | -- | 50 | -- | -- | -- | -- | -- | -- | -- | | 334 |
| 518-0009 | Program Development & Support | G | 79 | C | -- | -- | 41 | 50 | 50 | 50 | 40 | 50 | 9-85 | 150 | 50 | 50 | 200 | 341 |
| 518-0015 | Rural Health, Nutrition and Potable Water | G | 81 | 85 | 1000 | 1000 | 699 | 100 | 300 | 200 | 200 | -- | -- | -- | -- | -- | | 348 |
| | | L | 81 | 85 | 7235 | 7235 | 7235 | -- | 1300 | -- | 1920 | -- | -- | -- | -- | -- | | 349 |
| 518-0020 | Rural Potable Water | G | 80 | C | -- | -- | 181 | -- | 181 | -- | -- | -- | -- | -- | -- | -- | | 354 |
| 518-9997 | Private and Voluntary Organizations - OPG's | G | 78 | -- | -- | -- | -- | -- | -- | -- | -- | 200 | -- | 250 | -- | -- | | 383 |
| | Appropriation | | TOTAL | | 8499 | 8499 | 8206 | 150 | 1881 | 250 | 2160 | 250 | -- | 400 | 50 | 50 | 200 | |
| | | | GRANT | | 1264 | 1264 | 971 | 150 | 581 | 250 | 240 | 250 | -- | 400 | 50 | 50 | 200 | |
| | | | LOAN | | 7235 | 7235 | 7235 | -- | 1360 | -- | 1920 | -- | -- | -- | -- | -- | -- | |
| | EDUCATION AND HUMAN RESOURCES | | | | | | | | | | | | | | | | | |
| 518-0007 | Employment Creation Marginal Youths - OPG | G | 78 | 82 | 377 | 377 | 66 | -- | 66 | -- | 1 | -- | -- | -- | -- | -- | | 339 |
| 518-0010 | Vocational Education | G | 80 | 82 | 340 | 340 | 57 | -- | 57 | -- | -- | -- | -- | -- | -- | -- | | 342 |
| 518-0016 | Program Development & Support | G | 79 | C | -- | -- | 18 | 50 | 60 | 70 | 60 | 100 | 9-85 | 100 | 100 | 100 | 400 | 350 |
| 518-0017 | Training for Development | G | 80 | 82 | 1300 | 930 | 930 | -- | 400 | -- | 250 | -- | -- | 370 | -- | -- | | 351 |
| 518-0035 | Advanced Management Training | G | 84 | 84 | -- | 3000 | -- | -- | -- | 500 | 200 | 500 | 1-86 | -- | -- | -- | | 376 |
| 518-0036 | Revenue Generation for Development | G | 83 | 83 | -- | 675 | -- | 675 | 100 | -- | 575 | -- | -- | -- | -- | -- | | 1446 |

Country/Office

TABLE IV PROJECT BUDGET DATA

518 - ECUADOR

| PROJECT NUMBER | TITLE | G/L | OBLIGATION DATE INITIAL | OBLIGATION DATE FINAL | LIFE OF PROJECT COST AUTH | LIFE OF PROJECT COST PLAN | COM PIPELINE AS OF 9/30/83 | ESTIMATED U.S. DOLLAR COST ($000) FY 1983 OBL. | FY 1983 EXP. | FY 1984 OBL. | FY 1984 EXP. | FY OBLIGATIONS 1985 AAPL | 1985 BUDGET TO FY 84 | 1986 | 1987 | 1988 | FUTURE YEARS | LIFE OF PROJECT # |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | EDUCAT. & HUMAN RESOURCES (cont.) | | | | | | | | | | | | | | | | | |
| 518-0038 | Vocational Education Development OPG | G | 82 | 83 | 328 | 328 | 200 | 128 | 136 | -- | 150 | -- | -- | -- | -- | -- | | 379 |
| 518-9999 | Private and Voluntary Organizations - OPG's | G | 78 | C | -- | -- | -- | 370 | 150 | 550 | 200 | 400 | -- | 300 | 300 | 300 | 1600 | 381 |
| | Appropriation | | TOTAL | | 2345 | 5650 | 1271 | 1223 | 969 | 1120 | 1435 | 1000 | -- | 770 | 400 | 400 | 2000 | |
| | | | GRANT | | 2345 | 5650 | 1271 | 1223 | 969 | 1120 | 1435 | 1000 | -- | 770 | 400 | 400 | 2000 | |
| | | | LOAN | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| | SELECTED DEVELOPMENT ACTIVITIES | | | | | | | | | | | | | | | | | |
| 518-0003 | Local PVO Institutional Devel. | G | 80 | 82 | 450 | 420 | 43 | -- | 43 | -- | -- | -- | -- | -- | -- | -- | | 335 |
| 518-0004 | Special Development Activities | G | 79 | C | -- | -- | 37 | 100 | 110 | 100 | 110 | 100 | 9-85 | 100 | 100 | 100 | 400 | 336 |
| 518-0011 | Program Development & Support | G | 79 | C | -- | -- | 171 | 741 | 350 | 100 | 125 | 100 | 9-85 | 200 | 200 | 200 | 800 | 343 |
| 518-0021 | Integrated Community Development | G | 82 | 84 | 320 | 320 | 230 | 90 | 120 | -- | 120 | -- | -- | -- | -- | -- | | 355 |
| 518-0022* | Integrated Shelter and Urban Development | G | 82 | 83 | -- | 130 | -- | 130 | 250 | -- | 100 | -- | -- | -- | -- | -- | | 357 |
| 518-0028 | Secondary Cities Housing | G | 83 | 85 | -- | 300 | -- | 100 | 80 | 200 | 100 | -- | -- | -- | -- | -- | | 378 |
| 518-0029 | Alternative Energy Sources | G | 81 | 84 | 800 | 800 | 380 | 300 | 200 | 100 | 250 | -- | -- | -- | -- | -- | | 368 |
| | | L | 81 | 84 | 1900 | 1900 | 1900 | -- | 480 | -- | 885 | -- | -- | -- | -- | -- | | 369 |
| 518-0042 | Export Development | G | 85 | 87 | -- | 2000 | -- | -- | -- | -- | -- | 500 | 6-86 | 800 | 700 | -- | | |
| | | L | 85 | 87 | -- | 5000 | -- | -- | -- | -- | -- | -- | -- | -- | 5000 | -- | | |
| 518-9999 | Private and Voluntary Organizations | G | 78 | C | -- | -- | -- | 300 | 150 | 200 | 250 | 260 | -- | 400 | 400 | 500 | 2000 | 384 |
| | Appropriation | | TOTAL | | 3470 | 10870 | 2761 | 1761 | 1783 | 700 | 1940 | 960 | -- | 1500 | 6400 | 800 | 3200 | |
| | | | GRANT | | 1570 | 3970 | 861 | 1761 | 1303 | 700 | 1055 | 960 | -- | 1500 | 1400 | 800 | 3200 | |
| | | | LOAN | | 1900 | 6900 | 1900 | -- | 480 | -- | 885 | -- | -- | -- | 5000 | -- | -- | |
| | COUNTRY | | TOTAL | | 51512 | 75617 | 34906 | 8700 | 13744 | 10000 | 14691 | 10000 | -- | 9520 | 8890 | 3260 | 7600 | |
| | | | GRANT | | 21077 | 30182 | 7346 | 5975 | 6417 | 7000 | 6886 | 6000 | -- | 6520 | 3890 | 3260 | 7600 | |
| | | | LOAN | | 30435 | 45435 | 27560 | 2725 | 7327 | 3000 | 7805 | 4000 | -- | 3000 | 5000 | -- | | |

518 - ECUADOR
FY-1985 ABS
ABS PROJECT NARRATIVE

Project No. and Title: 518-0019 Agro-Industrial Development Services

Functional Account: ARDN

Funding:

| | FY-84 | LOP |
|---|---|---|
| Loan | 1000 | 1000 |
| Grant | 3000 | 3000 |
| TOTAL | 4000 | 4000 |

## I. Project Purpose

This project will develop Ecuador's private sector capacity to mobilize existing financial resources for agricultural and agro-industrial development.

## II. Project Description

There is a consensus among Ecuadorean private sector groups that future economic development in Ecuador will be closely tied to agro-industrial activities. Currently, there is no satisfactory mechanism to identify feasible agro-industrial projects nor to link them with credit sources (such as the Central Bank's financial funds mechanism and credit lines of the National Finance Corporation).

The project will finance the establishment of a private sector center for the research and promotion of agricultural and agro-industrial activities (including forestry and fishing). The major function of this center will be to identify and assess the feasibility of commercial agricultural and agro-industrial projects, and to promote and help local and foreign sources of technology and financing for projects.

The center will be supported by private sector associations and enterprises and is expected to become a self-financing organization. It will establish a roster of private sector consultant's which it would contract to carry out technical-economic feasibility studies which will be paid for by the beneficiary enterprise(s).

Approximately two person years of participant training, amounting to $40,000, will be included in the project.

Particular emphasis will be placed on locating U.S. sources of technology and finance for joint ventures with local entrepreneurs. Also, a better allocation of Ecuadorean financial resources will be made available through the private sector financial institutions using such mechanisms as the Central Bank's rediscounting operations and the special credit lines available from the Export Fund and the Small Industry Fund of the National Finance Corporation.

## III. Beneficiaries

The target group for the project will be small and medium commercial farmers who will benefit from expanded and more stable markets for their products. Significant employment activities will be generated as a result of expanded agricultural production.

## IV. Implementing Agencies

All obligations under the project will be channelled through the private sector, with the collaboration of the Central Bank and/or the National Finance Corporation.

518 - Ecuador
FY-85 ABS
PROJECT NARRATIVE

Project No. and Title: 518-0027 Agricultural Marketing Systems

Functional Account: ARDN

Funding:

| | FY-85 | LOP |
|---|---|---|
| Loan | 4000 | 7000 |
| Grant | 500 | 1000 |
| Total | 4500 | 8000 |

## I. Project Purpose

This project will improve the internal efficiency of Ecuador's agricultural marketing system. This system consists of thousands of small-scale entrepreneurs in food distribution, wholesaling, retailing, and exporting. Particular emphasis will be placed on food commodities which are produced by small commercial farm units and on improving the linkages between local, regional, and national markets.

## II. Project Description

The project will address priority problems in the marketing of agricultural commodities in Ecuador such as: (1) lack of reliable information on product specific market indicators; (2) government intervention in the market system through price fixing, subsidies, taxes, and support to marketing organizations which are unresponsive to market forces; (3) lack of an adequate system of standards and measures; (4) lack of managerial capacity to deal with complex marketing requirements; (5) inability of the marketing participants to tap into the formal credit system.

The project will have two phases. Phase I will improve the information base and lead to decreased government intervention. The grant will enable the Ministry of Agriculture (MAG) to identify restrictions on market development. Bottlenecks in food distributing, wholesaling, retailing, and exporting will be analyzed and solutions recommended. The Grant also will strengthen MAG's institutional capacity to evaluate the impact of government policies on Ecuador's farm to market food chain, which often distort market prices, reduce incentives, and thus decrease agricultural production. During Phase I, which is expected to begin in FY-85, long-term training will be initiated in agricultural economic planning, econometrics, and

marketing. Grant funds will also provide technical assistance in survey design, data analysis, and research methods. Phase I is in particular in accordance with the Mission's CDSS strategy, which emphasizes an improved understanding of marketing constraints, a balanced public/private sector participation in the development process, and increased policy dialogue. Analysis of marketing channels, price structures, subsidies, and overall market performance will permit the kind of policy dialogue which is conducive to the improvement of Ecuador's agricultural marketing system.

Phase II will begin in FY 86. It will provide seed capital for financing demonstrations aimed at solving marketing bottlenecks. A loan-financed marketing fund will be established in the Central Bank and leveraged against private banking funds to finance entrepreneurial development within the marketing chain. The loan fund will also finance managerial training and technical assistance in accounting, inventory control, storage of perishables, and commercialization, as well as technical assistance and training to producer associations for effective quality control.

## III. Beneficiaries

The intended project beneficiaries will be in three groups: small commercial farmers, the small entrepreneurs who market agricultural products, and the urban consumers. All will benefit from a more efficient market system.

## IV. Implementing Agencies

The MAG will implement Phase I of the project. The Central Bank, the private banking system, and the MAG will implement Phase II.

# 518 - ECUADOR
# FY-1985 ABS
# PROJECT NARRATIVE

Project No. and Title: 518-0039 Private Sector Agricultural Technology Transfer

Functional Account: ARDN

Funding:

| | FY-85 | LOP |
|---|---|---|
| Grant | 500 | 2000 |
| TOTAL | 500 | 2000 |

## I. Project Purpose

This project will develop Ecuador's private sector capacity to facilitate agricultural technological transfer. Emphasis will be placed on systems with heavy user participation, and which, therefore, are responsive to user needs. The project will promote the diffusion of agricultural technologies through the private sector by working with producers associations, cooperatives, agroindustrial, and agri-business enterprises.

The project is designed to complement the Rural Technology Transfer System (RTTS) Project (518-0032) which uses Ecuador's public sector (research, education, and extension) institutions for technology transfer.

## II. Project Description

One of the major constraints to increased agricultural production in Ecuador, as discussed in the USAID 1985-1989 CDSS, is the absence of a system of research and extension in agricultural technology for Ecuador's small commercial farmers. A two-way information flow between farmer and researcher through an extension service does not exist.

Under the project grant funded technical advisors will assist producer's associations to design and implement several model extension systems. Next, loan money will finance the replication of the models.

Under one possible model a line of credit to the Agricultural Development Bank and other eligible institutions, including the agri-business sector, would enable them to hire technicians to provide technical assistance to their members. A second model will involve using Ministry of Agriculture and Livestock (MAG) personnel on a cost-sharing basis. The MAG would assign an extension agent to

an agricultural organization and cover their salary costs. The institution or group would cover other costs, including incentive bonuses, and have the right to retain or dismiss agents so assigned based upon their performance. A third model would be a voucher system, whereby a group requesting technical assistance will be given credits or a voucher to be used to hire TA personnel from the pool of technically-qualified personnel already available in the private sector.

Loan funds will also be available for training for extension workers in both extension methodology and in selected technical areas. The National Campesino Training Institute (INCCA), which has gained capability in this area as a result of a current USAID project, will provide this training.

The proposed project is consistent with the objective of the A.I.D. Food and Agricultural Development Policy Paper that seeks to increase food availability and consumption through human resource and institutional development, both in the private and public sectors. Involvement in technology transfer will increase the private sector's understanding of effective agricultural policy and thus improve dialogue between the public and private sectors. The project also is consistent with the LAC Strategy Plan, which emphasizes support for structural reforms, overcoming key constraints, and increased private sector participation.

## III. Beneficiaries

The direct beneficiaries will be the middle and lower income segments of the agricultural sector. An immediate result will be an increase in the marketable surplus among the small to medium size commercial farmers. Eventually more subsistance farmers will be brought into the commercial sector.

## IV. Implementing Agencies

Implementing agencies will be producers associations, the Agricultural Development Bank, the Ministry of Agriculture and the National Campesino Training Institute.

# 518 - ECUADOR
# FY-1985 ABS
# PROJECT NARRATIVE

Project No. and Title: 518-0040 Agricultural Insurance

Functional Account: ARDN

Funding:

| | FY85 | LOP |
|---|---|---|
| Grant | 400 | 400 |
| TOTAL | 400 | 400 |

## I. Project Purpose

This project will develop the Agricultural Insurance Company's (CONASA) capacity to reduce the inherent risks of agricultural and livestock production.

## II. Project Description

This project will extend CONASA's insurance coverage to eligible areas and other crops/ livestock mixes, promote participation of private sector groups, and develop assure self-sufficiency in CONASA's administrative and financial management. It will build on the LAC region wide program designed to stimulate the establishment of agricultural insurance companies. The regional project will terminate by the end of FY-84. By then CONASA will not yet have demonstrated its financial viability. This project will provide an additional three years of assistance beyond FY 84 which will be required to strengthen CONASA and to demonstrate its worth to the private sector.

Project funding will permit CONASA to gradually expand coverage to new areas of agriculture thus reducing its risk by diversification. Additionally, the project will encourage the private sector to invest in CONASA's long-term institutional growth. The loan funds will be guaranteed by the Central Bank and channeled through the Agricultural Development Bank which will establish an investment-sharing arrangement with CONASA and private sector groups such as producers associations and cooperatives. The investment-sharing fund will be developed to assure the greatest possible financial leverage of the AID funds within CONASA's capital structure, and the maximize private sector participation.

Grant funds will finance technical assistance in insurance management, re-insurance and actuarial development, as well as training.

This project will support the CDSS goals of institutional development and technology transfer. With continued USAID support

after the regional LAC project ends, CONASA will obtain the necessary institutional experience to demonstrate its long-term viability. Additionally, the adoption of agricultural technology will be facilitated by reducing on-farm Risk associated with new crop varieties and new agricultural/livestock practices will be reduced. This will promote their adoption by small-scale commercial farmers.

## III. Beneficiaries

The project will directly benefit Ecuador's commercial small farm sector in the highlands and coast. Indirectly Ecuador's consumers will also benefit to the extent that lower risk facilitates the adoption of technology and thus increases agricultural productivity.

## IV. Implementing Agencies

The scheduled field level activities, as well as the institutional development tasks will be carried out directly by the Ecuadorean Agricultural Insurance Company (CONASA). However, in carrying-out the investment-sharing arrangements to promote greater private sector participation, the Central Bank, the Agricultural Development Bank, and the producers associations will also be involved.

# 518 - ECUADOR
# FY - 85
# PROJECT NARRATIVE

Project No. and Title: 518-0041 Fisheries Development

Functional Account: ARDN

Funding:

| | FY-85 | LOP |
|---|---|---|
| Grant | 300 | 1000 |
| TOTAL | 300 | 1000 |

## I. Project Purpose

This project will improve the capacity of Ecuadorean institutions to study the country's marine resources and to promote their rational commercial development by providing the private sector with the information it needs in order to confidently invest in Ecuador's fisheries sector.

## II. Project Description

The project responds to problems in the Ecuadorean fisheries sector such as: (1) lack of scientific information about the marine resources of Ecuador; (2) poor research capability; (3) the low quality products; (4) lack of diverse markets; (5) lack of extension for artisanal fishermen.

The project will attack these interrelated problems in coordination with the part of the S&T Coastal Resources Management Project that has been proposed by the S&T Bureau to take place in Ecuador during FYs 84 and 85.

Activities will be in the following areas:

(1) Technical Assistance. Technical advisors will collaborate with Ecuadorean institutions in marine research and seafood processing.

(2) Training. Four person years of long-term master's level training in marine ecology will increase Ecuadorean capacity to conduct research and train well-qualified investigators. Short-term training will be in the processing and marketing of seafood and in marine pollution control.

(3) Studies. Four types of studies will be conducted in the areas of marine ecology; harvesting; processing methods; and marketing. They will answer questions upon which investment in the country's fisheries sector will turn, such as: what additional species of seafood can be harvested? where is marine life likely to be during different weather conditions? how does oil or gas production affect marine populations? how can processing of seafood be improved?

(4) Pilot Extension Activity. The project will finance a pilot extension activity which will demonstrate the artisan fishermen how to better harvest, market, and process fish.

## III. Beneficiaries

The project will benefit:

(1) Coastal artisan fishermen. Coastal artisan fishermen will benefit from increased knowledge in Ecuador about marine resources. With this knowledge not only will they will be able to harvest without depletion, and it is likely that they will catch and market more kinds of fish.

(2) Participants in the fish processing and marketing system. The project will encourage the development of a stronger fisheries industry which will benefit Ecuadoreans who depend on processing and marketing seafood.

## IV. Implementing Agencies

The fisheries project will foster institutional cooperation. Involved institutions will be:

(1) Polytechnic University of the Coast (ESPOL). ESPOL has a program in marine resources. It has worked with the Mission on other projects.

(2) National Oceonagraphic Insitute (INOCAR).

(3) Ministry of Natural Resources (MNR). The MNR will coordinate the project. It will be most actively involved in studying the effects of oil and gas production on marine resources.

(4) Ministry of Agriculture (MAG). The National Forestry Program (PRONAF) of the MAG has legal responsibility for the mangrove forests along Ecuador's coas, which are vital to much marine life.

(5) Seafood Producers Associations

# 518 - ECUADOR
# FY-1985 ABS
# PROJECT NARRATIVE

Project No. and Title: 518-0042 Export Development

Functional Account: SD

| Funding | FY 85 | LOP |
|---|---|---|
| Loan | -- | 5,000,000 |
| Grant | 500,000 | 2,000,000 |
| TOTAL | 4,500,000 | 7,000,000 |

## I. Project Purpose

This project will develop Ecuador's private sector capacity for developing new trade opportunities resulting from production and productivity improvements generated by A.I.D. financed projects. Emphasis will be placed on those goods and products which Ecuador will likely be able to export and on basic foodstuffs.

## II. Project Description

Given the projected disappearance of its exportable oil surplus before the end of this decade, Ecuador must increase and diversify its exports. The stimulus for a rapidly expanding export sector must come from the private sector. Except for traditional agricultural commodities (bananas, coffee, cacao) and one non-traditional product (shrimp) Ecuador has not developed its export potential. Major difficulties have been encountered in the areas of market information (e.g. where are potential markets for Ecuadorean products, what are standards and quality requirements), in quality control of exports and in developing guaranteed sources of supply, in term of both quality and quantity. A comparative advantage study will be carried out to identify potential product areas as an initial step in the development of this project. Regional (Andean) as well as U.S. markets will be specifically analyzed. The project will promote the establishment of one or more trading companies that will be able to develop new markets for Ecuadorean producers, assist those producers to meet the standards and requirements of those markets, and serve as brokers for Ecuadorean exports. The project also will work with private sector associations of producers in order to help them organize to take advantage of market opportunities and to find, adapt, and disseminate appropriate technologies to increase the exportability of their products.

The project is comprised of: (a) a loan to be used by one or more Ecuadorean trading companies that will be established to implement the project; and (b) a grant for technical assistance.

The loan will provide resources for re-lending for plant and equipment needs, for working capital, and for local and export marketing. Labor intensive agricultural and agro-industrial exports will be emphasized, but other activities, that will promote Ecuadorean exports (e.g., wood products, fish resources, etc.) also will be eligible.

## III. Beneficiaries

Improved markets resulting from the project will benefit farmers and agro-industries. The project is expected to generate significant employment benefits.

All obligations under the project are responsive to the private enterprise special concern.

The project will provide up to two person-years of training, amounting to $40,000.

The project will assist policy dialogue with the GOE by focussing attention on bureaucratic and legal restrictions on exports. Trading companies will provide a locus of influence through which some adverse policies may be modified.

## IV. Implementing Agencies

Implementing agencies will be the one or more trading companies established under the project and private sector associations of producers.

TABLE V - FY 1985 PROPOSED PROGRAM RANKING 518 Country/Office ECUADOR

| RANK | PROGRAM ACTIVITY DESCRIPTION | ONGOING NEW | LOAN GRANT | APPR ACCT | PROGRAM FUNDING ($000) INCR | CUM |
|---|---|---|---|---|---|---|
| 1 | 518-0032 Rural Technology Transfer System | O | G | ARDN | 1100 | 1100 |
| 2 | 518-0023 Forestry and Natural Resources | O | G | ARDN | 400 | 1500 |
| 3 | 518-0035 Advanced Management Training | O | G | EH | 500 | 2000 |
| 4 | 518-0027 Agricultural Marketing System | N | L | ARDN | 4000 | 6000 |
| | | N | G | ARDN | 500 | 6500 |
| 5 | 518-0039 Private Sector Agricultural Technology Transfer | N | G | ARDN | 500 | 7000 |
| 6 | 518-0040 Agricultural Insurance | N | G | ARDN | 400 | 7400 |
| 7 | 518-0041 Fisheries Development | N | G | ARDN | 300 | 7700 |
| 8 | 518-0042 Export Development | N | G | SD | 500 | 8200 |
| 9 | 518-9999 Private & Voluntary Organizations | O | G | EH | 400 | 8600 |
| 10 | PL-480 Title II CARE and CRS | O | G | P2 | (713) | 8600 |
| 11 | 518-9999 Private & Voluntary Organizations | N | G | ARDN | 350 | 8950 |
| 12 | 518-0005 PD&S - ARDN | O | G | ARDN | 200 | 9150 |
| 13 | 518-0016 PD&S - EH | O | G | EH | 100 | 9250 |
| 14 | 518-9999 Private & Voluntary Organizations | N | G | SD | 260 | 9510 |
| 15 | 518-0011 PD&S - SD | O | G | SD | 100 | 9610 |
| 16 | 518-0004 Special Development Activities | O | G | SD | 100 | 9710 |
| 17 | 518-9999 Private & Voluntary Organizations | N | G | HE | 200 | 9910 |
| 18 | 518-0009 PD&S - HE | O | G | HE | 50 | 9960 |
| 19 | 518-0013 PD&S - PN | O | G | PN | 40 | 10000 |

# 518 - ECUADOR
# FY-85 ABS
# TABLE V PROPOSED PROGRAM RANKING NARRATIVE

The A.I.D. Ecuador Program, since its inception in 1980, has been targeted to support Ecuadorean initiatives and efforts to develop and strengthen its institutional capacity and to promote and facilitate the transfer of technologies that can better address the country's most pressing development problems. This Program is being directed only to a few project level activities of the highest priority such as: Rural Technology Transfer (Title XII), Campesino Training, Integrated Rural Development, Low Cost Housing, Rural Health and Potable Water, Family Planning, Public Sector Management Training, Alternative Energy Development, Forestry, and PVO Development including Title II.

Given the present crisis facing Ecuador's economy, as described in the recently submitted FY-85 CDSS, and in this ABS's Action Plan, FYs 84 and 85 mark the transition towards a new emphasis of the A.I.D. Program in the areas of production, marketing, employment and exports. Inherent in this new strategy is the principal role that the Ecuadorean private sector will play in Ecuador's efforts to recover from a rapidly deteriorating economic situation.

During FYs 84 and 85, USAID funding emphasis will be placed in two major areas:

-- In providing the necessary incremental funds for the basic core program approved in 1980. The objective here is to continue to reduce and eventually eliminate the limited mortgage that exists in projects such as the Title XII, IRD, Family Planning.

-- The second area will be to initiate the funding of new project level activities that are responsive to the strategy contained in the recently developed CDSS. That is to say, in FYs 83 and 84 funds are being earmarked for projects that deal with critical production, marketing and unemployment issues, principally through the active participation of the Ecuadorean private sector.

The Proposed Program Ranking contained in Table V is consistent with the development objectives outlined in the Action Plan, i.e., better equipped institutions in the agricultural, health and housing sectors for improving and implementing public policies; completion of low-cost systems for the delivery of services to low income groups (urban and rural); improvements in the institutional structure dealing with GOE revenues; stronger private sector associations that can effectively implement a policy dialogue with the government; improved capacity in the area of technical skills and management training; significant improvements in Ecuador's exports,

particularly to the regional common markets; strengthening the Ecuadorean PVO movement; greater decentralization based in the creation of new development poles; development of small scale enterprises; and achievement of a lower population growth rate.

Accordingly, the ranking of projects in Table V responds to the above objectives as follows:

1. The Agro-Industrial Development Services and the Agricultural Marketing Systems Projects will promote the mobilization of private sector resources towards the agricultural sector and will rationalize the structure and dynamics of internal markets.

2. The Agricultural Insurance and the Private Sector Agricultural Technology Transfer Projects respond to the need to increase production in the agricultural and livestock sectors. These projects will provide the necessary financial incentives and transfer of technology to take advantage of Ecuador's comparative advantages in agriculture.

3. The Export Development and the Fisheries Development Projects will develop the capacity of the private sector to seek and develop new trade opportunities in order to improve Ecuador's foreign exchange earnings situation.

4. Projects with the National Science and Technology Council (CONACYT) will continue to facilitate the development and dissemination of farm-level technologies that can contribute to increase agricultural production, particularly amongst small and medium size farmers.

5. The ongoing Forestry and Natural Resources Project is assisting the Ministry of Agriculture, as well as other public and private entities, to better manage Ecuador's forestry and natural resources.

6. The Advanced Management Training Project will contribute to improve the capability of private enterprise top level managers.

7. Ongoing and new OPGs will strengthen Mission policy and efforts to incorporate U.S. and indigenous PVOs in the implementation of projects that are consistent with the overall strategy contained in the CDSS.

# 518 - ECUADOR
# FY-1985 ABS
# EVALUATION PLAN

## A. ISSUES NARRATIVE

### I. INTRODUCTION

As stated in the CDSS, the USAID Program in Ecuador concentrates on the areas of world-wide A.I.D. policy emphasis: institution building; technology transfer; private sector involvement in development; and policy dialogue. Within this policy framework, the program emphasizes rural development, as the sector of Ecuador in which there is not only the greatest economic promise, but also the most potential for improving the lives of the poorer segments of the country's population.

USAID's project portfolio reflects the priorities of the Roldós Hurtado 1980-84 National Development Plan as agreed upon with the re-activation of the program in 1980. The principal projects are:

-- Integrated Rural Development
-- Rural Technology Transfer
-- Rural Training
-- Rural Health and Potable Water
-- Alternative Energy Development
-- Family Planning
-- Integrated Urban Development
-- Forestry Sector Development
-- PVO Development (including PL-480 Title II)

### II. FORMATIVE EVALUATIONS

During the fiscal years 1984 and 1985 the core set of Mission projects will reach their mid-points of implementation and will be due for formative evaluations. The Mission intends the formative evaluations to serve the following three interelated purposes:

(1) The formative evaluations will first of all judge individual projects against their own internal objectives. Is the project carrying out the activities that were forseen in the Project Agreement? Are these activities well-planned and executed? Is technical assistance being used effectively? Are equipment and materials of the proper sort arriving on schedule? The answers to these questions will be used to make changes in implementation procedures and/or to adjust project design as needed. These evaluations will be useful in developing a dialogue with the incoming GOE administration expected in mid 1984.

(2) The formative evaluations will also be used by the Mission in the design of new projects. With the experience of an initial set of projects well evaluated, the Mission will be better prepared to develop projects that are realistic within the Ecuadorean context and that will substantially assist Ecuador's development.

(3) Finally, the formative evaluations will measure the individual project's impact against the four main A.I.D. policy objectives; they will examine how broad policy objectives can be turned into specific project actions. For example, under what conditions does technology transfer come about under the Rural Technology Transfer Project? Or, when and why has the Alternative Energy Project, through policy dialogue, affected Ecuador's energy policies? In the Forestry Sector Development Project, how has cooperation with the private sector come about? In all the core projects, in what ways have more capable development institutions resulted from project efforts?

In summary, the numerous formative evaluations scheduled to be made on the core projects of the Mission's program during fiscal years 1984 and 1985 will provide the Mission with not only recommendations to improve the vital details of implementation, but will serve to connect these details with the broad policy goals of A.I.D.

## III. FINAL EVALUATIONS

The only final evaluation during fiscal years 1984 and 1985 will be made on the Rural Potable Water-CARE OPG. This evaluation will first of all check to see that all water systems funded under project are functioning satisfactorily. Also, the final evaluation will provide suggestions for future projects in rural potable water.

## IV. PL-480

The evaluation of the PL-480 Title II Program, which will be carried out in the first quarter of fiscal year 1984, will be an extended and intensive effort to improve the Ministry of Health's services. It will thus be a unique attempt to combine judgments on the success of project design and implementation, with the provision of technical assistance. LAC/DR, FVA' and FFP will be asked to cooperate in the design and execution of this innovative effort.

TABLE VII LIST OF PLANNED EVALUATIONS
FY 1985 ANNUAL BUDGET SUBMISSION
COUNTRY/OFFICE 518 - ECUADOR

| Project List (Project No. & Title) | Last Eval Completed (Mo./Yr.) | FY 1984 Start (Qtr) | FY 1984 To AID/W (Qtr) | FY 1985 Start (Qtr) | FY 1985 To AID/W (Qtr) | Reasons/Issues | Funding Source ($000) | AID Person Days | Collateral AID Assistance |
|---|---|---|---|---|---|---|---|---|---|
| PROJECTS IN AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION APPROPRIATION CATEGORY | | | | | | | | | |
| 0006 Food Processing CARE (OPG) | NA | 2 | 3 | NA | NA | Evaluation report by CARE on project impact. | Mission Funds | 106 | 3 None |
| 0012 Integrated Rural Development (Ag.) | NA | 2 | 3 | 4 | 4 | Assess performance of Area Specific Rural Development Secretariat in coordinating intersectoral activities. Indicate necessary program design changes and reprogramming of technical assistance. | PD&S ST/RAD for 2 consultants for 3 weeks in Ecuador | 10 4 | 51 Consultant Recruitment by ST/RAD |
| 0018 Fundación 4-F Rural Youth Development | NA | 2 | 3 | NA | NA | In house evaluation to improve implementation procedures. | Proj. Funds | 1 | 5 None |
| (OPG) | NA | NA | NA | 2 | 3 | In depth mid-term evaluation to assess project progress & recommend changes in project design if needed. | Proj. Funds | 10 | 20 LAC/DR recruitment of consultant. |
| 0023 Forestry Sector Development | NA | NA | NA | 1 | 2 | A process evaluation focusing on how the project is being implemented. Primary attention will be devoted to how PRONAF is performing with the objective of identifying ways and means to improve implementation of activities. | Proj. Funds | 5 | 30 S&T/FNR assistance in recruitment of consultant in institution development. |

Mission Evaluation Officer: Patricio Maldonado, Program Officer (15% annual time devoted to evaluation work)

TABLE VII LIST OF PLANNED EVALUATIONS
FY 1985 ANNUAL BUDGET SUBMISSION
COUNTRY/OFFICE 518 - ECUADOR

| Project List (Project No. & Title) | Last Eval Completed (Mo./Yr.) | FY 1984 Start (Qtr) | FY 1984 To AID/W (Qtr) | FY 1985 Start (Qtr) | FY 1985 To AID/W (Qtr) | Reasons/Issues | Funding Source | ($000) | USAID Person Days | Collateral A.I.D. Assistance |
|---|---|---|---|---|---|---|---|---|---|---|
| 0032 Rural Technology Transfer System (Title XII) | 6/83 | NA | NA | 2 | 2 | Assess project progress and recommend changes as needed. | PD&S | 10 | 30 | Two person weeks of BIFAD staff assistance. |
| 0039 Save the Children | NA | NA | NA | 1 | 2 | Mid-term project evaluation to improve implementation procedures. | Proj. Funds | 5 | 5 | Consultant recruitment by S&T/ED |
| 931-1054 National Rural Training System | 3/83 | NA | NA | 3 | 4 | A mid-term evaluation to assess project progress and recommend changes in project design if needed. | Proj. Funds | 15 | 30 | Consultant recruitment by S&T/ED |

TABLE VII - LIST OF PLANNED EVALUATIONS
FY 1985 ANNUAL BUDGET SUBMISSION
COUNTRY/OFFICE 518 - ECUADOR

| Project List (Project No. & Title) | Last Eval Completed (Mo./Yr.) | FY 1984 Start (Qtr) | FY 1984 To AID/W (Qtr) | FY 1985 Start (Qtr) | FY 1985 To AID/W (Qtr) | Reasons/Issues | Funding Source ($000) | | USAID Person Days | Collateral AID assistance |
|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT IN POPULATION PLANNING APPROPRIATION CATEGORY | | | | | | | | | | |
| 0026 Population and Family Planning Assistance (Private Sector Subproject) | 12/82 | 1 | NA | NA | 2 | To judge the extent to which the program has been effective in attaining the objectives outlined in the previous year's plans in order to determine the validity of the strategy and means. Determine if the recommendations of the first evaluation were practical and appropriate with respect to each of the three private organizations involved. | ST/POP Proj. Funds | 3<br>1 | 15 | Consultant recruitment (S&T/POP) |
| (Ministry of Defense Subproject) | 2/83 | 1 | NA | NA | 2 | To judge: (1) how well the recommendations of the 2/83 evaluation have been carried out; (2) to see to what extent the operating plan has been accomplished; (3) to provide recommendations to use in preparing the 184 year operating plan. | ST/POP Proj. Funds | 3<br>1 | 15 | Consultant recruitment (S&T/POP) |

TABLE VII - LIST OF PLANNED EVALUATIONS
FY 1985 ANNUAL BUDGET SUBMISSION
COUNTRY/OFFICE 518 - ECUADOR

| Project List (Project No. & Title) | Last Eval Completed (Mo./Yr.) | FY 1984 Start (Qtr) | FY 1984 To AID/W (Qtr) | FY 1985 Start (Qtr) | FY 1985 To AID/W (Qtr) | Reasons/Issues | Funding Source | ($000) | USAID Person Days | Collateral AID Assistance |
|---|---|---|---|---|---|---|---|---|---|---|
| PROJECTS IN EDUCATION AND HUMAN RESOURCES APPROPRIATION CATEGORY | | | | | | | | | | |
| 0017 Training for Development | NA | NA | NA | 1 | 2 | Interim evaluation to determine progress in achieving project purpose and objectives and adequacy of original project design. | Proj. Funds | 8 | 8 | NA |
| 0038 Vocational Education Development OPG (Guayas) | NA | 4 | NA | NA | 1 | (1) Test the benefits of intensive private sector involvement in the activities of a school; (2) Establish the viability of utilizing the competancy based mode for technical skills training; (3) Determine the impact of the skills training on jobs placement for graduates. | Proj. Funds | 15 | 10 | None |

TABLE VII - LIST OF PLANNED EVALUATIONS
FY 1985 ANNUAL BUDGET SUBMISSION
COUNTRY/OFFICE 518 - ECUADOR

| Project List (Project No. & Title) | Last Eval Completed (Mo./Yr.) | FY 1984 Start (Qtr) | FY 1984 To AID/W (Qtr) | FY 1985 Start (Qtr) | FY 1985 To AID/W (Qtr) | Reasons/Issues | Funding Source | ($000) | USAID Person Days | Collateral AID Assistance |
|---|---|---|---|---|---|---|---|---|---|---|
| PROJECTS IN SELECTED DEVELOPMENT ACTIVITIES APPROPRIATION ON CATEGORY | | | | | | | | | | |
| 0004 Special Development Activities | 10/82 | NA | NA | NA | NA | All project activities are completed within each fiscal year. A simplified annual evaluation of projects is conducted by USAID and the Peace Corps. | -- | -- | -- | -- |
| 0021 Integrated Community Development Fundación Eugenio Espejo | NA | 3 | 4 | NA | NA | An interim evaluation to (1) examine the success of the project in establishing rural-urban economic linkages and (2) judge the capability of the Fundación to operate the project's credit fund. | Proj. Funds | 7 | 10 | None |
| 0028 Secondary Cities Development Program Grant | NA | 4 | NA | 1 | NA | Evaluate effectiveness of project reference documents developed under the project by judging the extent of their use by house builders. | Oper. Funds | 2 | 5 | None |
| 0029 Alternative Energy Development | NA | 4 | 4 | 2 | 2 | To assess progress in attainment of project objectives and to determine whether the Project design and implementation plan should be amended. | NA | NA | 5<br>5 | NA |
| HG-005 (Solanda) 0022 Integrated Shelter and Urban Development | NA | 1 | 2 | NA | NA | Assess social component grant activities of Solanda project in order to analyze process or organizing different sections, see if all necessary sections are represented and make suggestions for improvement and additions. | Mission Operational. | 2 | 4 | Regional Housing and Urban Development Office/LA. |

TABLE VII - LIST OF PLANNED EVALUATIONS
FY 1985 ANNUAL BUDGET SUBMISSION
COUNTRY/OFFICE 518 - ECUADOR

| Project List (Project No. & Title) | Last Eval Completed (Mo./Yr.) | FY 1984 Start (Qtr) | FY 1984 To AID/W (Qtr) | FY 1985 Start (Qtr) | FY 1985 To AID/W (Qtr) | Reasons/Issues | Funding Source | USAID ($000) | USAID Person Days | Collateral AID Assistance |
|---|---|---|---|---|---|---|---|---|---|---|
| HG-005 0022 (Solanda cont.) | NA | 2 | 3 | NA | NA | Review first stage construction and adjudication of building and social program (orientation, employment, community human development. | RHUDO | 5 | 5 | RHUDO/LA |
| HG-005 0022 (Solanda cont.) | NA | 4 | NA | NA | 1 | A final evaluation to judge reaction of the beneficiaries to the social program and to the house design. | RHUDO | 5 | 5 | RHUDO |
| 0031 Fundación Natura Environmental Education (OPG) | NA | NA | NA | 1 | 2 | To study and determine the feasibility of the institutional vehicle (Ministry of Education) structure for the formal environmental education part of the project. | Proj. Funds | 12 | 15 | Recruitment of consultant by LAC/DR environmental officer. |

TABLE VII - LIST OF PLANNED EVALUATIONS
FY 1985 ANNUAL BUDGET SUBMISSION
COUNTRY/OFFICE 518 - ECUADOR

| Project List (Project No. & Title) | Last Eval Completed (Mo./Yr.) | FY 1984 Start (Qtr) | FY 1984 To AID/W (Qtr) | FY 1985 Start (Qtr) | FY 1985 To AID/W (Qtr) | Reasons/Issues | Funding Source | Person Days ($000) | | Collateral AID Assistance |
|---|---|---|---|---|---|---|---|---|---|---|
| PROJECTS IN HEALTH APPROPRIATION CATEGORY | | | | | | | | | | |
| 0002 Rural Community Health-MAP (OPG) | 10/81 | NA 9/82 | 1 | NA | NA | Evaluation will include measurement of promoter activities realized, water and sanitation systems constructed and operational changes in health behavior and status community involvement in health and integration of project with GOE delivery system. | AID/W and PD&S Health | 5 | 5 | Consultant recruitment (ST/HEA) and central funds (3/4 p.m.). |
| 0015 Integrated Rural Health Development (L/G) | NA | 4 | 4 | 4 | 4 | A mid-term evaluation to assess progress in achieving institution building objectives in the MOH and IEOS and to recommend changes in project design as needed. | ST/HEA<br>WASH Proj. funds (1 person) | 8<br>3<br>2 | 10 | Assistance recruitment to consultants (ST/HEA) |
| 0020 Rural Potable Water-CARE OPG | NA | NA | NA | 1 | 2 | End-of-project evaluation to assess satisfactory completion of all water systems funded, and provide suggestions for future projects. | None | None | 15 | None |

TABLE VII - LIST OF PLANNED EVALUATIONS
FY 1985 ANNUAL BUDGET SUBMISSION
COUNTRY/OFFICE 518 - ECUADOR

| Project List (Project No. & Title) | Last Eval Completed (Mo./Yr.) | FY 1984 Start (Qtr) | FY 1984 To AID/W (Qtr) | FY 1985 Start (Qtr) | FY 1985 To AID/W (Qtr) | Reasons/Issues | Funding Source | ($000) | Staff Person Days | Collateral AID Assistance |
|---|---|---|---|---|---|---|---|---|---|---|
| PL-480, Title II | | | | | | | | | | |
| PL-480, Title II CARE | NA | 1 | 2 | NA | NA | Evaluation will include nutritional impact, operational effectiveness and efficiency, impact on utilization of health services, and changes in health behavior. Evaluation should form basis for future USAID assistance to MCH feeding program. This program will constitute not only an evaluation but also an intensive effort to improve the MOH program. Initial evaluation results should be available in first quarter of FY-84. | AID/W | 20 | 20 | Consultant recruitment (LAC/DR, FVA, FFP). |
| CRS | 5/83 | NA | NA | 3 | 4 | To assess progress of CRS's new Title II program. | AID/W | 5 | 10 | Consultant recruitment FVA/PPE. |

# TABLE VIII - FY 1983

ORGANIZATION 518 - ECUADOR

| EXPENSE CATEGORY | FUNCTION CODE | OBJECT CLASS | DOLLAR FUNDED | TRUST FUNDED | TOTAL BUDGET | UNITS |
|---|---|---|---|---|---|---|
| U.S. DIRECT HIRE | U100 | | 783.3 | | 783.3 | XXXXX |
| U.S. CITIZENS BASIC PAY | U101 | 110 | 506.8 | | 506.8 | 11.75 |
| PT/TEMP U.S. BASIC PAY | U102 | 112 | -- | | -- | -- |
| DIFFERENTIAL PAY | U103 | 116 | 76.0 | | 76.0 | XXXXX |
| OTHER AID/W FUNDED O.C. 11 | U104 | 119 | -- | | -- | XXXXX |
| OTHER MISSION FUNDED O.C 11 | U105 | 119 | -- | | -- | XXXXX |
| EDUCATION ALLOWANCES | U106 | 126 | 55.2 | | 55.2 | 18 |
| RETIREMENT - U.S. | U107 | 120 | 35.5 | | 35.5 | XXXXX |
| LIVING ALLOWANCES | U108 | 128 | -- | | -- | XXXXX |
| OTHER AID/W FUNDED O.C. 12 | U109 | 129 | 9.1 | | 9.1 | XXXXX |
| OTHER MISSION FUNDED O.C.12 | U110 | 129 | -- | | -- | XXXXX |
| POST ASSIGNMENT - TRAVEL | U111 | 212 | 18.3 | | 18.3 | 7 |
| POST ASSIGNMENT - FREIGHT | U112 | 22 | 42.4 | | 42.4 | 7 |
| HOME LEAVE - TRAVEL | U113 | 212 | 9.3 | | 9.3 | 5 |
| HOME LEAVE - FREIGHT | U114 | 22 | 4.7 | | 4.7 | 5 |
| EDUCATION TRAVEL | U115 | 215 | 2.8 | | 2.8 | 3 |
| R AND R TRAVEL | U116 | 215 | 17.9 | | 17.9 | 14 |
| ALL OTHER CODE 215 TRAVEL | U117 | 215 | 5.3 | | 5.3 | 8 |
| FOREIGN NATIONAL DH | U200 | | 199.4 | | 199.4 | XXXXX |
| BASIC PAY | U201 | 114 | 132.6 | | 132.6 | 19* |
| OVERTIME, HOLIDAY PAY | U202 | 115 | 1.6 | | 1.6 | 0.5 |
| ALL OTHER CODE 11 - FN | U203 | 119 | 20.5 | | 20.5 | XXXXX |
| ALL OTHER CODE 12 - FN | U204 | 129 | 1.5 | | 1.5 | XXXXX |
| BENEFITS FORMER FN PERS. | U205 | 13 | 43.2 | | 43.2 | XXXXX |
| CONTRACT PERSONNEL | U300 | | 252.7 | | 252.7 | XXXXX |
| PASA TECHNICIANS | U301 | 258 | -- | | -- | -- |
| U.S. PSC - SALARY/BENEFITS | U302 | 113 | 122.7 | | 122.7 | 1.5 |
| ALL OTHER U.S. PSC COSTS | U303 | 255 | -- | | -- | XXXXX |
| F.N. PSC - SALARY/BENEFITS | U304 | 113 | 130.0 | | 130.0 | 8 |
| ALL OTHER F.N. PSC COSTS | U305 | 255 | -- | | -- | XXXXX |
| HOUSING | U400 | | 165.9 | | 165.9 | XXXXX |
| RENT | U401 | 235 | 8.1 | | 8.1 | 0.5 |
| UTILITIES | U402 | 235 | 1.6 | | 1.6 | XXXXX |
| RENOVATION AND MAINT. | U403 | 259 | -- | | -- | XXXXX |
| QUARTERS ALLOWANCE | U404 | 127 | 133.5 | | 133.5 | 11.25 |
| PURCHASES RES. FURN/EQUIP. | U405 | 311 | 2.8 | | 2.8 | XXXXX |
| TRANS./FREIGHT - CODE 311 | U406 | 22 | 15.0 | | 15.0 | XXXXX |
| SECURITY GUARD SERVICES | U407 | 254 | -- | | -- | XXXXX |
| OFFICIAL RESIDENCE ALLOW. | U408 | 254 | 3.2 | | 3.2 | XXXXX |
| REPRESENTATION ALLOWANCE | U409 | 252 | 1.7 | | 1.7 | XXXXX |

* Includes 1 part-time position

ORGANIZATION 518 - ECUADOR

| EXPENSE CATEGORY | FUNCTION CODE | OBJECT CLASS | DOLLAR FUNDED | TRUST FUNDED | TOTAL BUDGET | UNITS |
|---|---|---|---|---|---|---|
| OFFICE OPERATIONS | U500 | | 961.1 | | 961.1 | XXXXX |
| RENT | U501 | 234 | 209.5 | | 209.5 | XXXXX |
| UTILITIES | U502 | 234 | 10.2 | | 10.2 | XXXXX |
| BUILDING MAINT./RENOV. | U503 | 259 | 20.8 | | 20.8 | XXXXX |
| OFFICE FURN./EQUIP. | U504 | 310 | 26.2 | | 26.2 | XXXXX |
| VEHICLES | U505 | 312 | -- | | -- | XXXXX |
| OTHER EQUIPMENT | U506 | 319 | -- | | -- | XXXXX |
| TRANSPORTATION/FREIGHT | U507 | 22 | 8.6 | | 8.6 | XXXXX |
| COMMUNICATIONS | U508 | 230 | 26.0 | | 26.0 | XXXXX |
| SECURITY GUARD SERVICES | U509 | 254 | 32.0 | | 32.0 | XXXXX |
| PRINTING | U510 | 24 | 33.0 | | 33.0 | XXXXX |
| RIG/II OPERATIONAL TRAVEL | U511 | 210 | -- | | -- | |
| SITE VISITS | U512 | 210 | 76.2 | | 76.2 | 30 |
| INFORMATION MEETINGS | U513 | 210 | 3.2 | | 3.2 | 2 |
| TRAINING ATTENDANCE | U514 | 210 | 10.3 | | 10.3 | 5 |
| CONFERENCE ATTENDANCE | U515 | 210 | 15.6 | | 15.6 | 5 |
| OTHER OPERATIONAL TRAVEL | U516 | 210 | 34.1 | | 34.1 | 60 |
| SUPPLIES AND MATERIALS | U517 | 26 | 169.6 | | 169.6 | XXXXX |
| FAAS | U518 | 257 | 28.0 | | 28.0 | XXXXX |
| CONSULTING SVCS - CONT. | U519 | 259 | 50.0 | | 50.0 | XXXXX |
| MGT./PROF. SVCS. - CONT. | U520 | 259 | -- | | -- | XXXXX |
| SPEC. STUDIES/ANALYSES CONT. | U521 | 259 | -- | | -- | XXXXX |
| ALL OTHER CODE 25 | U522 | 259 | 207.8 | | 207.8 | XXXXX |
| TOTAL O.E. BUDGET | | | 2362.4 | | 2362.4 | XXXXX * |
| RECONCILIATION | | | -- | | -- | XXXXX |
| OPERATING ALLOWANCE REQUEST | | | 2362.4 | | 2362.4 | XXXXX |

OTHER INFORMATION:

| | |
|---|---|
| Dollar requirement for local currency costs | 682.8 |
| Exchange rate used (as of May 1, 1983) | 80.55 |

* Note:

| | |
|---|---|
| Mission Budget | 1,707 |
| Washington Budget | 627.4 |
| FAAS | 28.0 |
| | 2,362.4 |

ORGANIZATION 518 - ECUADOR

| EXPENSE CATEGORY | FUNCTION CODE | OBJECT CLASS | DOLLAR FUNDED | TRUST FUNDED | TOTAL BUDGET | UNITS |
|---|---|---|---|---|---|---|
| U.S. DIRECT HIRE | U100 | | 984.0 | | 984.0 | XXXXX |
| U.S. CITIZENS BASIC PAY | U101 | 110 | 716.0 | | 716.0 | 14-7-5 |
| PT/TEMP U.S. BASIC PAY | U102 | 112 | -- | | -- | -- |
| DIFFERENTIAL PAY | U103 | 116 | 107.4 | | 107.4 | XXXXX |
| OTHER AID/W FUNDED O.C. 11 | U104 | 119 | -- | | -- | XXXXX |
| OTHER MISSION FUNDED O.C 11 | U105 | 119 | -- | | -- | XXXXX |
| EDUCATION ALLOWANCES | U106 | 126 | 48.0 | | 48.0 | 16 |
| RETIREMENT - U.S. | U107 | 120 | 50.1 | | 50.1 | XXXXX |
| LIVING ALLOWANCES | U108 | 128 | -- | | -- | XXXXX |
| OTHER AID/W FUNDED O.C. 12 | U109 | 129 | 12.9 | | 12.9 | XXXXX |
| OTHER MISSION FUNDED O.C.12 | U110 | 129 | -- | | -- | XXXXX |
| POST ASSIGNMENT - TRAVEL | U111 | 212 | 5.0 | | 5.0 | 2 |
| POST ASSIGNMENT - FREIGHT | U112 | 22 | 10.0 | | 10.0 | 2 |
| HOME LEAVE - TRAVEL | U113 | 212 | 12.6 | | 12.6 | 7 |
| HOME LEAVE - FREIGHT | U114 | 22 | 2.5 | | 2.5 | 7 |
| EDUCATION TRAVEL | U115 | 215 | 3.0 | | 3.0 | 2 |
| R AND R TRAVEL | U116 | 215 | 16.5 | | 16.5 | 16 |
| ALL OTHER CODE 215 TRAVEL | U117 | 215 | -- | | -- | -- |
| FOREIGN NATIONAL DH | U200 | | 210.1 | | 210.1 | XXXXX |
| BASIC PAY | U201 | 114 | 181.0 | | 181.0 | 19 * |
| OVERTIME, HOLIDAY PAY | U202 | 115 | 2.0 | | 2.0 | .5 |
| ALL OTHER CODE 11 - FN | U203 | 119 | 27.1 | | 27.1 | XXXXX |
| ALL OTHER CODE 12 - FN | U204 | 129 | -- | | -- | XXXXX |
| BENEFITS FORMER FN PERS. | U205 | 13 | -- | | -- | XXXXX |
| CONTRACT PERSONNEL | U300 | | 422.0 | | 422.0 | XXXXX |
| PASA TECHNICIANS | U301 | 258 | -- | | -- | -- |
| U.S. PSC - SALARY/BENEFITS | U302 | 113 | 265.0 | | 265.0 | 3 |
| ALL OTHER U.S. PSC COSTS | U303 | 255 | -- | | -- | XXXXX |
| F.N. PSC - SALARY/BENEFITS | U304 | 113 | 157.0 | | 157.0 | 9 |
| ALL OTHER F.N. PSC COSTS | U305 | 255 | -- | | -- | XXXXX |
| HOUSING | U400 | | 225.0 | | 225.0 | XXXXX |
| RENT | U401 | 235 | 24.0 | | 24.0 | 1 |
| UTILITIES | U402 | 235 | 4.2 | | 4.2 | XXXXX |
| RENOVATION AND MAINT. | U403 | 259 | -- | | -- | XXXXX |
| QUARTERS ALLOWANCE | U404 | 127 | 151.2 | | 151.2 | 13.75 |
| PURCHASES RES. FURN/EQUIP. | U405 | 311 | 36.0 | | 36.0 | XXXXX |
| TRANS./FREIGHT - CODE 311 | U406 | 22 | 4.0 | | 4.0 | XXXXX |
| SECURITY GUARD SERVICES | U407 | 254 | -- | | -- | XXXXX |
| OFFICIAL RESIDENCE ALLOW. | U408 | 254 | 3.6 | | 3.6 | XXXXX |
| REPRESENTATION ALLOWANCE | U409 | 252 | 2.0 | | 2.0 | XXXXX |

* Includes one part-time position

# TABLE VIII - FY 1984

ORGANIZATION 518 - ECUADOR

| EXPENSE CATEGORY | FUNCTION CODE | OBJECT CLASS | DOLLAR FUNDED | TRUST FUNDED | TOTAL BUDGET | UNITS |
|---|---|---|---|---|---|---|
| OFFICE OPERATIONS | U500 | | | | 1083.1 | XXXXX |
| RENT | U501 | 234 | | | 242.2 | XXXXX |
| UTILITIES | U502 | 234 | | | 13.2 | XXXXX |
| BUILDING MAINT./RENOV. | U503 | 259 | | | 10.0 | XXXXX |
| OFFICE FURN./EQUIP. | U504 | 310 | | | 89.4 | XXXXX |
| VEHICLES | U505 | 312 | | | 13.2 | XXXXX |
| OTHER EQUIPMENT | U506 | 319 | | | -- | XXXXX |
| TRANSPORTATION/FREIGHT | U507 | 22 | | | 9.1 | XXXXX |
| COMMUNICATIONS | U508 | 230 | | | 28.6 | XXXXX |
| SECURITY GUARD SERVICES | U509 | 254 | | | 38.4 | XXXXX |
| PRINTING | U510 | 24 | | | 36.3 | XXXXX |
| RIG/II OPERATIONAL TRAVEL | U511 | 210 | | | -- | -- |
| SITE VISITS | U512 | 210 | | | 80.0 | 35 |
| INFORMATION MEETINGS | U513 | 210 | | | 5.0 | 3 |
| TRAINING ATTENDANCE | U514 | 210 | | | 15.0 | 6 |
| CONFERENCE ATTENDANCE | U515 | 210 | | | 15.0 | 6 |
| OTHER OPERATIONAL TRAVEL | U516 | 210 | | | 35.0 | 70 |
| SUPPLIES AND MATERIALS | U517 | 26 | | | 138.0 | XXXXX |
| FAAS | U518 | 257 | | | 30.0 | XXXXX |
| CONSULTING SVCS - CONT. | U519 | 259 | | | 25.0 | XXXXX |
| MGT./PROF. SVCS. - CONT. | U520 | 259 | | | -- | XXXXX |
| SPEC. STUDIES/ANALYSES CONT. | U521 | 259 | | | -- | XXXXX |
| ALL OTHER CODE 25 | U522 | 259 | | | 259.7 | XXXXX |
| TOTAL O.E. BUDGET | | | | | 2924.2 | XXXXX * |
| RECONCILIATION | | | | | -- | XXXXX |
| OPERATING ALLOWANCE REQUEST | | | | | 2924.2 | XXXXX |

OTHER INFORMATION:

| | |
|---|---|
| Dollar requirement for local currency costs | 803,123 |
| Exchange rate used (as of May 1, 1983) | 80.55 |
| Estimated Wage Increases - FY 1983 to FY 1984 | 4.5 % |
| Estimated Price Increases - FY 1983 to FY 1984 | 20% |

| | | |
|---|---|---|
| * | Mission Budget | 2,007.8 |
| | Washington Budget | 886.4 |
| | FAAS | 30.0 |
| | | 2924.2 |

ORGANIZATION 518 - ECUADOR

| EXPENSE CATEGORY | FUNCTION CODE | OBJECT CLASS | DOLLAR FUNDED | TRUST FUNDED | TOTAL BUDGET | UNITS |
|---|---|---|---|---|---|---|
| U.S. DIRECT HIRE | U100 | | 1070.4 | | 1070.4 | xxxxx |
| U.S. CITIZENS BASIC PAY | U101 | 110 | 747.6 | | 747.6 | 14 |
| PT/TEMP U.S. BASIC PAY | U102 | 112 | -- | | -- | |
| DIFFERENTIAL PAY | U103 | 116 | 112.1 | | 112.1 | xxxxx |
| OTHER AID/W FUNDED O.C. 11 | U104 | 119 | -- | | -- | xxxxx |
| OTHER MISSION FUNDED O.C 11 | U105 | 119 | -- | | -- | xxxxx |
| EDUCATION ALLOWANCES | U106 | 126 | 52.7 | | 52.7 | 16 |
| RETIREMENT - U.S. | U107 | 120 | 52.3 | | 52.3 | xxxxx |
| LIVING ALLOWANCES | U108 | 128 | -- | | -- | xxxxx |
| OTHER AID/W FUNDED O.C. 12 | U109 | 129 | 13.5 | | 13.5 | xxxxx |
| OTHER MISSION FUNDED O.C.12 | U110 | 129 | -- | | -- | xxxxx |
| POST ASSIGNMENT - TRAVEL | U111 | 212 | 9.0 | | 9.0 | 4 |
| POST ASSIGNMENT - FREIGHT | U112 | 22 | 23.0 | | 23.0 | 4 |
| HOME LEAVE - TRAVEL | U113 | 212 | 27.5 | | 27.5 | 18 |
| HOME LEAVE - FREIGHT | U114 | 22 | 15.0 | | 15.0 | 18 |
| EDUCATION TRAVEL | U115 | 215 | 3.0 | | 3.0 | 3 |
| R AND R TRAVEL | U116 | 215 | 14.7 | | 14.7 | 10 |
| ALL OTHER CODE 215 TRAVEL | U117 | 215 | -- | | -- | -- |
| FOREIGN NATIONAL DH | U200 | | 266.9 | | 266.9 | xxxxx |
| BASIC PAY | U201 | 114 | 229.9 | | 229.9 | 18* |
| OVERTIME, HOLIDAY PAY | U202 | 115 | 2.5 | | 2.5 | 0.5 |
| ALL OTHER CODE 11 - FN | U203 | 119 | 34.5 | | 34.5 | xxxxx |
| ALL OTHER CODE 12 - FN | U204 | 129 | -- | | -- | xxxxx |
| BENEFITS FORMER FN PERS. | U205 | 13 | -- | | -- | xxxxx |
| CONTRACT PERSONNEL | U300 | | 441.0 | | 441.0 | xxxxx |
| PASA TECHNICIANS | U301 | 258 | -- | | -- | -- |
| U.S. PSC - SALARY/BENEFITS | U302 | 113 | 270.0 | | 270.0 | 3 |
| ALL OTHER U.S. PSC COSTS | U303 | 255 | -- | | -- | xxxxx |
| F.N. PSC - SALARY/BENEFITS | U304 | 113 | 171.0 | | 171.0 | 9 |
| ALL OTHER F.N. PSC COSTS | U305 | 255 | -- | | -- | xxxxx |
| HOUSING | U400 | | 227.9 | | 227.9 | xxxxx |
| RENT | U401 | 235 | 26.5 | | 26.5 | 1 |
| UTILITIES | U402 | 235 | 5.0 | | 5.0 | xxxxx |
| RENOVATION AND MAINT. | U403 | 259 | -- | | -- | xxxxx |
| QUARTERS ALLOWANCE | U404 | 127 | 150.8 | | 150.8 | 13 |
| PURCHASES RES. FURN/EQUIP. | U405 | 311 | 36.0 | | 36.0 | xxxxx |
| TRANS./FREIGHT - CODE 311 | U406 | 22 | 4.0 | | 4.0 | xxxxx |
| SECURITY GUARD SERVICES | U407 | 254 | -- | | -- | xxxxx |
| OFFICIAL RESIDENCE ALLOW. | U408 | 254 | 3.6 | | 3.6 | xxxxx |
| REPRESENTATION ALLOWANCE | U409 | 252 | 2.0 | | 2.0 | xxxxx |

* Includes one part-time position

ORGANIZATION 518 - ECUADOR

| EXPENSE CATEGORY | FUNCTION CODE | OBJECT CLASS | DOLLAR FUNDED | TRUST FUNDED | TOTAL BUDGET | UNITS |
|---|---|---|---|---|---|---|
| OFFICE OPERATIONS | U500 | | 1243.8 | | 1243.8 | xxxxx |
| RENT | U501 | 234 | 278.4 | | 278.4 | xxxxx |
| UTILITIES | U502 | 234 | 17.2 | | 17.2 | xxxxx |
| BUILDING MAINT./RENOV. | U503 | 259 | 10.0 | | 10.0 | xxxxx |
| OFFICE FURN./EQUIP. | U504 | 310 | 88.0 | | 88.0 | xxxxx |
| VEHICLES | U505 | 312 | -- | | -- | xxxxx |
| OTHER EQUIPMENT | U506 | 319 | -- | | -- | xxxxx |
| TRANSPORTATION/FREIGHT | U507 | 22 | 12.2 | | 12.2 | xxxxx |
| COMMUNICATIONS | U508 | 230 | 31.5 | | 31.5 | xxxxx |
| SECURITY GUARD SERVICES | U509 | 254 | 46.0 | | 46.0 | xxxxx |
| PRINTING | U510 | 24 | 39.9 | | 39.9 | xxxxx |
| RIG/II OPERATIONAL TRAVEL | U511 | 210 | -- | | -- | |
| SITE VISITS | U512 | 210 | 85.0 | | 85.0 | 35 |
| INFORMATION MEETINGS | U513 | 210 | 8.0 | | 8.0 | 4 |
| TRAINING ATTENDANCE | U514 | 210 | 18.0 | | 18.0 | 6 |
| CONFERENCE ATTENDANCE | U515 | 210 | 20.0 | | 20.0 | 7 |
| OTHER OPERATIONAL TRAVEL | U516 | 210 | 40.0 | | 40.0 | 70 |
| SUPPLIES AND MATERIALS | U517 | 26 | 162.1 | | 162.1 | xxxxx |
| FAAS | U518 | 257 | 35.0 | | 35.0 | xxxxx |
| CONSULTING SVCS - CONT. | U519 | 259 | 30.0 | | 30.0 | xxxxx |
| MGT./PROF. SVCS. - CONT. | U520 | 259 | -- | | -- | xxxxx |
| SPEC. STUDIES/ANALYSES CONT. | U521 | 259 | -- | | -- | xxxxx |
| ALL OTHER CODE 25 | U522 | 259 | 322.5 | | 322.5 | xxxxx |
| TOTAL O.E. BUDGET | | | 3250.0 | | 3250.0 | xxxxx * |
| RECONCILIATION | | | -- | | -- | xxxxx |
| OPERATING ALLOWANCE REQUEST | | | 3250.0 | | 3250.0 | xxxxx |

OTHER INFORMATION:

| | |
|---|---|
| Dollar requirement for local currency costs | 915,814 |
| Exchange rate used (as of May 1, 1983) | 80.55 |
| Estimated Wage Increases - FY 1983 to FY 1984 | 4.5% |
| Estimated Price Increases - FY 1983 to FY 1984 | 20% |

| | |
|---|---|
| * Mission Budget | 2,289.5 |
| Washington Budget | 925.5 |
| FAAS | 35.0 |
| | 3,250.0 |

# 518 - ECUADOR
# FY-1985 ABS
# TABLE VII OPERATING EXPENSES NARRATIVE

## Section A Management Improvements

The single most important management improvement is the upgrading of the Mission's word processing facility to handle data processing requirements for accounting and financial analysis, project implementation and monitoring, and statistical analyses for project design (see ADP and Word Processing Narrative). Such upgrading is indispensable for the increased workload as additional projects enter implementation stage.

Sound project implementation and the growing pipeline are principal management concerns. Other than HG's, the largest portfolio component is comprised of development loans and grants in the agriculture and rural development sector. New projects in FY 1984 and 1985 will also emphasize this sector. In FY 1983 a new U.S. D.H. position of assistant ADO was added to USAID's Agriculture and Rural Development Office to be filled in the last quarter. USAID expects to fill the Joint Career Corp position as soon as possible, further strengthening this office.

Also USAID is planning to contract five Ecuadorean professionals under Personal Services Contract arrangements. One will be a Project Implementation Specialist, who will work in the Office of Development Resources, chiefly to assist host country organizations with procurement and A.I.D. financed goods and services. A second will be a Project Assistant who will also work in the Office of Development Resources, primarily in the management of USAID's automated project implementation monitoring systems.

Another will work with the Program Office to improve the quality and frequency of project evaluations and joint reviews. This positions will be filled as soon as qualified candidates are found. The fourth professional will be in the area of Agriculture Economics with specific responsibilities in project management of the Mission's Agriculture Marketing and Agro-Industry Projects. Additionally, a fifth position is contemplated to contract in FY-84 in the area of rural development.

The management improvements discussed above all imply additional immediate o/e costs. However, they are necessary in order to provide for proper project management and timely project implementation. Over time, these quality improvements will save management time and effort with respect to resolving problem projects, negative audit findings, etc. The automation improvements may reduce needs for future clerical staff increases.

USAID has been experimenting with ways of financing project technical assistance requirements to enhance its project management capabilities. A promising approach is to include funding for a P.S.C. Advisor/Coordinator in the final Project Paper, but to hold back the funding for this position from the Project Agreement signed with the GOE. USAID then can enter into the PSC arrangement directly, obligating project funds, but coordinating with the host country implementing entity on candidate selection, the scope, and the logistic support (i.e., office space, secretarial services, etc.) provided. The result is that there is an additional point of liason within the host country implementing entity for the A.I.D. D.H. technicians to work with. Housed within the local institution, the PSC advisor/coordinator plays a dual role: he provides technical assistance to the host country and serves as a constant expediter for meeting A.I.D. project implementation requirements. By not using host country contracting, USAID can get the advisor on board quicker and avoid time consuming and friction causing hassles regarding disbursements for salary and benefits.

USAID will continue to follow through along several lines of action already set into motion for saving on OE costs. Savings in the travel budget will be accomplished through several measures. To the degree practical, USAID staff training will be accomplished in conjunction with RR, homeleave, or other travel. For example, during the fourth quarter of FY 1983, three junior officers have been scheduled to attend one of the two project implementation workshops in conjunction with homeleave, R&R, and personal travel respectively. Also, USAID has adopted a change in its in-country travel policies to permit staff professionals to drive Mission vehicles at their option on trips not involving difficult or dangerous terrain off the main highways. This will save on driver per diem as well as reduce the need for additional contract drivers as project implementation increases. Similarly, taxis will be used to a greater degree for mobilization within Quito and Guayaquil in order to permit the existing motor pool facilities to serve the increased field travel anticipated.

Also with respect to travel, USAID has been able to reduce the number of visits by the Regional Legal Advisor and the Regional Contract Officer by using the APO facilities and newly available private air parcel delivery services, together with judicious use of long distance telephone calls. USAID has installed a direct dial facility for its long distance calls. Mission management reviews monthly individual breakdowns of long distance usage by time and number called. Personal calls are promptly and automatically billed to the caller. Officials calls exceeding 10 minutes are pointed out to the attention of each office supervisor.

Through more efficient use of existing facilities USAID will avoid renting additional office space. Already, USAID has converted

one office to a modular approach in order to increase the number of desks that can be accommodated. Additional warehouse space is being arranged by converting the existing basement parking and arranging for outside, off-the-street parking for official vehicles.

To enhance the overall security of the USAID physical plant the Mission will, in the near future, introduce a Public Access Control System. In its present condition, the USAID building and its occupants are vulnerable to threats posed by building penetration and taking by terrorists or uncontrolled mobs and, IG/SEC has strongly recommended the installation of new, steel reinforced gates, flood lights, CCTV cameras and monitors, fire rated doors, fire escape, smoke detectors, the construction of bullet resistant wall/barriers, as well as armor core doors with electric deadbolts, and SV-1 teller windows for receptionists who will operate selectone command units.

A cost estimate for the installation of a comprehensive PAC system is currently being prepared. However, Mission technicians have already completed minor segments of IG/SEC's suggested measures.

Due funds to be provided by IAD/SEC, the cost of the PAC system is not included in the Mission's operating budget.

## Section B Justification for Funding Changes

The bulk of the fiscal year 1984 and 1985 increases in operating expenses is due to three factors:

1. The completion of the staff build-up initiated when USAID/ Ecuador was re-established in 1980
2. An increase in local currency costs due to Ecuador's high rate of annual inflation; and
3. Increase in the necessity for support to program funded Personal Service Contractors as previously approved projects enter the implementation phase.

A discussion of specific budget items cost increases follows, discussed by function levels.

### U-100 U.S. Direct Hire

| FY | US$ 000 | Increase (%) | Increase US$ 000 |
|---|---|---|---|
| 83 | 783.3 | | |
| 84 | 984.0 | 26 | 200.7 |
| 85 | 1070.4 | 9 | 86.4 |

During FY'83 only 11 3/4 of the authorized 13 U.S. direct hire man/ years were used. During FY'84, the direct hire staff of the Mission will be increased to the new authorized 14 3/4 man/years level. This is an increase of three full man/years. When the increased costs due to filling the authorized positions are added to an estimated cost of living increase of 4 1/2% plus annual step increases, the total increase in costs of direct hire employees come to approximately 26% for FY'84.

During FY'85, no new direct hire U.S. employees will be added to the Mission. The estimated 9% increase in function level U-100 during this fiscal year will result from cost of living increases, step increases and other benefits.

### U-200 Foreign National Direct Hire

| FY | US$ 000 | Increase (%) | Increase US$ 000 |
|---|---|---|---|
| 83 | 199.4 | | |
| 84 | 210.1 | 5 | 10.7 |
| 85 | 266.9 | 27 | 56.8 |

The $40,000 which the Mission paid into the foreign service national reserve fund raised the costs under function U-200 during FY-83. It, therefore, lowered the percentage increase between FY-83 and FY-84 in function U-200 from above 10% to only 5%.

Between FY-84 and FY-85, an increase in function U-200 costs of 27% is estimated, due to step and cost of living increases.

U-300 Contract Personnel

| FY | US$ 000 | Increase (%) | Increase US$ 000 |
|---|---|---|---|
| 83 | 252.7 | | |
| 84 | 422.0 | 67 | 169.3 |
| 85 | 441.0 | 5 | 19.0 |

The 67% increase in function U-300 costs between FY-83 and FY-84 reflects the addition of 1 1/2 more U.S. national PSC's; the cost of funding one US national PSC for nine months whose contract was only funded for one third of FY-83; and the one FSN PSC to be let in FY-84; and the step and cost-of-living which increases will occur for the 8 PSCs who were already on contract during FY'83.

Between FY'84 and FY'85 there will be an increase in costs of contract personnel of approximately 5%. There will be no increase in the number of PSCs but the cost of existing PSCs will increase due to step and cost-of-living increases.

U-400 Housing

| FY | US$ 000 | Increase (%) | Increase US$ 000 |
|---|---|---|---|
| 83 | 165.9 | | |
| 84 | 225.0 | 36 | 159.1 |
| 85 | 227.9 | 1 | 2.9 |

The 36% increase in housing costs between FY'83 and FY'84 is due to the addition to the Mission of three U.S. direct hire employees; additional U.S. PSCs; the full-time presence of a Mission Director; and an overall increase in the costs of rent and utilities. The Mission Director left during the first quarter of FY'83 and will not be replaced until the third quarter of FY'83.

During FY'85 housing costs will increase only slightly: there will be no new U.S. personnel to provide for and the increase in rents and utilities will not be large.

U-500 Office Operations

| FY | US$ 000 | Increase (%) | Increase US$ 000 |
|---|---|---|---|
| 83 | 933.1 | | |
| 84 | 1053.1 | 13 | 120.0 |
| 85 | 1208.8 | 15 | 155.7 |

The increase of 13% in U-500 function costs is due to: the $75,000 to be spent on ADP and WP equipment and software, an overall increase in the cost of rent, utilities and personnel.

Between FY'84 and '85, the increase will be 7% due to the same increases in personnel rental and utility costs, plus the cost of additional WP system equipment.

## TABLE VIII(a)
## OBLIGATIONS OF ADP SYSTEMS
($000)

| | Fiscal Year 1983 | Fiscal Year 1984 | Fiscal Year 1985 |
|---|---|---|---|
| A. Capital Investments | | | |
| 1. Purchase of ADP Equipment | 4.0 | 19.0 | 30.0 |
| 2. Purchase of Software | 10.0 | 6.0 | 5.0 |
| Subtotal | 14.0 | 25.0 | 35.0 |
| B. Personnel | | | |
| 1. Compensation, Benefits, Travel | -- | -- | -- |
| 2. Workyears | -- | -- | -- |
| Subtotal | | | |
| C. Equipment Rental and Other Operating Costs | | | |
| 1. ADP Equipment (ADPE) Rentals | -- | -- | -- |
| 2. Supplies and Leased Software | -- | -- | -- |
| Subtotal | | | |
| D. Commercial Services | | | |
| 1. ADP Service Bureau | -- | -- | -- |
| 2. Systems Analysis and Programming | -- | -- | -- |
| 3. ADPE Maintenance (If separate from item C.1.) | -- | -- | -- |
| Subtotal | | | |
| E. Total Obligations (A-D) | 14.0 | 16.0 | 15.0 |
| F. Interagency Services | | | |
| 1. Payments | -- | -- | -- |
| 2. Offsetting Collections | -- | -- | -- |
| Subtotal | | | |
| G. Grand Total (E+F) | 14.0 | 16.0 | 15.0 |

Amount included in Mission allowance for existing systems

Amount included in Mission allowance for new/expanded systems

TABLE VIII(b)
OBLIGATIONS FOR WP SYSTEMS
($000)

| | Fiscal Year 1983 | 1984 | 1985 |
|---|---|---|---|
| A. Capital Investments in W/P Equipment | -- | 55.0 | 40.0 |
| B. W/P Equipment Rental and Supplies | 20.0 | 20.0 | 35.0 |
| C. Other W/P Costs* | 20.0 | 25.0 | 30.0 |
| Total | 40.0 | 100.0 | 105.0 |

Amount included in Mission allowance for existing systems

Amount included in Mission allowance for new/expanded systems

* Cost of annual service contract and systems supervisor

# 518 - ECUADOR
# FY-85 ABS
# AUTOMATION DATA PROCESSING AND WORD PROCESSING NARRATIVE

## I. Present System

The Mission purchased and installed its first office automation equipment in March 1982: a WANG OIS-130A with 10 megabytes of disk memory, ten terminals, and four daisy printers. This system is being used almost exclusively for word processing. The system is operating at nearly full capacity, yet half of the Mission's secretaries do not have regular access to terminals. Therefore, a second OIS-130A system purchased in FY-82 is on order and due to arrive in mid-June of 1983. The second system will differ from the current system in that it will include one daisy and one line printer. The option of buying a second duplicate system rather than upgrading the capacity of the existing OIS system was chosen in order to provide redundancy; i.e., in the event that one system fails, the Mission would continue to have some WP services.

## II. Future Needs

The Mission Automation Steering Group (MASG), created in March 1983, has identified the following ADP needs: (a) accounting and financial analysis; (b) support systems for project implementation and monitoring; (c) statistical analyses for project design; (d) maintenance and manipulation of a macro-level data base. These needs cannot be adequately met by the present OIS-130A system.

The limitation of the OIS are that: (a) its main function is word processing and it has very little data processing/programming capability; and (b) WP documents occupy a large share of its disk memory, thereby leaving little space for other applications.

The Mission has discussed its needs and various options with SER/IRM/MPS. The option of acquiring a microcomputer is inadequate because: (a) the level of potential use exceeds the capacity of a microcomputer; and (b) the variety of uses and users would render any single site for a microcomputer inconvenient for many of the Mission staff.

Therefore, to both meet its ADP needs and to ensure sufficient WP support, while keeping costs relatively low, the Mission proposes to upgrade the two OIS-130A systems. The upgrading will consist of: (a) installation of increased ADP software capacity; and (b) increased memory to handle both WP and ADP. Some peripherals will also be added to take full advantage of the increased capacity; these will include a few more workstations (the exact number depending on Mission staff growth) and printers.

The need for a microcomputer to provide additional ADP power will be assessed once the above configuration is installed and its capabilities fully tested. One option which the Mission will consider, if technically feasible, is to link the microcomputers to the OIS system. This linkage would allow the microcomputers to function either independently or as regular OIS workstations and would provide maximum flexibility at a modest increase in cost over the purchase of OIS workstations.

The timing and budgeting of the Mission's automation development plans are presented in Tables VIII (a) and (b). Authorization from SER/IRM for the acqusition of hardware and software will be obtained where necessary.

III. Summary by Fiscal Year

FY-83

ADP - The Mission will purchase CP/M for both OIS-130A systems, plus software (data base management, statistical analysis, spreadsheet, etc.). The memory on five of the 10 workstations will be increased to 64K to facilitate use of the new software.

FY-84

ADP - Additional software for the OIS will be purchased. Funding for a microcomputer is also included if Mission needs warrant its purchase. Finally, the Mission plans to hire a part-time supervisor/programmer to maintain the growing system and to assist in developing applications.

WP - One of the two OIS-130A systems will be upgraded to an OIS-140. Purchase of additional OIS workstations and daisy printers is planned to meet projected workload and to take advantege of the OIS-140 capacity. A second high speed printer will be required to handle growing document production as well as ADP needs.

FY-85

ADP - Funding for a second microcomputer is budgeted. This will be purchased if demand exceeds that of the first microcomputer purchased in FY-84. Additional software for the OIS and/or microcomputer will also be purchased. Funding for a part-time supervisor/programmer is continued.

WP - The second OIS-130A will be upgraded to an OIS-140 to meet increasing WP and ADP needs. Additional OIS workstations are also budgeted.

As a matter of convenience, funding for spare parts, supplies maintenance, and the system supervisor is assigned to WP (Table VIII (b)). These inputs will, of course, support both ADP and WP operations. However, throughout the ABS period, WP functions are expected to be the main use of the equipment.

## TABLE IX(a) - WORKFORCE REQUIREMENTS (U.S. DIRECT HIRE)

| SKILL CODE | POSITION TITLE | WORKYEARS FY 83 | FY 84 | FY 85 | FY 86 |
|---|---|---|---|---|---|
| 011 | Mission Director | 1/2 | 1 | 1 | 1 |
| 012 | Deputy Mission Director | 1 | 1 | 1 | 1 |
| 031 | Executive Officer | 1 | 1 | 1 | 1 |
| 043 | Controller | 1 | 1 | 1 | 1 |
| 122 | Rural Development Officer | 1 | 1 | 1 | 1 |
| 122 | Asst. Rural Devel. Officer | 0.17 | 1 | 1 | 1 |
| 122 | Asst. Rural Devel. Officer | 0.83 | 1 | 1 | 1 |
| 122 | IDI Rural Development | 0.42 | 1 | 1 | 1 |
| 201 | Housing Officer | 0.50 | 1 | 1 | 1 |
| 502 | Health Development Officer | 1 | 1 | 1 | 1 |
| 502 | Asst. Health Devel. Officer | 1 | 1 | 1 | 1 |
| 752 | Regional Energy Advisor | 0.33 | 1 | 1 | 1 |
| 940 | General Development Officer | 1 | 1 | 1 | 1 |
| 940 | Capital Development Officer | 1 | 1 | 1 | 1 |
| 940 | IDI Asst. Cap. Devel. Off. | 1 | 0.75 | - | - |
| | | 11.75 | 14.75 | 14 | 14 |

## TABLE IX(b) - WORKFORCE REQUIREMENTS (F.N. DIRECT HIRE)

| SKILL CODE | POSITION TITLE | WORKYEARS FY 83 | FY 84 | FY 85 | FY 86 |
|---|---|---|---|---|---|
| 020 | Program Assistant | 1 | 1 | | 1 |
| 021 | Economic Advisor | 1 | 1 | 1 | 1 |
| 033 | Personnel Assistant | 1 | 1 | 1 | 1 |
| 040 | Cashier | 1 | 1 | 1 | 1 |
| 040 | Account. Clerk | 1 | 1 | 1 | 1 |
| 040 | Account. Clerk (part-time) | 1 | 1 | 1 | 1 |
| 041 | Financial Analyst | 1 | 1 | 1 | 1 |
| 042 | Account. Officer | 1 | 1 | 1 | 1 |
| 050 | Secretary | 1 | 1 | 1 | 1 |
| 050 | Secretary | 1 | 1 | 1 | 1 |
| 050 | Secretary | 1 | 1 | 1 | 1 |
| 060 | Driver | 1 | 1 | 1 | 1 |
| 060 | Assist. Gen. Serv. Off. | 1 | 1 | 1 | 1 |
| 072 | Communicat. & Records Sup. | 1 | 1 | 1 | 1 |
| 100 | Agric. Assistant | 1 | 1 | 1 | 1 |
| 102 | Agric. Engineer | 1 | 1 | 1 | 1 |
| 250 | Engineer | 1 | 1 | 1 | 1 |
| 550 | Population Officer | 1 | 1 | 1 | 1 |
| -932 | Assist. Supply Mgt. | 1 | 1 | 1 | 1 |
| | | 19 | 19 | 18 | 19 |

# TABLE IX(c) - JOINT CAREER CORPS

## FY 1985

ORGANIZATION 518 - ECUADOR

| EXPENSE CATEGORY | DOLLAR FUNDED | TRUST FUNDED | TOTAL BUDGET | UNITS |
|---|---|---|---|---|
| JOINT CAREER CORPS | 25.6 | | 25.6 | XXXXX |
| BASIC PAY | 7.8 | | 7.8 | 0.16 |
| DIFFERENTIAL PAY | 1.2 | | 1.2 | XXXXX |
| EDUCATION ALLOWANCES | 6.0 | | 6.0 | |
| RETIREMENT | .5 | | .5 | XXXXX |
| LIVING ALLOWANCES | -- | | -- | XXXXX |
| OTHER SALARIES/BENEFITS | .1 | | .1 | XXXXX |
| POST ASSIGNMENT - TRAVEL | 3.0 | | 3.0 | 1 |
| POST ASSIGNMENT - FREIGHT | 7.0 | | 7.0 | 1 |
| HOME LEAVE - TRAVEL | -- | | -- | -- |
| HOME LEAVE - FREIGHT | -- | | -- | -- |
| EDUCATION TRAVEL | -- | | -- | -- |
| R AND R TRAVEL | -- | | -- | -- |
| ALL OTHER CODE 215 TRAVEL | -- | | -- | -- |
| HOUSING | 4.4 | | 4.4 | XXXXX |
| RENT | -- | | -- | -- |
| UTILITIES | | | | XXXXX |
| RENOVATION AND MAINT. | | | | XXXXX |
| QUARTERS ALLOWANCE | 4.4 | | 4.4 | 0.17 |
| PURCHASES RES. FURN/EQUIP. | | | | XXXXX |
| TRANS./FREIGHT - CODE 311 | | | | XXXXX |
| SECURITY GUARD SERVICES | | | | XXXXX |
| OFFICE OPERATIONS | .5 | | .5 | XXXXX |
| OFFICE FURN./EQUIP | | | | XXXXX |
| VEHICLES | | | | XXXXX |
| OTHER EQUIPMENT | | | | XXXXX |
| TRANSPORTATION/FREIGHT | | | | XXXXX |
| SITE VISITS | | | | |
| INFORMATION MEETINGS | | | | |
| TRAINING ATTENDANCE | | | | |
| CONFERENCE ATTENDANCE | | | | |
| OTHER OPERATIONAL TRAVEL | .5 | | .5 | 1 |
| SUPPLIES AND MATERIALS | | | | XXXXX |
| ALL OTHER COSTS | | | | XXXXX |
| TOTAL O.E. BUDGET | 31.0 | | 31.0 | XXXXX |

## TABLE IX(c) - JOINT CAREER CORPS

**FY 1984**

ORGANIZATION 518 - ECUADOR

| EXPENSE CATEGORY | DOLLAR FUNDED | TRUST FUNDED | TOTAL BUDGET | UNITS |
|---|---|---|---|---|
| JOINT CAREER CORPS | 61.2 | | 61.2 | XXXXX |
| BASIC PAY | 41.8 | | 41.8 | 1 |
| DIFFERENTIAL PAY | 6.3 | | 6.3 | XXXXX |
| EDUCATION ALLOWANCES | 6.0 | | 6.0 | 2 |
| RETIREMENT | 2.9 | | 2.9 | XXXXX |
| LIVING ALLOWANCES | | | | XXXXX |
| OTHER SALARIES/BENEFITS | .7 | | .7 | XXXXX |
| POST ASSIGNMENT - TRAVEL | | | | |
| POST ASSIGNMENT - FREIGHT | | | | |
| HOME LEAVE - TRAVEL | | | | |
| HOME LEAVE - FREIGHT | | | | |
| EDUCATION TRAVEL | | | | |
| R AND R TRAVEL | 3.5 | | 3.5 | 2 |
| ALL OTHER CODE 215 TRAVEL | | | | |
| HOUSING | 11.9 | | 11.9 | XXXXX |
| RENT | | | | |
| UTILITIES | | | | XXXXX |
| RENOVATION AND MAINT. | | | | XXXXX |
| QUARTERS ALLOWANCE | 11.9 | | 11.9 | 1 |
| PURCHASES RES. FURN/EQUIP. | | | | XXXXX |
| TRANS./FREIGHT - CODE 311 | | | | XXXXX |
| SECURITY GUARD SERVICES | | | | XXXXX |
| OFFICE OPERATIONS | 11.0 | | 11.0 | XXXXX |
| OFFICE FURN./EQUIP | | | | XXXXX |
| VEHICLES | | | | XXXXX |
| OTHER EQUIPMENT | | | | XXXXX |
| TRANSPORTATION/FREIGHT | | | | XXXXX |
| SITE VISITS | 6.0 | | 6.0 | 2 |
| INFORMATION MEETINGS | | | | |
| TRAINING ATTENDANCE | | | | |
| CONFERENCE ATTENDANCE | 2.0 | | 2.0 | 1 |
| OTHER OPERATIONAL TRAVEL | 3.0 | | 3.0 | 5 |
| SUPPLIES AND MATERIALS | | | | XXXXX |
| ALL OTHER COSTS | | | | XXXXX |
| TOTAL O.E. BUDGET | 84.1 | | 84.1 | XXXXX |

# TABLE IX(c) - JOINT CAREER CORPS

## FY 1983

ORGANIZATION 518 - ECUADOR

| EXPENSE CATEGORY | DOLLAR FUNDED | TRUST FUNDED | TOTAL BUDGET | UNITS |
|---|---|---|---|---|
| JOINT CAREER CORPS | 65.5 | | 65.5 | XXXXX |
| BASIC PAY | 43.0 | | 43.0 | 1 |
| DIFFERENTIAL PAY | 6.5 | | 6.5 | XXXXX |
| EDUCATION ALLOWANCES | 6.0 | | 6.0 | 2 |
| RETIREMENT | 3.0 | | 3.0 | XXXXX |
| LIVING ALLOWANCES | | | | XXXXX |
| OTHER SALARIES/BENEFITS | | | | XXXXX |
| POST ASSIGNMENT - TRAVEL | | | | |
| POST ASSIGNMENT - FREIGHT | | | | |
| HOME LEAVE - TRAVEL | 5.0 | | 5.0 | 2 |
| HOME LEAVE - FREIGHT | 2.0 | | 2.0 | 2 |
| EDUCATION TRAVEL | | | | |
| R AND R TRAVEL | | | | |
| ALL OTHER CODE 215 TRAVEL | | | | |
| HOUSING | 13.1 | | 13.1 | XXXXX |
| RENT | | | | |
| UTILITIES | | | | XXXXX |
| RENOVATION AND MAINT. | | | | XXXXX |
| QUARTERS ALLOWANCE | 13.1 | | 13.1 | 1 |
| PURCHASES RES. FURN/EQUIP. | | | | XXXXX |
| TRANS./FREIGHT - CODE 311 | | | | XXXXX |
| SECURITY GUARD SERVICES | | | | XXXXX |
| OFFICE OPERATIONS | 13.0 | | 13.0 | XXXXX |
| OFFICE FURN./EQUIP | | | | XXXXX |
| VEHICLES | | | | XXXXX |
| OTHER EQUIPMENT | | | | XXXXX |
| TRANSPORTATION/FREIGHT | | | | XXXXX |
| SITE VISITS | 6.0 | | 6.0 | 2 |
| INFORMATION MEETINGS | | | | |
| TRAINING ATTENDANCE | | | | |
| CONFERENCE ATTENDANCE | 4.0 | | 4.0 | 2 |
| OTHER OPERATIONAL TRAVEL | 3.0 | | 3.0 | 6 |
| SUPPLIES AND MATERIALS | | | | XXXXX |
| ALL OTHER COSTS | | | | XXXXX |
| TOTAL O.E. BUDGET | 91.6 | | 91.6 | XXXXX |

# 518 - ECUADOR
# FY-85 ABS
# WORKFORCE RESOURCES AND STAFF SKILLS

## 1. Summary

As the Mission has grown since 1978 care has been taken to match its work force requirements to the scope and content of the development program. For the most part, therefore, these are adequate to implement and design present and future projects.

As can be expected in a development program for a country as dependent upon its agriculture as Ecuador, the majority of the Mission staff is skilled in one or another aspect of rural development. The staff also, however, has specialists in urban development.

Economics and science are the most common backgrounds of the staff.

## 2. Program Emphasis

The following chart summarizes the program of the Mission during FYs 84-86.

| Appropriation | Estimated Budget $000 | % |
|---|---|---|
| Agriculture, Rural Development and Nutrition | 22341 | 75 |
| Population | 1479 | 5 |
| Health | 900 | 3 |
| Education | 3220 | 11 |
| Selected Development Activities | 1860 | 100 |
| | 29800 | 100 |

The largest percentage of the program is in the Agriculture, Rural Development, and Nutrition account. Much of the funding in other accounts also goes to the development of rural areas of Ecuador.

3. U.S. Direct Hire Staff Skills

The following chart summaries the staff skills of the Mission's U.S. direct hire staff:

| Office | Discipline | Total Mo.Yrs. | FY 84-86 % of Total Mon. Yrs. |
|---|---|---|---|
| Agriculture, Rural Development | 1 Agricultural Economics<br>1 Agronomy<br>1 Forestry | 12 | 29 |
| Population | | | |
| Health | 2 Health Administration | 6 | 14 |
| Housing | 1 Architecture & Urban Development | 3 | 7 |
| General Dev. | 1 Management<br>1 Energy | 6 | 14 |
| Executive | 1 Management | 3 | 7 |
| Program | -- | -- | -- |
| Director | 1 Economics | 3 | 14 |
| | | 42 | 99 |

The chart shows that the U.S. Direct Hire Staff skills are weighted towards the main development focus of the Mission on agriculture and rural development. The work of the GDO, O/CAP, EXO, and DIR offices also often supports of the agriculture and rural development office.

4. FN Direct Hire Professional Staff

| Office | Discipline | Total Mo.Yrs. | % of Total Mon. Yrs. |
|---|---|---|---|
| Agriculture and Rural Development | 1 Soil Science | 3 | 33 |
| Population | 1 Demography | 3 | 33 |
| Economic | 1 Economics | 3 | 33 |
| | | 9 | 99 |

The FN direct hire professional staff complements the US direct hire staff, especially in those areas where Ecuadorians are particularly well qualified to work, such as population, analysis of Ecuador's economy, and programming. The soil scientist gives the Mission a wide range of connections with people in many Ecuadorean public and private institutions.

5. Personal Services Contractors

The following chart shows the probable distribution and skills of FSN and U.S. PS's during FYs 84-86.

| Office | Discipline | Total Mo.Yrs. | % of Total Mon. Yrs. |
|---|---|---|---|
| Agriculture, Rural Development | 1 Forestry | 3 | 22 |
| | 1 Irrigation Engineering | 3 | |
| | 1 Training | 1 | |
| Private Enterprise | 1 Economics and Finance | 3 | 10 |
| Health | 1 Family Health | 3 | 10 |
| Housing | 2 Engineering | 6 | 19 |
| General Dev. | 1 Energy | 3 | 10 |
| Executive | 2 Administration | 6 | 29 |
| Director | 1 Economics | 3 | 10 |
| | | 31 | 100 |

The PSCs working in the Mission also complement the direct hire. These contractors work mostly in government ministries, mostly in the Mission, or in a mixture of both. The energy and forestry advisors, for example, spend most of their time working with government officials on the implementation of specific projects. The agricultural engineer both advises the Mission on a wide variety of engineering questions, and works in the field on irrigation projects being carried out under the Integrated Rural Development Project. The PSCs in the executive and directors office, by contrast, work on running the Mission and planning its program. A PSC in private enterprise will be added to the Staff during FY-84.

6. Project Personnel

The Mission cannot, of course, contain all the necessary skills to implement its diverse portfolio of projects. The Mission's projects take this into account in their design, providing for technical assistance when necessary, to be paid for with project funds. The Graduate Management Training Project, for example, will include sufficient technical assistance to make up for the lack of an education specialist on the Mission Staff. This emphasis on providing for sufficient technical assistance is typical of all Mission projects.

7. Staff Skills in Economiccs and Science

The following chart gives at least a rough estimate of the mix of DH staff trained in science and economics. The DH Mission Staff is, in general, capable of analyzing complex development questions from both economic and scientific viewpoints.

Background of Mission Staff

| Management | Economics | Science |
|---|---|---|
| 2 General Management | 2 Agricultural Economics | 1 Soil Scientist |
| 2 Health Administration | 5 Development Economics | 1 Forester |
| | 2 Accounting and Finance | 1 Demographer |
| | | 1 Chemist (Energy) |
| | | 3 Engineers |
| 4 | 9 | 7 |

8. Accommodation of 10 Percent Reduction in Assigned Personnel Planning Levels

# 518 - ECUADOR
# FY-85 ABS
# PROCUREMENT PLAN

O.C. 310 FY-84

I. Replacement Property Requirements

| QTY | ITEM | UNIT COST | EXTEND. COST | PKG/ SHPG. | TOTAL |
|---|---|---|---|---|---|
| 6-EA | Desk Secretary | 189 | 1,134 | 226 | 1,360 |
| 6-EA | Straight Chair | 106 | 636 | 128 | 764 |
| 10-EA | Office Machine Stand | 55 | 550 | 110 | 660 |
| 10-EA | Office Table | 91 | 910 | 182 | 1,092 |
| 10-EA | Bookcase Section | 21 | 210 | 42 | 252 |
| 6-EA | Typewriter | 600 | 3,600 | 720 | 4,320 |
| 10-EA | Calculator | 420 | 4,200 | 840 | 5,040 |
| | | | 11,240 | 2,248 | 13,488 |

II. New Property Requirements

| QTY | ITEM | UNIT COST | EXTEND. COST | PKG/ SHPG. | TOTAL |
|---|---|---|---|---|---|
| 5-EA | Filing Cabinet | 154 | 770 | 154 | 924 |
| 6-EA | Davenport | 404 | 2,424 | 484 | 2,908 |
| 1-EA | WP | 53,000 | 53,000 | 2,000 | 55,000 |
| 1-EA | ADP | 22,000 | 22,000 | 3,000 | 25,000 |
| | | | 78,194 | 5,638 | 83,832 |
| | Grand Total | | 89,434 | 7,886 | 97,320 |

O.C. 310 FY - 85

I. Replacement Property Requirements

| QTY | ITEM | UNIT COST | EXTEND. COST | PKG/ SHPG. | TOTAL |
|---|---|---|---|---|---|
| 3-EA | Wet-Dry Vacuums | 1,106 | 3,318 | 663 | 3,981 |
| 6-EA | Wing Chair | 210 | 1,260 | 252 | 1,512 |
| 6-EA | Easy Chair | 203 | 1,218 | 244 | 1,462 |
| 10-EA | Rotary Chair | 242 | 2,420 | 484 | 2,904 |
| 10-EA | Office Table | 280 | 2,800 | 560 | 3,360 |
| 10-EA | Occasional Table | 107 | 1,070 | 214 | 1,284 |
| 10-EA | Wearing Apparel Costumer | 87 | 870 | 174 | 1,044 |
| 5-EA | Flat Top Desk | 312 | 1,560 | 312 | 1,872 |
| 10-EA | Office Machine Stand | 72 | 720 | 144 | 864 |
| 10-EA | Filing Cabinet | 102 | 1,020 | 204 | 1,224 |
| 10-EA | Blackboard | 58 | 580 | 116 | 696 |
| | | | 16,836 | 3,367 | 20,203 |

II. New Property Requirements

| QTY | ITEM | UNIT COST | EXTEND. COST | PKG/ SHPG. | TOTAL |
|---|---|---|---|---|---|
| 5-EA | Chair, Office | 64 | 320 | 64 | 384 |
| 5-EA | Bookcase | 22 | 114 | 22 | 406 |
| 5-EA | Table, Office | 62 | 310 | 62 | 372 |
| 4-EA | Credenza | 207 | 828 | 165 | 993 |
| 10-EA | Chair, Office | 58 | 580 | 116 | 696 |
| 10-EA | Chair, Wood | 64 | 640 | 128 | 768 |
| 10-EA | Stand, Telephone | 78 | 780 | 156 | 936 |
| 5-EA | Chair, Rotary | 109 | 545 | 109 | 654 |
| | | | 4,117 | 823 | 4,941 |
| 1-EA | ADP | 37,000 | 37,000 | 3,000 | 40,000 |
| 1-EA | WP | 30,000 | 30,000 | 5,000 | 35,000 |
| | GRAND TOTAL | | 87,953 | 12,190 | 100.143 |

O.C. 311 FY - 84

I. Replacement Property Requirements

| QTY | ITEM | UNIT COST | EXTEND. COST | TOTAL |
|---|---|---|---|---|
| 2 sets | Furniture & Appliances | 18,000 | 36,000 | 40,000 |
| C. | CIF/Destination: | | | 40,000 |

O.C. 311 FY - 85

I. Replacement Property Requirements

| QTY | ITEM | UNIT COST | EXTEND. COST | PKG/ SHPG. | TOTAL |
|---|---|---|---|---|---|
| 2 sets | Furniture & Appliances | 18,000 | 36,000 | 4,000 | 40,000 |
| C. | CIF/(Destination): | | | | 40,000 |
| | | | TOTAL | | 80,000 |

O.C. 311 FY - 86

I. Replacement Property Requirements

| QTY | ITEM | UNIT COST | EXTEND. COST | PKG/ SHPG. | TOTAL |
|---|---|---|---|---|---|
| 10-EA | Bookcase | 22 | 229 | 45 | 274 |
| 10-EA | Table, office | 62 | 620 | 124 | 744 |
| 10-EA | Chair, wood | 64 | 640 | 128 | 768 |
| | | | 1,489 | 297 | 1,786 |

O.C. 312 FY - 84

I. Replacement Vehicles

None Required

II. New Vehicles

| QTY | TYPE | UNIT COST | PKG/SHPG | TOTAL |
|---|---|---|---|---|
| 1-EA | Stake Truck | 13,200 | 1,200 | 14,400 |

O.C. 312 FY - 85

I. Replacement Vehicles

None Required

II. New Vehicles

None

O.C. 312 FY - 86

I. Replacement Vehicles

| QTY | TYPE | ESTIMATED COST |
|---|---|---|
| 2-EA | Chevrolet Utility Blazer | 15,000 |
| 4-EA | Fairmont | 24,000 |
| 1-EA | Ford LTD | 7,000 |
| 2 EA | Chevrolet Pickup | 14,000 |
| 1-EA | Chevrolet Suburban | 12,839 |
| A. | Extended Cost | 72,839 |
| B. | Estimated Pack/Shpg. | 11,000 |
| C. | CIF/(Destination) | 83,839 |

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country ECUADOR

Sponsor's Name CATHOLIC RELIEF SERVICES

A. Maternal and Child Health ..... Total Recipients 7,500

| No. of Recipients by Commodity | Name of Commodity | (Thousands) KGS | Dollars |
|---|---|---|---|
| 7,500 | SFRO | 204 | 78.1 |
| 7,500 | NFDM | 204 | 22.4 |
| TOTAL MCH | | 408 | 100.5 |

B. School Feeding ..... Total Recipients 13,000

| No. of Recipients by Commodity | Name of Commodity | (Thousands) KGS | Dollars |
|---|---|---|---|
| 13,000 | SFRO | 130 | 49.8 |
| 13,000 | NFDM | 130 | 14.3 |
| 13,000 | ICSM | 130 | 33.0 |
| 13,000 | WSB | 130 | 43.7 |
| 13,000 | S.F. Bulgur | 130 | 34.6 |
| 13,000 | VO | 65 | 58.8 |
| TOTAL SCHOOL FEEDING | | 715 | 234.2 |

C. Other Child Feeding ..... Total Recipients 10,000

| No. of Recipients by Commodity | Name of Commodity | (Thousands) KGS | Dollars |
|---|---|---|---|
| 10,000 | SFRO | 120 | 46.0 |
| 10,000 | NFDM | 120 | 13.2 |
| 10,000 | ICSM | 120 | 30.5 |
| 10,000 | WSB | 120 | 40.3 |
| 10,000 | S.F. Bulgur | 120 | 31.9 |
| 10,000 | VO | 60 | 54.2 |
| TOTAL OTHER CHILD FEEDING | | 660 | 216.1 |

D. Food for Work ..... Total Recipients 8,500

| No. of Recipients by Commodity | Name of Commodity | (Thousands) KGS | Dollars |
|---|---|---|---|
| 8,500 | SFRO | 90 | 34.5 |
| 8,500 | NFDM | 90 | 9.9 |
| 8,500 | ICSM | 90 | 22.9 |
| 8,500 | WSB | 90 | 30.2 |
| 8,500 | S.F. Bulgur | 90 | 23.9 |
| 8,500 | VO | 45 | 40.7 |
| TOTAL FOOD FOR WORK | | 495 | 162.1 |

# 518 - ECUADOR
# FY-85 ABS
# PL 480 TITLE II NARRATIVE

Ecuador's Title II program is currently implemented through CARE and Catholic Relief Services (CRS). CARE supplies the Ministry of Health (MOH) with soy flour, which the Ministry blends, in its own processing plant, with rice and milk to produce Leche-Arroz, a supplementary food distributed to mothers and children in health centers nationwide. CRS has participated in this MCH program by supplying the MOH with soy-oats. The MOH blended these oats with milk and returned them as Leche-Avena (the oat-based food which the MOH produced until June, 1983) for distribution in MCH centers operated by CRS's local counterpart, Promoción Humana. However, the MOH has informed CRS that it will no longer continue these arrangements, and CRS's current MCH program will, therefore, end at the close of FY-83.

USAID believes that MCH feeding, if well managed, can play an important role in alleviating malnutrition among mothers and children. However, we also believe that these programs cannot continue in a state of indefinite dependency on foreign donations. We have, therefore, informed the MOH and CARE that soy donations to the Ministry's program will end after FY-84, and USAID will not seek commodities for that program in FY-85 or thereafter. We will, however, use approved Title II Outreach funds, bilateral health funds and a pending grant from FVA/PPE to improve the program's management and measure its impact in three model provinces during FY-84. This will provide the MOH with a basis for national-level strengthening of the program in the future.

Although USAID will not support the Ministry's MCH program with commodities after FY-84, it will maintain a small, independent MCH program with CRS from FY-84 through FY-89. Title II will be used in this program to stimulate the production of local weaning foods by the CRS mothers clubs set up under the old program with the MOH. TA will be sought from ST/N to plan this program during FY-84. A new OPG to CRS to assist this effort and to support other, economically productive enterprises by these clubs will also be designed in FY-84 to come on stream in FY-85. Thus at the time Title II support to the MOH ends with a strengthened government MCH program, we will begin to develop a low-cost, decentralized alternative to that program to eventually provide MCH feeding to persons not served by the Ministry of Health.

In addition to MCH, CRS also imports Title II commodities for SF, OCF, and FFW programs. As noted in a recent A.I.D.-sponsored evaluation of CRS's programs, the SF and OCF programs have provided on-going subsidies for the operation of day-care centers, orphanages, reformatories, and hospitals for a number of years. The evaluation suggested that the best way to make more effective use of

food in these programs would be to increase and improve complementary inputs to make food distribution points more effective centers for the development of Ecuador's human capital. USAID plans to pursue this goal via an Outreach Grant to CRS. In SF, we will seek to increase nutrition education offered in schools, intimately involve students in ordering, preparing, serving food, and promote school gardens and greater parental support. These last two points are intended to lead to a substantial reduction, if not a complete phase out, of the SF program by the end of FY-89. In OCF we will, in conjunction with an AID/W grant to High/Scope International, improve the quality of pre-primary educational in urban day-care centers, extend day-care services to selected rural areas and promote greater parental involvement and support leading to a reduction or phase out of this component as well as by the end of FY-89. We will terminate OCF subsidies to hospitals and reformatories in FY-85, but will retain support to about 35 orphanages for humanitarian reasons.

The OPG and Outreach programs noted above will be designed during FY-84 for implementation from FY-85 through FY-89. A prerequisite for their approval will be CRS's hiring of additional staff to oversee their implementation.

Re FFW, this currently small program will be modestly expanded in FY-85 and integrated within CRS's over-all community development strategy. That strategy emphasizes the organization and support of community groups to examine their problems and to plan and implement successively more complex self-help projects to improve their socioeconomic condition. FFW will be used, in conjunction with careful supervision, guidance and some physical inputs from CRS and with an increased number of SDA grants from USAID, to support this community institution-building program by stimulating the organization of community groups and their initial attempts at small development projects.

A constant but relatively small amount of food will be requested for all the CRS programs noted above from FY-85 through FY-89. The written consent of each OCF insitution involved (except orphanages) to participate in the program according to the developmental criteria noted above will be required prior to its reciept of food in FY 85 and thereafter. MCH centers/mother's clubs will be selected in a similar fashion, as will FFW projects. Expansion of these activities will be undertaken by 'graduating' institutions to self-sufficiency, successfully developing local weaning foods in specific MCH centers, and undertaking new FFW projects as formerly stimulated groups become organized and functional. Food resources will, in other words, be 'moved' from institution to institution or from area to area over five years, as proves feasable during program implementation. In this manner, prior success will be a condition for future expansion, and increases in Title II are, therefore, not estimated for those years. USAID views this new CRS program much like

any other AID project--not as a continuous activity, but rather as a discrete effort with coordinated inputs, specific expected outcomes and an end after five years. We thus hope to use Title II as a development resource to promote local-level institution building to better enable Ecuadoreans to deal with their own problems in the future.