

TABLE OF CONTENTS

	<u>Page</u>
I. <u>MISSION DIRECTOR'S OVERVIEW</u>	1
A. Portfolio Overview	1
B. Financial Summary Table	4
II. <u>PROJECT STATUS REPORTS</u>	8
A. Small Projects	8
518-0093 Private Pharmaceutical Distribution	8
B. Major Projects/Programs/HGs	9
<u>Agriculture and Natural Resources</u>	9
Overview of Sector Activities	9
518-0023 Forestry Sector Development	12
518-0051 Agricultural Sector Reorientation	15
518-0059 Land Titling	19
518-0068 Agricultural Research, Extension and Education	23
518-0074 Small Farmer Irrigation - OPG	26
518-0079 Environmental Education - OPG	29
518-0082 Agricultural Education Training II - OPG	32
936-5518 Coastal Resources Management	34
<u>Exports, Trade and Investment</u>	37
Overview of Sector Activities	37
518-0019 Non-Traditional Agricultural Exports	40
<u>Health and Population</u>	43
Overview of Sector Activities	43
518-0026 Population and Family Planning	46
518-0049 Malaria Control	49

	<u>Page</u>
518 0060 Private Sector Financing and Health Care - OPG	52
518-0071 Child Survival and Health Project	54
518-0081 Water and Sanitation for Health (WASHED)	57
<u>Housing and Urban Development</u>	60
Overview of Sector Activities	60
518-0076 National Shelter Delivery System (HG-007)	63
<u>General Development</u>	70
Overview of Sector Activities	70
518-0035 Graduate Management Program	72
518-0042 Fiscal Administration Development	73
518-0056 Small Enterprise Development	75
518-0061 Improved Quality of Life for Ecuadorian Children - OPG	77
518-0064 Drug Information and Public Awareness - OPG	78
518-0067 Andean Peace Scholarship	80
598-0640 LAC Training Initiatives	82
<u>Program and Project Development</u>	84
518-0004 Special Development Activity Authority (SDAA)	84
518-0044 Technical Training - OPG	85
518-0078 Economic Stabilization and Recovery II	87
518-0089 Policy Dialogue Support	89
Project Development and Support (PD&S)	92
III. <u>FOOD AID</u>	97
518-0480 PL-480, Title I and Title II (monetized)	97
518-0480 PL-480, Title II (non-monetized)	100
IV. <u>EVALUATION PLAN</u>	101

Mission Directors Overview

A. Portfolio Overview

During the October 1, 1990 - March 31, 1991 reporting period, the Mission focussed its strategy more sharply to achieve greater portfolio consolidation. USAID continued project development efforts aimed at implementing the strategy, and conducted evaluations and sectoral assessments important to decision making.

With regard to overall strategy, the Mission developed its FY 92-93 Action Plan after a strategic planning process which identified five strategic objectives. These are:

- 1) Increased trade with emphasis on non-traditional exports;
- 2) Strengthened democratic institutions with greater citizen participation;
- 3) Increased farm income on small and medium farms from selected commodities;
- 4) Increased use, effectiveness and sustainability of family planning and maternal and child health services;
- 5) Sustainable use of biological resources in selected areas.

The Mission plans to continue its strategic planning efforts during this calendar year by developing more detailed monitoring and evaluation plans for each objective.

With regard to project development, the Mission authorized the Caribbean and Latin American Scholarship Project II (CLASP II) and issued a Request for Proposals for a contractor to implement the project under the Mission's direction. The technical review of proposals will take place during June. The Non-Traditional Agricultural Exports Project (518-0019) was amended to address a broader range of obstacles to the export of these products (for example quality control, market information, export financing) and to include more commodities under the project. The project is a prime component of the Mission's trade and investment promotion efforts. Another component is the new Trade and Investment Project, to be obligated in FY-91. A Project Paper has been prepared and will be reviewed by the Mission in June. The Government of Ecuador's (GOE) recent decision to join in the process of Andean Pact economic integration improves prospects for further liberalization of trade. The assessment of the small enterprise sector was completed and the Mission has decided to postpone development of a new project in this sector based on the evaluation results.

With regard to the Democratic Initiatives strategic objective, the authorization of CLASP II will play a key role in meeting

4/

this objective since the project emphasizes the training of leaders from disadvantaged backgrounds and includes exposure to American democratic systems and values. The Mission has been engaged in a number of other activities supportive of this objective. A multifaceted Administration of Justice (AOJ) assessment is concluding this semester. The study should provide a solid basis for USAID to decide on whether and what kind of AOJ activity we will design in FY-92. Work towards a buy-in to the Regional Technical Assistance Center (RTAC) II project continues. A Cross-Cutting Assessment of Narcotics Awareness is being planned for this semester which will evaluate Mission activities in this area.

Progress continued toward the objective of increasing farm income on small and medium farms from selected commodities. Highlights for the semester included: (a) good progress in the institutional strengthening of FUNDAGRO, a foundation created to develop and disseminate agricultural technology appropriate to Ecuador; (b) substantial progress towards completion of an improved property registry law; (c) completion of the external evaluation of the pilot phase of the Land Titling Project; (d) continued progress in the realm of policy dialogue, especially through the IDEA foundation, which was instrumental in providing analysis to the office of the Presidency and the Agricultural Chambers of Ecuador in support of trade liberalization through Andean economic integration.

With regard to family planning and maternal and child health, the Mission has approved a new Health and Family Planning Project that will take an innovative approach to the financial sustainability of NGOs and the implementation of public policy in the sector. The most significant development in the sector was the outbreak of cholera that began in February. In the last several months there have been over 6,000 reported cases of cholera with about 100 deaths. USAID is assisting GOE efforts to control cholera with training, communications and construction of rural water and sanitation systems. The Mission also arranged for special technical assistance from experts from the International Center of Diarrheal Disease Research in Bangladesh. The P.L.-480 local currency program will help the GOE to procure intravenous solutions and other commodities for the treatment of cholera. Other accomplishments toward the strategic objective include: 1) technical assistance was initiated under the Child Survival and Health Project; 2) 13 rural water and sanitation systems were constructed; and 3) mass medication of vulnerable populations under the Malaria Control Project resulted in a decrease in incidence of the disease.

In the environmental area, the Mission's objective is to bring about the sustainable use of biological resources. Plans to meet this objective focus primarily on a new Sustainable Use of Biological Resources Project. A draft PP has been reviewed and

5

work continues toward a FY-91 obligation. The S&T managed Coastal Resources Management Project has been extended with Mission funding.

Portfolio performance during the rating period was excellent, with 9 "A" projects and only 2 "C" projects. The latter were the National Shelter Delivery System (518-0076) which has been experiencing difficulty for some time due to the inability to date of the GOE to devise policies which would allow low-income families to borrow for housing under conditions of high inflation, and the Drug Information and Public Awareness Project (518-0064), a former B project. This project has fallen into the "C" category because the project partially aims to strengthen the Fundación Nuestros Jóvenes, which carries out drug prevention education programs, but thus far management of the foundation has been weak. As a result of this SAR review the Mission will be taking immediate action, commencing with a meeting between Mission management and the Foundation's Board of Directors.

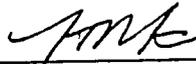
Another result of this SAR review has been the realization that project officers are not fully acquainted with the correct method of reporting accrued expenditures to the Controllers Office. This has made our accrued expenditures for the semester appear lower than they actually were. The Mission plans to correct this by providing training to personnel in this area.

During the October, 1990 - March, 1991 period, expenditures under the DA portfolio totalled \$7,776,000, which results in a pipeline liquidation rate (annualized expenditures divided by the pipeline on September 30, 1990) of 35.4%.



Charles E. Costello
Mission Director

Clearance: D/DIR:HRKramer



(OVERVIEW)



FINANCIAL SUMMARY OF USAID/ECUADOR PORTFOLIO
(OCTOBER 1, 1990 THROUGH MARCH 31, 1991)
(\$000)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
PROJECT NO.	PROGRAM/PROJECT TITLE	CATE-GORY	DATE OF INIT. OBLIG.	LAST REVISED PACD	% OF LOP ELAPSED	% OBLIG. EXPEND.	AUTH. LOP AMOUNT	CURRENT FT OBLIG. TO DATE	CUMUL. OBLIG. AMOUNT	MORTGAGE	BEGINNING FT PIPELINE	PLANNED SEMESTER EXPEND.	ACCURD SEMESTER EXPEND.	ACCURD AS % OF PLANNED	CUMULATIVE ACCRUED EXPEND.	ENDING PIPELINE	PLANNED EXPEND. (NEXT SEM.)
ACTIVE PROJECTS																	
EXPORT TRADE AND INVESTMENT																	
518-0019	Non-Traditional Ag. Exports (G)	A	09-13-84	03-30-94	66%	47%	7,260	0	6,862	398	3,305	712	185	26%	3,242	3,620	556
518-0019	Non-Traditional Ag. Exports (L)	A	09-13-84	10-31-90	100%	100%	7,500	0	7,500	0	457	103	472	458%	7,474	25	0
AGRICULTURE AND NATURAL RESOURCES																	
518-0023	Forestry Sector Development (G)	B	09-30-82	09-30-91	35%	77%	2,300	0	2,300	0	655	324	337	104%	1,782	513	162
518-0023	Forestry Sector Development (L)	B	09-30-82	09-30-91	35%	76%	5,500	0	5,500	1,000	1,354	324	43	13%	4,159	1,341	324
518-0051	Agr. Sector Reorientation (G)	B	07-31-85	07-30-93	71%	36%	10,700	0	8,200	2,500	830	533	523	99%	7,900	300	322
518-0051	Agr. Sector Reorientation (L)	B	07-31-85	07-30-93	55%	85%	1,400	0	1,400	0	239	114	24	21%	1,185	214	100
518-0057	Small Farmer Support (G)	B	09-30-85	12-30-90	100%	100%	831	0	881	0	81	22	80	364%	881	0	0
518-0059	Land Titling (G)	B	08-29-85	06-30-91	37%	35%	5,800	0	2,000	4,800	551	105	446	425%	1,894	106	50
518-0059	Land Titling (L)	B	08-29-85	06-30-91	37%	35%	3,500	0	3,500	0	2,331	355	122	37%	1,241	2,259	450
518-0062	Agricultural Education (G)	B	07-16-85	08-14-91	95%	100%	735	0	735	0	0	0	0	0%	735	0	0
518-0068	Agri. Research/Extension/Education (G)	A	05-27-88	04-30-93	58%	47%	7,000	0	5,656	1,344	4,022	1,238	1,025	32%	2,659	2,997	1,224
518-0074	Small Farmer Irrigation (G)	B	03-31-87	05-31-91	96%	35%	500	0	500	0	15	154	(12)	-8%	572	28	27
518-0079	Environmental Education (G)	A	07-22-88	07-21-93	54%	44%	1,100	0	1,100	0	715	118	99	34%	483	617	120
518-0082	Agricultural Education II (G)	B	07-20-89	07-20-94	34%	21%	1,000	0	1,000	0	375	133	88	56%	214	786	100
518-0092	Sustainable Land-Use Management (G)	B	03-31-90	03-31-96	15%	100%	300	0	240	60	220	100	220	220%	240	0	140

FINANCIAL SUMMARY OF USAID/ECUADOR PORTFOLIO
(OCTOBER 1, 1990 THROUGH MARCH 31, 1991)
(\$000)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
PROJECT NO.	PROGRAM/PROJECT TITLE	CATE-GORY	DATE OF INIT. OBLIG.	LAST REVISED PACO	% OF LOP ELAPSED	% OBLIG. EXPEND.	AUTH. LOP AMOUNT	CURRENT FY OBLIG. TO DATE	CUMUL. OBLIG. AMOUNT	MORTGAGE	BEGINNING FY PIPELINE	PLANNED SEMESTER EXPEND.	ACCRUED SEMESTER EXPEND.	ACCRUED AS % OF PLANNED	CUMULATIVE ACCRUED EXPEND.	ENDING PIPELINE	PLANNED EXPEND. (NEXT SEM.)
HEALTH AND POPULATION																	
518-0026	Population and Family Planning (G)	A	09-29-91	09-29-91	35%	30%	14,000	0	11,443	2,551	3,050	1,743	774	44%	9,173	2,276	1,520
518-0043	Malaria Control (G)	B	03-29-85	12-31-91	89%	79%	3,000	0	3,000	0	879	184	253	138%	2,374	625	188
518-0049	Malaria Control (L)	B	03-29-85	12-31-91	89%	72%	6,500	0	6,500	0	1,352	381	141	15%	4,689	1,811	754
518-0060	Private Sector Health (G)	B	08-30-85	12-31-91	33%	33%	745	0	745	0	161	50	31	52%	615	130	60
518-0071	Child Survival and Health (G)	B	07-14-89	12-31-94	33%	6%	12,200	2,376	8,355	3,335	5,739	1,310	295	23%	486	7,879	2,235
518-0081	Water and Sanitation for Health (G)	A	09-22-89	12-31-93	36%	15%	4,000	513	2,562	1,438	1,808	205	247	120%	390	2,172	615
518-0093	Private Pharmaceutical Distribution (G)	A	09-22-90	09-30-92	25%	20%	151	0	151	0	151	54	30	56%	30	121	54
GENERAL DEVELOPMENT																	
518-0042	Fiscal Administration Development (G)	B	03-29-85	07-31-91	35%	85%	4,300	0	4,300	0	756	494	49	10%	4,093	707	470
518-0042	Fiscal Administration Development (L)	B	03-29-85	07-31-91	95%	53%	2,250	0	2,250	0	1,032	260	84	32%	1,302	948	51
518-0056	Small Enterprise Development (G)	B	07-31-86	04-30-92	100%	77%	4,500	(15)	4,255	235	1,343	591	336	57%	3,274	991	0
518-0061	Impr. Quality of Life for Children (G)	B	07-12-85	01-31-91	100%	96%	1,213	0	1,211	2	20	17	(32)	-188%	1,158	53	0
518-0064	Drug Information & Public Awareness (G)	C	07-23-87	04-01-94	55%	80%	2,725	0	2,429	305	744	364	256	70%	1,931	489	150
518-0067	Andean Peace Scholarship Program (G)	A	09-21-87	09-30-94	50%	63%	6,379	0	6,535	344	3,211	348	1,153	331%	4,478	2,057	348
518-0083	Narcotics Awareness (G)	B	03-30-90	03-31-92	50%	70%	88	0	88	0	54	54	28	52%	52	25	0
HOUSING AND URBAN DEVELOPMENT																	
518-0076	Shelter Section Technical Assistance (G/C)		09-10-87	12-31-91	33%	45%	1,500	0	1,500	0	313	562	(15)	-3%	670	830	384

FINANCIAL SUMMARY OF USAID/ECUADOR PORTFOLIO
(OCTOBER 1, 1990 THROUGH MARCH 31, 1991)
(\$000)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
PROJECT NO.	PROGRAM/PROJECT TITLE	CATE-GORY	DATE OF INIT. OBLIG.	LAST REVISED PACT	% OF LOP ELAPSED	% OBLIG. ELPEND.	AUTH. LOP AMOUNT	CURRENT FT OBLIG. TO DATE	CUMUL. AMOUNT OBLIG.	BEGINNING FT PIPELINE	PLANNED SEMESTER EXPEND.	ACCRUED SEMESTER EXPEND.	ACCRUED AS % OF PLANNED	CUMULATIVE ACCRUED EXPEND.	ENDING PIPELINE	PLANNED EXPEND. (NEXT SEM.)	
PROGRAM AND PROJECT DEVELOPMENT																	
51E-0044	Technical Training (G)	A	08-16-84	09-30-92	83%	95%	1,100	0	1,100	0	110	55	55	100%	1,045	55	55
51E-0025	Policy Dialogue Support (G)	A	09-25-90	09-30-94	13%	17%	2,800	0	2,450	350	2,450	350	424	121%	424	2,026	426
SUBTOTAL ACTIVE PROJECTS					66%	111.327	2,974	106,925	15,162	40,814	11,873	7,776	65%	70,916	36,009	10,905	
TERMINATED PROJECTS																	
AGRICULTURE AND NATURAL RESOURCES																	
51E-0032	Rural Technology Transfer System (G)	B	08-27-80	08-26-90	100%	94%	7,200	0	7,200	0	785	785	384	49%	6,799	401	0
51E-0032	Rural Technology Transfer System (L)	B	08-27-80	08-26-90	100%	100%	2,600	0	2,600	0	31	31	18	58%	2,587	13	0
51E-0047	Agriculture and Agribusiness Support (G)	B	02-14-82	09-30-90	100%	100%	350	(35)	311	39	31	0	(8)	0%	311	0	0
GENERAL DEVELOPMENT																	
51E-0055	Technical Skills Training Develop. (G)	B	09-29-86	12-31-89	100%	87%	95	0	95	0	14	3	2	67%	83	12	0
HEALTH AND POPULATION																	
51E-0015	Integrated Rural Health Deliv. Sys. (G)	B	09-30-81	06-30-90	100%	95%	6,951	(353)	5,975	976	824	0	185	0%	5,684	291	0
51E-0015	Integrated Rural Health Deliv. Sys. (L)	B	09-30-81	06-30-90	100%	100%	7,235	0	7,115	117	0	0	0	0%	7,117	1	0
SUBTOTAL TERMINATED PROJECTS					97%	24,431	(392)	23,299	1,132	1,685	819	581	71%	22,581	718	0	

6

FINANCIAL SUMMARY OF USAID/ECUADOR PORTFOLIO
(OCTOBER 1, 1990 THROUGH MARCH 31, 1991)
(US\$)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
PROJECT NO.	PROGRAM PROJECT TITLE	CATE- GORY	DATE OF INIT. OBLIG.	LAST REVISED PACD	% OF LOF ELAPSED	% OF OBLIG. EXPEND.	AUTE. LOF AMOUNT	CURRENT FT OBLIG. TO DATE	CUMUL. OBLIG. AMOUNT	BEGINNING FT MORTGAGE PIPELINE	PLANNED SEMESTER EXPEND.	ACCRUED SEMESTER EXPEND.	ACCRUED AS % OF PLANNED	CUMULATIVE ACCRUED EXPEND.	ENDING PIPELINE	PLANNED EXPEND. (NEXT SEM.)	
ACTIVE PROGRAM																	
PROGRAM AND PROJECT DEVELOPMENT																	
518-0058	Economic Stabilization Program I (G)	A	09-29-85	N/A	N/A	100%	43,031	0	43,031	0	0	0	0	0%	43,031	0	0
518-0078	Economic Stabilization Program II (G)	A	09-29-89	N/A	N/A	100%	9,000	0	9,000	0	0	0	0	0%	9,000	0	0
SUBTOTAL ACTIVE PROGRAM							100%	52,031	0	52,031	0	0	0	0%	52,031	0	0

10

PROJECT STATUS REPORT
October 1, 1990 - March 30, 1991 A X B _ C _

I. BACKGROUND DATA

Project Title: Economic Stabilization and Recovery II Program
 Project Number: 518-0078
 Date of Authorization: original 09/25/89
 Date of Obligation: original 09/29/89
 PACD: N/A
 Implementing Agencies: Ministry of Finance and Public Credit
 Major Contractors: N/A
 AID Project Officer: Maria Rivadeneira
 Status of CPs/Covenants: Met

FINANCIAL DATA (518-0078)

Amount Authorized:	ESF Grant: original	\$9,000,000
Amount Obligated:	ESF Grant: original	\$9,000,000
Amount Committed:	Grant - Period:	\$ -0-
	Cumulative:	\$9,000,000
Accrued Expenditures:	Grant:	
	Period - Projected:	\$ -0-
	Period - Actual:	\$ -0-
	Cumulative:	\$9,000,000
	Period - Next:	\$ -0-
Counterpart		
Contribution:	Planned:	\$9,000,000 (1/c)
	Actual:	\$9,000,000 (1/c)
% LOP Elapsed:		N/A %
% of Total Auth. Oblig. (Grant)		100%
% of Total Oblig. Exp. (Grant)		100%
% of Total Auth. Exp. (Grant)		100%

Date of Last Evaluation: N/A Next Evaluation: ---
 Date of Last Audit: 12/03/90 Next Audit: 12/31/91

II. PROJECT DESCRIPTION

This \$9.0 million ESF cash transfer program was approved on the basis of the positive results achieved by the GOE's package of emergency economic stabilization measures enacted during the Borja administration's first year in office. These positive results coupled with the GOE's commitment to fully implement a comprehensive economic program, led to the approval of an 18-month IMF stand-by agreement in the Fall of 1989 which expired in February 1991. The dollars provided under the ESR II cash transfer program were used to finance imports of capital goods by the private sector. The recent increase in the international price of oil is improving the current account deficit of the balance of payments of Ecuador.

III. Progress Toward Purpose Achievement and Project Officer's Assessment.

The purpose of the program is to provide balance-of-payments assistance in support of the GOE's economic stabilization and recovery program. The program was conditioned upon the adoption by the GOE of an economic program which is credible by international standards. At the time of disbursement, that program had successfully been completed and in some cases outperformed targets. Specific targets of the GOE's 1989 program included: (1) a reduction in the deficit of the consolidated non-financial public sector to 3.4% of GDP (GOE estimates indicate that the actual figure was only 2.2% of GDP); (2) a reduction of negative net international reserves (reserves actually turned positive by 379 million by the end of 1989); (3) the maintenance of a sublimit on Central Bank credit to the non-financial public sector (which indeed occurred); (4) the implementation of a sound fiscal policy with respect to public sector goods and services, including domestic petroleum products (monthly price adjustments for domestic petroleum products were suspended after one year); (5) the implementation of a prudent public sector wage and employment policy (IMF Letter of Intent conditions in this regard have been adhered to during 1990); and (6) the maintenance of a flexible exchange rate (this also has been kept in place). However, despite negotiations during the second half of 1990 and the first quarter of 1991, further progress on reaching agreement with the IMF has come to a stand-still.

IV. Progress During Reporting Period

1. MOF and AID agreed on the reprogramming of the balances of local currency funds that had not been used, including interests earned in VI. the Program Account to March 30, 1991. This reprogramming includes additional funds for the Nature Tourism activity initiated under the ESF I Program, and for the Policy Dialogue and Economic Training Program. The new Family Planning Project currently being designed will also receive local currency support. Additionally, the reprogramming considers the creation of two new activities: technical Assistance and Training and Democratic Initiatives.
2. The "Non Traditional Agricultural Exports" credit line Activity through Corporacion Financiera Nacional, included in the overall programming of local currency generations was approved during the reporting period.
3. Despite progress being made by the GOE to stabilize the economy, annual inflation has remained sticky at about 50 percent. Both the external sector (current account balance) and the finances of the public sector have improved as a result of the recent increase in the international price of oil during 1990 and the first part of 1991. Petroleum prices have started to decrease since then. Moreover, external debt negotiations have stagnated again.

V. Gender Considerations

N/A/

Evaluations and Audits

The National Controller General's office completed the audit of local currency activities under the ESF I program, for years 1988 and 1989 and will initiate and complete the audit for 1990 during the next reporting period.

VII. Issues, Problems, Delays and Corrective Actions

None.

VIII. Major Actions Planned for the Next Semester

1. Continued monitoring of the GOE's stabilization program and the specific areas included in the covenants to the agreement.
2. Continuation of review and approval of individual activities included in the overall programming of local currency generations.

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12

OCTOBER 1, 1990 - MARCH 30, 1991

Project Name: Private Pharmaceutical Distribution - ASOPROFAR

Project Number: 518-0093

Project Purpose: To provide low cost high quality brand name drugs to underserved populations in urban marginal and rural areas on a self sustaining basis.

Implementing Agency: Asociacion Ecuatoriana de Industrias e Importadores de Productos Farmaceuticos (ASOPROFAR)

Major Accomplishment: Since project initiation, 15 pharmacies have been started and are functioning. Thus 25% of the EOPS has been accomplished with 25% of the LOP passed. An additional two pharmacies will begin operation in the next month, an additional 13 in the next three months. Negotiations are continuing for establishing another eight pharmacies in the next semester. Other organizations (including PAHO, Dutch Government, German Government) have expressed interest in this activity and have pledged additional support. Establishment of monitoring and marketing information has been delayed due to delays in contracting a suitable researcher. This problem has been overcome, and information should start to flow by June. The project has moved sufficiently fast that a special field trip is proposed by ASOPROFAR, inviting Ambassador Lambert, C. Costello, and other Mission staff.

SEMI-ANNUAL ANRO PORTFOLIO STATUS REVIEW FOR FIRST SEMESTER FY 91

1. Assessment of Overall Performance of ANRO Portfolio

Overall, ANRO's portfolio performed well. The Research, Extension and Education; Coastal Resources Management, and Education for Nature Projects received "A" ratings, while the remaining projects and the food aid program were given "B" ratings. Although a "B" project for the past semester, the Agricultural Sector Reorientation Project may soon require special attention and some intervention by Mission management due to the findings (not yet available) related to the audits of the implementing organizations. The Small Farmer Support Project (grant to AIFLD) ended during the period.

Highlights for the semester included: (a) continued progress in the institutional strengthening of FUNDAGRO, including an addition of PL-480 local currency to the endowment and a 20 year lease at nearly no cost to FUNDAGRO of 200 ha. of irrigated land for research, demonstration, and income generation; (b) preparation of a law ready for submission to the Ecuadorian Congress establishing institutional autonomy and an increased budget for INIAP; (c) substantial progress towards completion of an improved property registry law; (d) continued public debate sponsored by IDEA on the findings of the Agricultural Sector Assessment; (e) near-complete staffing-up of IDEA; (f) signing of the FY 91 Food for Progress agreement; (g) completion of the external evaluation of the Land Titling Project, and a decision to extend Phase I of the project; (h) contributions of IDEA in support of a free trade policy for Ecuador.

2. Action Plan Objectives and Indicators

- a. Strategic Objective: Increased farm income on small and medium farms from selected commodities

<u>Performance indicator</u>	<u>Means for measurement</u>
1. Mean <u>gross</u> annual household income from selected commodities (coffee, dairy, cassava)	Data base will be generated and maintained by FUNDAGRO. Data will originate from FUNDAGRO's geographic areas of influence.
2. Mean <u>net</u> annual household income from selected commodities (coffee, dairy, cassava)	Data will be obtained from a sample survey to be conducted every other year by a contractor or FUNDAGRO in FUNDAGRO's geographic areas of influence.

- b. Strategic Objective: Sustainable use of biological resources in selected geographic areas

<u>Performance indicator</u>	<u>Means for measurement</u>
1. Percent of hectares conserved out of total hectares included in selected national conservation units.	To be determined - SUBIR design
2. Percent of hectares included in selected non-protected areas under sustainable use.	To be determined - SUBIR design

Program outputs for the agriculture S.O., including productivity increases, crop value, technology adoption rates, and new technologies developed, as well as policy reforms will be tracked primarily by FUNDAGRO. Program outputs for the natural resources S.O. covering such areas as maintenance/improvement of biological resources in protected areas, policy reform, training and public education, and development of a scientific information base will be specified and tracked through the SUBIR project.

3. Sector-wide Developments and Issues

The period of October 1990-March 1991 included a number of political and socio-economic events which affected the realization of ANRO-USAID's policy objectives in the area of macroeconomic policy (i.e., trade and price liberalization) and agricultural research and natural resource policies. For example, on November 28, 1990, President Borja attended a three-day conference in La Paz, Bolivia with the presidents of Bolivia, Colombia, Peru, and Venezuela to discuss the creation of an Andean region free trade zone by the end of 1991 and a regional common market by 1995. In this conference, President Borja stated that Ecuador was not prepared to eliminate its intraregional tariffs by the end of 1991. As a result of this statement, the leaders of the four other countries agreed to let Ecuador review over the following six months the option of joining the free trade zone for the Andean region. Consequently, the Office of the Presidency of Ecuador, was very active in establishing a Presidential Task Force of private and public sector representatives to discuss the costs and benefits of immediately joining an Andean Free Trade Pact and to prepare their recommendations for President Borja in preparation for his answer to be given at the May 17, 1991 regional presidential meeting in

17

Caracas, Venezuela. Foundation IDEA, at the request of the Office of the Presidency and the Agricultural Chambers of Ecuador, wrote the recommendations for the agricultural sector and actively led the discussions on the benefits of free trade not only intraregionally, but with the rest of the world as well. The recommendations of IDEA for promoting international free trade, especially for agricultural commodities, coincide with the recommendations of Bush's Initiative for the Americas and those discussed by Ambassador Edwin Corr, head of the U.S. - Andean Trade Mission which visited Ecuador in the second week of December 1990.

The adoption of a free trade policy for the region and the rest of the world should provide a new impetus to liberalize agricultural and food prices and to decrease costly government interventions which distort free market price signals and lead to the inefficient allocation of resources. The policy work of IDEA and ANRO/USAID has continued to support those groups who are advocating policy reforms which will lead to greater market liberalization and competitive efficiency. For this reason, continuing efforts are being made to not only improve the market efficiency of agricultural products and inputs, but also to study and promote ways to create a more efficient and viable agricultural research system and a sustainable program to manage Ecuador's non-renewable resources. The building of support for these proposed policy reforms among private and public decision-makers has been a slow and arduous task that has been slowed by widespread misinformation concerning the cause and effects of alternative economic policies and by a majority in Congress that support the populist view that consumer prices have to be controlled by fiat to protect the low income classes.

The Consumer Defense Law, passed in July 1990 (and reported in the last SAR), continues to be the most serious legislation impeding the further liberalization of agricultural prices. The Government with this law has continued to arbitrarily impose maximum retail prices on several basic consumption items, including food products, which freezes producer prices, with the concomitant disincentives for greater investment and production. In addition, the political power of the populist opposition to the Borja Administration and the windfall gains to the Government from the increase in the world oil price at the end of 1990, increased the pressure to reinstitute massive public spending and consumer subsidies and to decrease the incentives to produce tradable goods, especially agricultural, by not allowing the nominal exchange rate to devalue at a faster rate. This misguided development strategy has continued to deter the feeble efforts to privatize the state-owned enterprises which intervene in the agricultural sector (e.g., ENAC, ENPROVIT, Fertisa, Aztra, Emsemillas). Thus, the need for USAID's efforts to convince Borja's Administration and Congress to implement the proposed policy reforms on trade, taxation, monetary and fiscal policy continues to exist. This effort must be strengthened in the next six month period, as the Presidential campaign will be in force and a well-informed electorate is critical to the election of an enlightened President and Congress who will have the courage to implement the appropriate policy reforms.

4. Policy Dialogue Agenda and Related Actions

During this reporting period, ANRO/USAID continued its active involvement in policy dialogue with the Ecuadorian public and private sectors. As stated above, the dialogue dealt with both macroeconomic and sectorial policies influencing agricultural production and the sustainable use of natural resources. Monthly reports prepared by Dr. Duty Greene indicate that more than 60 major policy dialogue events (seminars, briefings, meetings) took place. These events included the discussion of key issues of the Agricultural Sector Assessment, autonomy for INIAP, agricultural trade and price policy for the major agricultural commodities, situation and outlook reports for the principal agricultural products and inputs, methods to improve the collection, processing, and publication of agricultural production and market data and information, privatization of state-owned agricultural enterprises, sustainable natural resource policy reforms, the purposes and impacts of ANRO's projects (e.g., ASRP, REE, Forestry). In general these events were intended to educate Ecuadorian decision-makers about the importance of appropriate economic policies and developing a science-based agriculture.

The long-term Sigma One macroeconomist (Dr. Duty Greene), the JCC natural resource economist (Dr. Douglas Southgate), the IDEA economist and analysts (Dr. Hugo Ramos, Dr. Carlos Camacho, Dr. Fernando Ortiz, Mónica Acosta, Fernando Suárez, Rubén Flores), the Directors of IDEA and FUNDAGRO (Neptali Bonifaz and Jorge Chang), the Coordinator of the ASRP (David Flood), the ANRO Director and ANRO Staff (Fausto Maldonado) were the principal USAID-funded persons working in this area of policy analysis and dialogue. In addition, short-term assistance from the Sigma One contract provided Dr. Morris Whitaker, Ing. Hernán Cardoso, and Econ. Jaime Egas, who produced key documents and led important seminars in Quito and Guayaquil.

5. Expected Major Events, Accomplishments, and Actions in ANRO's Portfolio During the Next Six Months

- a. Passage of the INIAP autonomy law.
- b. Passage of an amended Property Registry Law.
- c. Authorization of, and obligation of funds for, the Sustainable Uses for Biological Resources Project.
- d. Decision on whether to proceed with Phase II of the Land Titling Project based on adequacy of institutional and legal arrangements.
- e. Importation of FY 91 Food for Progress sorghum.
- f. Evaluation of Mission's agricultural research, extension, and education strategy as implemented under the Rural Technology Transfer Systems and Research, Extension, and Education Projects.

- g. Mid-term evaluation of the Environmental Education Project.
 - h. Follow-up on recommendations of audits of MAG and IDEA under Agricultural Sector Reorientation Project; Wilson Popenoe Foundation under Agricultural Education II Project.
 - i. Publishing by IDEA of policy studies, such as opening of economy to regional trade.
 - j. Signing by GOE of amendment to extend and increase funding for the Coastal Resources Management Project.
 - k. Selection of candidates for women's leadership training under Andean Peace Scholarship Program.
 - l. Finalization by FUNDAGRO of negotiations with Kellogg Foundation, CAF, Ecuadorian - Canadian Fund, and IDB to obtain funds in support of FUNDAGRO program.
 - m. Completion of agroforestry case studies under Forestry Sector Development Project.
 - n. Close-out of Small Farmer Irrigation and Forestry Sector Development Projects.
6. Review of Previous SAR's "Actions to be Taken Over the Next Six Months"
- a. Publication of Agricultural Sector Assessment in Spanish and related policy dialogue events: Funds were approved by PL-480 Advisory Council to publish 1000 copies of the Assessment; Morris Whitaker presented the Assessment findings at a seminar in Guayaquil.
 - b. Planning and team-building workshop for MAG under ASRP: Workshop was successfully carried out, resulting in a detailed project work plan for 1991, now being implemented.
 - c. Key staff contracted by IDEA: Accomplished.
 - d. Publication of first situation and outlook reports on grains by MAG: Report for Sierra and Coastal crops, agricultural inputs, and livestock will be released during the current semester.
 - e. Evaluation of Land Titling Project and Mission decision to proceed or not with second stage of Project: Evaluation was completed, but decision on whether to extend the Project will be made during the current reporting period. An "Action Plan" will be submitted to the Mission by the GOF in support of the proposed Phase II.
 - f. Signing of amendment to extend and increase funding for CRMP: Will be done during the current reporting period.
- g. Mid-term evaluation of Environmental Education Project: Will be done during the current reporting period.
 - h. Completion of workplans for all FSDP components and initiation of implementation: Accomplished.
 - i. Preparation of SUBIR Project Paper and approval of project: Draft PP was presented but will have to be revised prior to Mission approval.
 - j. Preparation and approval of a nonproject sector assistance proposal for agriculture: Proposal was not developed due to lack of funds.
 - k. Signing of FY 91 Food for Progress agreement; delivery and distribution of 36,000 MT of donated sorghum; programming of LC: Agreement was signed, but decision about how much sorghum to be imported and delivery date will be made during current reporting period. All proceeds have been programmed.
 - l. Amendment of food aid LC programming procedures to simplify management and pass accountability for LC use to GOE: Minister of Agriculture agreed in principle to programming all LC through the food aid agreements themselves. For programming of uncommitted funds remaining from previous agreements, the Implementation Secretariat has developed a procedure to reduce the number of activities financed based upon prioritization of proposals.
 - m. Evaluation of agricultural REE portfolio and strategy: Will be done during the current reporting period.
 - n. Signing of an agreement between ANDE and FUNDAGRO for assistance to the NTAE Project: Accomplished.
 - o. Studies carried out and training provided by ISNAR to strengthen INIAP: FUNDAGRO signed an agreement with ISNAR and the studies are now in progress.

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16

PROJECT STATUS REPORT
October 1, 1990 - March 31, 1991

A B X C

I. BACKGROUND DATA

Project Title: Forestry Sector Development
 Project Number: 518-0023 (Loan 518-T-042)
 Date of Authorization: original 07/12/82 last amendment 03/01/90
 Date of Obligation: original 09/30/82 last amendment 03/01/90 (grant)
 PACD: original 03/31/88 amended to 09/30/91
 amended to 09/30/91
 Implementing Agencies: Dirección Nacional Forestal (DINAF)
 INIAP, Universidad Católica, Universidad de Loja
 Major Contractors: DESFIL, Cultural Survival, Missouri Botanical Garden
 CARE
 AID Project Officer: Fausto Maldonado
 Status of CPs/Covenants:
 Date of Last Evaluation: 06/27/86 Next Evaluation: none planned
 Date of Last Audit: 12/31/90 Next Audit: 09/30/91

FINANCIAL DATA (518-0023)

Amount Authorized: DA Grant: original	\$1,600,000	last amend	\$2,300,000
Loan: original	\$6,500,000		
Amount Obligated: DA Grant: original	\$200,000	last amend	\$2,300,000
Loan: original	\$3,775,000	last amend	\$5,500,000
Amount Committed: Grant - Period:	\$0		
Cumulative:	\$2,239,668		
Loan - Period:	(\$63,670)		
Cumulative:	\$4,728,505		
Accrued Expenditures: Grant:			
Period - Projected:	\$324,000		
Period - Actual:	\$337,563		
Cumulative:	\$1,782,943		
Period - Next	\$162,000		
Loan:			
Period - Projected:	\$324,000		
Period - Actual:	\$43,249		
Cumulative:	\$4,159,769		
Period - Next	\$324,000		
Counterpart Contribution: Planned:	\$2,400,000		
Actual:	\$95%		
% LOP Elapsed:	100%		
% of Total Auth. Oblig. (Grant)	84%		
(Loan)	78%		
% of Total Oblig. Exp. (Grant)	76%		
(Loan)	78%		
% of Total Auth. Exp. (Grant)	64%		
(Loan)			

II. Major Outputs:

As indicated below the project was extended focussing only on three components, and no quantifiable indicators were established in the extension. Main outputs are included under progress during reporting period.

III. PROJECT DESCRIPTION

The project has financed activities grouped into three major components:

- a. Institutional Development of the Forestry Subsecretariat. This component has included training, the development of a forest protection network, and the contracting of a management consulting firm.
- b. Productive Forestry Applied Research and Field Demonstration Activities. This component has included support for agroforestry activities in Ecuador's three principal geographical regions.

c. Protective Forest and Watershed Management. This component has included support for the delimitation of national parks and reserves and the "Patrimonio Forestal" and protection of the Pichincha protective forest. Watershed management was eliminated from the project at an early stage because of serious institutional and technical constraints to implement this important activity.

The original PACD was 3/31/88. On Dec. 9, 1987, amendment No. 4 extended the PACD to 3/31/90. On April 25, 1990, amendment No. 5 was signed extending the PACD to 9/30/91. Both amendments 4 and 5 reduced the scope of the project to more closely conform to DINAF's implementation capabilities.

The extension of the Forestry Sector Development Project (FSDP) is being implemented by the Development Strategies for Fragile Lands Project (DESFIL) in collaboration with the MAG's Forestry Subsecretariat (FS), CARE, the Missouri Botanical Garden (MG), and Cultural Survival. The FSD project extension was planned to support the following objectives:

Lowland Agroforestry; Highland Agroforestry; Flora del Ecuador, Forestry Protection, Natural Areas Development, Forest Research, Special Research and Training, Entomology and Plant Pathology

IV. PROGRESS TOWARD PURPOSE ACHIEVEMENT AND PROJECT OFFICER ASSESSMENT:

The Project purpose is to strengthen the capacity of Ecuadorian forest sector institutions, public and private, to manage productive and protective forests. This purpose will be achieved by: (1) strengthening the capacity of the National Forestry Directorate (DINAF) to mobilize, coordinate, and provide technical assistance in support of other private and public sector institutions engaged in forestry activities; (2) implementing a program of productive forestry field demonstrations, including a significant amount of applied research, and (3) improving the GOE's capacity to develop the economic potential of natural areas and their buffer zones.

Progress toward achieving the EOPS can be summarized as follows:

The FS has assigned a counterpart to the DESFIL Chief of Party, in order to coordinate technical and logistical actions of the project. Additionally, counterparts have been assigned to each of the expatriates working in the different areas.

Short-term technical assistance has been provided, in spite of the travel restrictions imposed by AID due to the Gulf war.

The project has emphasized the development and dissemination of agroforestry technologies, the management of natural and artificial forests, and the development of collaborative relationships with private and public sector. The project no longer supports afforestation/reforestation activities defined in its first phase.

Under the continuous supervision of both the DESFIL Project Manager and the DINAF Director, the project is being implemented according to the project workplan. Extension activities in the Oriente are being implemented with the assistance of 5 MAG extensionists, and in the Sierra, through the collaboration of CARE SULAMAN Project technicians.

V. PROGRESS DURING REPORTING PERIOD

- DINAF liquidated most of the remaining balance from the first phase, except for that related to the agreement with EMDEFOR.

- Five extensionists and four field workers have been contracted to work in the lowland agroforestry subproject, satisfying a C.P. The project funded these contracts until April 1991, and the FS will fund these positions from May 1991 on.

- Eight agroforestry case studies have been initiated in Coca, Hollin-Loreto and Puyo.

- Six training programs were implemented for extensionists under the Sierra Agroforestry component.

- In the Plant Pathology component, the DESFIL Specialist visited forest areas in Ecuador for observation and sampling. A new disease has been identified in the Eucalyptus plantations. Laboratory equipment was also provided by the project to the plant pathology lab.

- In the area of pasture management, pasture species were identified. Two field trials have been started in Tungurahua province in order to determine the effect of forest management on pasture development and durability.

- With the assistance of the Natural Areas Specialist, a work plan was designed to extend the boundaries of the Cuyabeno Fauna Reserve and to plan tourism activities in this area.

VI. GENDER CONSIDERATIONS

The extension of the FSDP made possible employment opportunities for female professionals under the Missouri Botanical Garden and Cultural Survival subcontracts. While the project does not maintain gender disaggregated data, rural women are major beneficiaries of the Sierra agroforestry activity through their direct participation in income-producing enterprises.

VII. EVALUATION AND AUDIT

No evaluations or audits are planned because funds were not included in the DESFIL contract.

VIII. ISSUES, PROBLEMS, DELAYS AND CORRECTIVE ACTIONS

- Since the plant pathology counterpart specialist was given other responsibilities, it is necessary to appoint somebody else to this position.

IX. MAJOR ACTIONS PLANNED FOR THE NEXT SEMESTER

1. Amazonian Agroforestry: Case studies will be continued and completed by July 30. Production systems studies will be started for coffee, pastures and small farmers crops. A booklet will be published on "Agroforestry Management of Pigue". (John Bishop, Bob Peck, July 1991)
2. Sierra Agroforestry: Seven training events will be carried out on nursery production and agroforestry. Field trials dealing with agroforestry management and vegetative propagation will be

18

initiated. The Agroforestry specialist will continue tree nursery management for the 1991-1992 production season. (P. Carlson, CARE and SF District Chiefs, July-August 1991)

3. Forest Entomology and Plant Pathology: Visits of the DESFIL Specialists are planned for July and August to the Coastal area to study problems associated with industrial plantations, dryland forests and mangrove forests. (R. Gara, July-August,1991)
4. Natural Areas Management: A proposal for extension of the Cuyabeno Faunal Reserve will be prepared. Also the DESFIL Specialist and the National Parks Dept. Director will prepare a document on the definition of policies and standards for protected areas tourism. (Alan Moore - Sergio Figueroa, August 1991)
5. Assure that all project documentation is prepared to assure project close-out as scheduled (Fausto Maldonado - José Orellana, September 1991)

PROJECT STATUS REPORT

October 1, 1990-March 31, 1991

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I. BACKGROUND DATA

Project Title: Agricultural Sector Reorientation
 Project Number: 518-0051 (Loan 518-T-063)
 Date of Authorization: original 07/30/85 last amendment 09/29/89
 Date of Obligation: original 07/31/85 last amendment 09/29/89
 PACD: original 07/30/90 last amendment 07/30/93
 Implementing Agencies: Ministry of Agriculture and Livestock (MAG)
 Foundation of Agricultural Strategies (IDEA)
 National Institute for Census and Statistics (INEC)
 National Meteorological Institute (INAMHI)
 Major Contractors: Sigma One
 AID Project Manager: Fausto Maldonado
 Status of CPs/Covenants:

Date of Last Evaluation: 03/10/89 Next Evaluation: 00/00/00
 Date of Last Audit: 07/31/90 Next Audit: 12/31/91

FINANCIAL DATA (518-0051)

Amount Authorized:	DA/Grant: original	\$7,100,000	last amend	\$10,700,000
	Loan: original	\$1,400,000		
Amount Obligated:	DA/Grant: original	\$700,000	last amend	\$8,200,000
	Loan: original	\$1,400,000		
Amount Committed:	Grant - Period:	\$159,412		
	Cumulative:	\$8,060,119		
	Loan - Period:	\$24,678		
	Cumulative:	\$1,186,013		
Accrued Expenditures:	Grant:			
	Period - Projected:	\$533,000		
	Period - Actual:	\$529,963		
	Cumulative:	\$7,900,049		
	Period - Next	\$322,000		
	Loan:			
	Period - Projected:	\$114,000		
	Period - Actual:	\$24,678		
	Cumulative:	\$1,186,013		
	Period - Next	\$100,000		
Counterpart Contribution:	Planned:	\$4,000,000		
	Actual	N/A		
% LOP Elapsed:		71%		
% of Total Auth. Oblig.	(Grant)	77%		
	(Loan)	100%		
% of Total Oblig. Exp.	(Grant)	97%		
	(Loan)	85%		
% of Total Auth. Exp.	(Grant)	74%		
	(Loan)	85%		

II. Major Outputs

The major output of the Project is the institutionalization of a sustainable capacity for policy analysis supported by sustainable information systems in the areas of production statistics, price information, and agroclimatic impact information.

Major Outputs	Planned				Accomplished		
	LOP	Period	Cum.	Next Period	Period	Cum.	% of LOP
1. Technical Leadership assigned to DAP							
2. Improve crop yield models for major commodities.							
a. Expand monitoring system from 35 to 75 sites.	75	-	35	5	-	35	47

Major Outputs

	Planned				Accomplished			
	LOP	Period	Cum.	Next Period	Period	Cum.	% of LOP	
b. Establish verified crop yield models for 6 major commodities.	6	-	3	3	-	3	50	
3. Training	M	F	M	F	M	F	M	F
Long term*	10	1	4	3	1	5	50	-
Short term (local)*	-	-	69	31	-	69	31	31

* Private sector component with Fundación IDEA

III. PROJECT DESCRIPTION

The Agricultural Sector Reorientation Project (ASRP) is intended to promote quantitative agricultural economic policy analysis, based on valid and timely price and production data, which will foster greater reliance on free market prices and less government intervention in the agricultural marketing system. The ASRP consists of the following activities:

- A. Economic Policy Analysis
 - 1. Public Sector: Policy Analysis Division in MAG (DAP)
 - 2. Private Sector: IDEA Foundation
- B. Agricultural Prices and Market News Reporting Services
- C. Agricultural Crop and Livestock Reporting Service
 - 1. Statistics Division in MAG (DEI)
 - 2. Agricultural Statistics in INEC (SEAN)
- D. Agroclimatic Reporting Service
 - 1. Regional Planning Office in MAG
 - 2. Weather Forecast Office in the National Weather Institute (INAMHI)
- E. Computer Facilities System

IV. PROGRESS TOWARD PURPOSE ACHIEVEMENT AND PROJECT OFFICER'S ASSESSMENT

The purpose of the Project is to realign agricultural sector policies and programs to create a policy environment and set of incentives which promote increased productivity and production. The purpose is to be achieved through strengthening the policy analysis capacity in MAG and the private sector and improving the quality of agricultural data and information.

Principal EOPs:

A. Institutionalization of a sustainable, technically qualified, policy analysis capacity in the MAG

The progress on this EOP as described in the previous SAR was largely organizational. During this period, emphasis has been placed on the design, structure and publication of Commodity Situation and Analysis Reports. The strategy is that by producing relevant and useful documents, the work of the DAP will become institutionalized in the MAG decision-making process. During this period the following was achieved:

1. Structure and design of Commodity Situation and Analysis Reports (CSARs) determined.
2. Appropriate computerized data bases developed for rice, hard corn, potatoes, wheat, barley, beans and agricultural inputs.
3. Publication of first CSAR/Rice in January.
4. Pre-publication seminars held on CSARs for four sierra commodities.
5. DAP personnel received training course in computer basics (DOS) and LOTUS, given by Computer Center.
6. DAP personnel received training course in price and supply analysis, given by IDEA.
7. In January, DAP initiated monthly publication of "Macroeconomic Indicators" for agricultural sector.

8. DAP, with assistance of ST/TA and IDEA, conducted analysis of the financial costs of ENAC and ENPROVIT market intervention. Results presented to Minister in seminar.
9. Participation in MAG decision-making:
 - a. Setting of referencial price for bananas.
 - b. Decision on sorghum imports.
 - c. Minister's Policy Statement.

B. IDEA is established as a technically and financially sustainable policy research institute

Progress was made in staffing and organizational issues. Progress on outputs as described in Operating Plan was slight -in part due to delays in budget approval. During the period:

1. IDEA completed its staffing, with the contracting of a macroeconomist, natural resource program leader, and three research assistants.
2. Developed 1991 operating plan and budget and submitted to AID for approval.
3. Prepared paper on the impact of opening the economy to regional trade.
4. Received commitments from outside sources of approximately \$40,000 for studies in natural resources.
5. Developed and gave course to DAP on price and supply analysis.
6. Organized seminars in Quito and Guayaquil to disseminate the results of the Sector Assessment.

C. Establishment of a reliable and timely system for reporting agricultural crop and livestock production statistics

Progress was made in designing of survey systems for crop forecasts and in securing appropriate technical assistance. The agroclimatic activity made strong progress in developing the remote sensing methodology for rice forecasts and improving its reporting formats. The Computer Center made significant progress in establishing an in-house training program and in design of a plan for maintenance and repair of computer equipment.

1. Design of rice survey nearly completed: questionnaire, output tables, sample size. Survey to be undertaken in May.
2. Data bases in Agroclima and Prices cleaned-up and user manuals published.
3. New format for reporting price information to MAG top management designed.

21

4. Computer Center initiated training courses in DOS, LOTUS 123 and Word Perfect for Project and MAG personnel.
5. Agroclima continued work on remote sensing methodology with training course in digital analysis.

V. PROGRESS DURING REPORTING PERIOD

Policy/MAG.- As described above, the implementation of a system for periodic publication of the CSARs is the major goal during this year. Reasonable progress was made during this period to develop the design of the report and develop the appropriate data bases. Training to enable DAP personnel to analyze the data also advanced. This progress is building the foundations for policy analysis.

Policy/IDEA.- The major progress was in staffing, the two sector assessment seminars, and the paper on opening the economy to regional trade. In the latter, IDEA worked closely with private sector associations and the public sector. Progress on other elements of the work plan was slow.

Information Activities.- The information activities continued to publish their weekly and monthly reports on prices and agroclimatic impact. The publications have been revised and new initiatives designed to respond better to user needs. The statistics activity has designed a rice survey to be executed in May. A PIO/T to provide technical assistance in statistics was in process and will soon be signed. The amendment is under negotiation. These actions represent reasonable progress, though much remains to be done.

Follow-Up Actions from Previous Report.-

1. Spanish publication of sector assessment delayed until 1991 PL-480 budget approved.
2. Transfer of minicomputer to INEC-MAG-INEC Agreement under final review by INEC Legal Office.
3. PIL on covenants -major issues dealt with in 1991 Operating Plan and Budget.
4. Contracting of LT statistics advisor -delayed until contract amendment signed.
5. Analysis of IDEA institutional issues -delayed pending receipt of RIG Audit.

VI. GENDER CONSIDERATIONS

Unchanged from previous report.

VII. EVALUATIONS AND AUDITS

- A. Awaiting results of RIG audit.
- B. Audit by GOE Controller General at MAG underway.

VIII. ISSUES, PROBLEMS, DELAYS AND CORRECTIVE ACTIONS

- A. Increase DAP staffing by MAG personnel.
Action: Implement planned increase of three MAG professionals to have a MAG employee working in each commodity area.
- B. Timely computer equipment procurement, repair and maintenance.
Action: Implement the computer center's repair and maintenance plan. An information needs assessment will be conducted in May.
- C. Strengthen IDEA's financial management systems.
Action: Implement recommendations of RIG audit.
- D. Strengthen IDEA's technical management systems.
Action: Conduct 4 week management evaluation -May-June.
- E. Limited human resource base in policy analysis and statistics.
Action: Continue emphasis on training, technical assistance, and utilization of simplified and standardized analytical methodologies.

IX. MAJOR ACTIONS PLANNED FOR NEXT SEMESTER

1. DAP Publication of Situation and Analysis Reports on:
 - a. Sierra Commodities: Wheat, Potatoes, Soft Corn, Burley, Beans.
 - b. Coastal Commodities: Hard Corn, Summer Rice
 - c. Agricultural Inputs
 - d. Livestock
2. Continue monthly Macro-Economic Indicators Report.
3. Initiate monthly publication of Price Tendencies Report.
4. Commercialization initiates publication of Executive Price Report.
5. Agroclima tests pilot methodology for using remote sensing to estimate rice harvest.
6. Statistics conducts rice monitoring survey.
7. INEC conducts second round of SEAN survey.
8. Computer Center implements repair and maintenance plan.
9. Execute incremental funding amending to IA contract.
10. Long-term advisor in Statistics PIO/T signed and work begins.

11. IDEA publishes study on impact of opening economy to regional trade.
12. IDEA publishes analysis of credit policies.
13. IDEA publishes set of supply elasticities for principal commodities.
14. Implement corrective actions indicated in VIII above.
15. Internal AID session to analyze IDEA's status based on audit final report.
16. Meeting with IDEA's board to analyze audit final recommendations, financial and administrative aspects.

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PROJECT STATUS REPORT

Oct. 1, 1990-March 31, 1991

A ___ B x C ___

I. BACKGROUND DATA

Project Title: Land Titling
 Project Number: 518-0059 (Loan-T-064)
 Date of Authorization: original 08/28/85
 Date of Obligation: original 08/29/85 last amendment 07/28/89
 PACD: original 12/31/90 extended to: 06/30/91
 Implementing Agencies: Special Interinstitutional Vice-Presidency (CEI)
 Office of Pilot Project (OPP)
 Major Contractor: Triton Corporation thru 12/31/90
 AID Project Manager: Fausto Maldonado
 Status of CPs/Covenants: All CP's except 5.4 for second stage have been met. Status of CP 5.4 for second stage is as follows:
 a. Evaluation completed with favorable conclusions and recommendations
 b. Institutional arrangements in process but not completed
 c. Draft of Registry Law completed. Enactment pending

Date of Last Evaluation: 11/00/90 Next Evaluation: N/A
 Date of Last Audit: 11/15/90 Next Audit: 06/30/91

FINANCIAL DATA (518-0059)

Amount Authorized:	DA/Grant: original	\$3,300,000	last amend	\$6,800,000
	Loan: original	\$7,000,000	" "	\$3,500,000
Amount Obligated:	DA/Grant: original	\$ 900,000	last amend	\$2,000,000
	Loan: original	\$2,100,000	last amend	\$3,500,000
Amount Committed:	Grant - Period:	\$ 215,802		
	Cumulative:	\$1,949,466		
	Loan - Period:	\$ 125,399		
	Cumulative:	\$1,309,425		
Accrued Expenditures:	Grant:			
	Period - Projected:	\$ 105,000		
	Period - Actual:	\$ 446,037		
	Cumulative:	\$1,894,672		
	Period - Next	\$ 50,000		
	Loan:			
	Period - Projected:	\$ 355,000		
	Period - Actual:	\$ 132,359		
	Cumulative:	\$1,241,115		
	Period - Next	\$ 450,000		
Counterpart Contribution:	Planned:	\$4,000,000		
	Actual	S/.230,000,000	plus in-kind	
% LOP Elapsed:		97%		
% of Total Auth.Oblig. (Grant)		30%		
	(Loan)	100%		
% of Total Oblig. Exp. (Grant)		95%		
	(Loan)	36%		
% of Total Auth. Exp. (Grant)		28%		
	(Loan)	36%		

II. Major Outputs

Major Outputs	Planned				Accomplished		
	LOP	Period	Cum.	Next Period	Period	Cum.	% of LOP
1. Properties investigated & delineated	S. 11,000	3,000	11,000	0	8,989	18,516	168.3
	C. 2,500	2,500	2,500	0	2,113	2,113	80.8
	T. 13,500	5,500	13,500	0	11,102	20,629	152.1
2. Properties legally analyzed	S. 11,000	3,000	11,000	0	7,135	16,662	151.5
	C. 2,500	2,500	2,500	0	1,954	1,954	78.2
	T. 13,500	13,500	13,500	0	9,089	18,616	137.9
3. Properties digitized & plats prod.	S. 11,000	3,000	11,000	0	1,050	5,500	50.0
	C. 2,500	2,500	2,500	0	0	0	0.0
	T. 13,500	13,500	13,500	0	1,050	5,500	40.7
4. IERAC cases prepared	S. 2,200	600	2,200	0	1,957	3,173	144.2
	C. 800	800	800	0	564	564	70.5
	T. 3,000	1,400	3,000	0	2,521	3,737	124.5

Major Outputs

	Planned	Next Period	Accomplished		% of LOP			
			Period	Cum.				
5. Civil cases prepared	3,300	890	3,300	0	717	929	28.2	
	C. 330	330	330	0	250	250	75.7	
	T. 3,630	1,220	3,630	0	967	1,179	32.4	
6. Inst. Arr. Comp.	1	0	1	0	0	0	0.0	
7. Registry law in place	1	0	1	0	0	0	0.0	
8. Training Long term	M 0	F 0	M 0	F 0	M 0	F 0	M 0	
	E 0	E 0	E 0	E 0	E 0	E 0	E 0	
Short term	150	0	104	26	150	0	39	1
Total	150	130	150	40	130	280	186.7	

Note: The number of rural properties in Salcedo (Sierra) will exceed 20,000, while those in Baquerizo Moreno (Coast) will number about 2,900, for a total of 22,200 in both cantons. This exceeds the programmed amount by 64%. The number of IERAC and civil cases is difficult to estimate since there is no experience base to use for programming purposes.

III. PROJECT DESCRIPTION

The pilot project consists of three groups of activities:

Group A: Design and test Annex 1 activities in two pilot cantons.

Group B: Create a National Cadastral (or similar) Institute to carry out the above activities on a national scale, and amend or change existing Property Registry and other pertinent laws and regulations to simplify rural land transfer processes.

Group C: Evaluate the pilot results and determine AID's possible participation in the initiation of the national program.

IV. PROGRESS TOWARD PURPOSE ACHIEVEMENT AND PROJECT OFFICER'S ASSESSMENT

The purpose of the pilot project, which remains an accurate statement of the pilot's objectives, is to establish institutional mechanisms for the efficient and effective provision of sustainable, secure land tenure in rural Ecuador.

The key EOP indicators are the successful design and testing of administrative, technical and legal procedures for carrying out an efficient national program, and having in place mechanisms for an improved land transfer process.

The OPP has amply demonstrated Group A activities outlined in Annex 1 to the Project Agreement, including the initiation of maintenance activities in Salcedo, and is now in an operational mode. The number of rural properties in Salcedo was estimated at 6,119 in 1983. This was adjusted to 11,000 in 1989 for the first stage pilot effort. In actuality, the number exceeds 20,000, which is considerably more than required for the design and testing of new procedures and methodologies. Completion of the work in Salcedo is behind schedule due to non-performance on the part of IGM (See Problems and Delays). The CEI will need an in-house capability to digitize property corners if the second stage is to be carried out successfully.

The drafting of a new Registry Law has taken considerably longer than anticipated, but the results are positive. The CEI obtained the participation of eight Registrars from around the country. Besides assuring a functional law, it also assures a wider political support base when the draft law is presented to Congress. Passage before the end of June is anticipated.

A new cadastral law has been drafted, but no agreements have been reached by the participating entities as to which one will be responsible for implementing the National Program. Chances for an agreement by the end of June 1991 are slim. (See Problems and Delays.)

V. PROGRESS DURING REPORTING PERIOD

Group A Activities:

A. First Canton - Salcedo (in the Sierra):

All activities progressed satisfactorily during this reporting period, except the stereo digitizing of property corners being done by IGM. IGM has only one stereo compiler working two shifts. Also, the number of points per property is greater than estimated, which, when combined with the increase in the number of properties from 11,000 to 20,000, greatly increased IGM's programmed workload. Quality control checks are being conducted in the field, and the maintenance activity has been initiated in the Property Registry.

B. Second Canton - Baquerizo Moreno (on the Coast):

The field work was completed and the legal analysis is almost completed. Notwithstanding the fact that the large majority of rural properties were adjudicated by IERAC, there is a much higher percentage of IERAC cases than anticipated. The major contributing factor was items from IERAC adjudication documents not being recorded in the Property Registry, and thus they were not legal. The field work was done using IERAC survey plans and conventional survey methods. The digitizing of properties has not been initiated because IGM wants to charge too much for the work. The OPP has purchased a small digitizing table and it is anticipated that the 2,200 properties can be completed in about 20 work days. (See Problems and Delays.)

Group B Activities:

Several Registrars have actively participated in re-drafting the Property Registry Law, which is fortunate since the previous drafters, although excellent lawyers, had very little hands-on experience with property registration. The new draft law addresses the on-going deed system, includes the establishment of a title system once the legal cadaster is completed, and addresses the automation of both systems.

A cadastral law was drafted by DINAC and was approved by various government offices. However, it was not presented to the Congress because it addressed only the property valuation and tax applications and not the technical and legal aspects which provide the basis for those applications. A new draft is still underway, because the international expert contracted to assist in the preparation of the law became ill and was unable to travel to Quito. Unfortunately, he will not be available for a few months because of other international commitments. The law is controversial because IGM, DINAC and IERAC each insist on being responsible for rural cadasters. Since the municipalities are already responsible for the urban cadasters, and it is politically impossible to change the municipal laws, it is quite possible that they will be given the responsibility for the rural cadasters as well. That will enable them to contract with private and/or public entities to do the work in accordance with the standards and specifications established by the law and its

25

regulations. This is a reasonable solution since the property registries are at the cantonal level and include both urban and rural properties. (See Problems and Delays.)

Also, the CEI has initiated the establishment of a Private Foundation, whose purpose would be to assist the municipalities. The Foundation could receive and administer project funds and assist the municipalities in planning and supervising the work. The Vice-President has endorsed the idea, as have several presidential advisors.

Group C activities:

The evaluation was carried out in November 1990 by seven consultants from Development Alternatives Inc. The Mission needed the evaluation results in order to decide whether or not to extend the PACD beyond 12/31/90. (See Section VII - Evaluations and Audits.)

VI. GENDER CONSIDERATIONS

The OPP Director is a woman. Of about 50 other professional level people working with OPP, five are women. Information is collected by gender on property owners and on title recipients, but the data is still being compiled by the Project and is not yet available.

VII. EVALUATION AND AUDITS

Development Alternatives, Inc. (DAI) was contracted to carry out the evaluation of the first stage pilot effort in November 1990. The evaluators reported that "Three important tasks from the pilot stage have not yet been completed: the definition of an institution to carry out the program beyond the pilot stage; the reform and simplification of registration procedures; and the establishment of mechanisms to ensure maintenance of the land information system. These tasks are included in the Project Agreement as Conditions Precedent for continuing to Stage II of the Program". They recommended that: "In recognition of the short time that the Project has operated, the accomplishments that have been realized in terms of procedures and methods, and the fact that the project is clearly working on these tasks at present, the evaluation team recommends an extension of the time for complying with these conditions". Based on the findings and recommendations of the evaluation, the Mission extended the PACD by six months to 06/30/91.

VIII. ISSUES, PROBLEMS, DELAYS AND CORRECTIVE ACTIONS

- 24
1. IGM's digitizing of property corners, which is used by OPP to establish microcomputer-based property files to produce plats and technical descriptions of each property, is seriously behind schedule. IGM wants to take over all cadastral work and is indirectly making things difficult for OPP. Among other things, they have sent people to the States for training in cadastral mapping. They also want to grossly overcharge for certain materials, such as film copies of paper manuscripts. At \$120.00 per copy, the cost translates to about \$1.00 per property, which is unacceptable. If the National Program is to continue into Stage II, alternate provisions will have to be made for the stereo digitizing work and for other things, present-

ly being done by IGM at a high cost, such as making photo enlargements. In other words, the cost per hectare must be reduced so that the sale of property plats to future owners can be done at a price that is affordable to small rural property owners.

2. Because of the lack of aerial photography, field work in the coastal canton of Baquerizo Moreno was completed using existing IERAC survey plans and filling in with conventional boundary surveys. Although the methodology works, it is not recommended for larger cantons because of the difficulty in identifying property boundaries in the field that correspond to those on the plans.
3. The regulations for the existing Property Registry Law could not be enacted because of a legal technicality in the law itself. The law did not make provisions for subsequent regulations. Therefore, a new law was drafted with the participation of eight property Registrars from around the country. It is expected to be enacted by the GOE Congress without too many problems.
4. The drafting of a cadastral law has also taken much longer than anticipated because DINAC proceeded to draft a new law without consulting the CEI. The CEI is presently working directly with the President's top legal advisors on this matter. However, time is going by and the chances of a new law being passed by the end of June is possible, but not likely. As a result, the issue of who will be responsible for the National Program is still pending because IGM, DINAC and IERAC are not getting together in a common effort. Under the present law, DINAC is responsible for rural cadasters, but is not capable of executing the program by itself. The immediate solution being proposed is to put the program under the National Planning Board (CONADE) with a Private Foundation to receive and control outside funds and supervise the work. CONADE has the power to approve the annual operational plans of DINAC and IERAC, which is the basis for their annual budgets. The idea is that CONADE would not approve operations that were not beneficial to the National Program. This arrangement could be accomplished in two or three months.

IX. MAJOR ACTIONS PLANNED FOR NEXT SEMESTER

Group A Activities:

1. Prepare and issue the remaining titles and process the remaining civil cases requiring IERAC's permission or action;
2. Install the new registry in Baquerizo Moreno, with property identification codes;
3. Complete the maintenance procedures in Salcedo; and
4. Complete the registry abstracts and other preparations, except aerial photography, in two or three other selected cantons.

Group B Activities:

Complete the draft of the Property Registry Law, obtain approval from the Attorney General's Office, and submit them to the Executive Branch for subsequent Congressional approval.

Group C Activities:

Complete the following organizational and implementation arrangements for Stage II of the National Program:

1. Create by Executive Decree a special office in CONADE, called CATIR, to regulate and prioritize the National Program, particularly those of IERAC, DINAC and IGM, who are principal participants in the program.
2. Create by Executive Decree a private foundation, called PREDUR, to oversee the implementation of the program by making specific agreements, through CONADE, with the selected municipalities and with the participating agencies. PREDUR will manage operational funds, train personnel, supervise the work and contract key personnel not available from the participant agencies.
3. Review progress of 1 and 2 and decide whether to proceed to Stage II.
4. Develop a detailed Action Plan for the transition from the Pilot Stage to Stage II and for the first six months of Stage II operations.
5. Determine if PL-480 funds are needed for operational costs.

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27

PROJECT STATUS REPORT
October 1, 1990-March 31, 1991

A x B C

I. BACKGROUND DATA

Project Title: Agricultural Research, Extension and Education
 Project Number: 518-0068
 Date of Authorization: original 05/26/88 last amendment 09/29/90
 Date of Obligation: original 05/27/88
 PACD: original 04/30/93
 Implementing Agencies: Fundación para el Desarrollo Agropecuario (FUNDAGRO)

 Major Contractors: None

 AID Project Manager: Maria Elena Pesántez
 Status of CPs/Covenants:

 Date of Last Evaluation: 00/00/00 Next Evaluation: 05/91
 Date of Last Audit: 12/31/90 Next Audit: 12/31/91

FINANCIAL DATA

Amount Authorized: DA/Grant: original \$7,000,000
 Amount Obligated: DA/Grant: original \$ 85,493 last amend \$5,656,136
 Amount Committed: Grant - Period: \$ 511,461
 Cumulative: \$5,092,136

 Accrued Expenditures: Grant:
 Period - Projected: \$1,238,000
 Period - Actual: \$1,025,220
 Cumulative: \$2,659,177
 Period - Next \$1,224,000

 Counterpart Contribution: Planned: \$4,000,000
 Actual \$
 % LOP Elapsed: 58%
 % of Total Auth.Oblig. (Grant) 81%
 % of Total Oblig. Exp. (Grant) 47%
 % of Total Auth. Exp. (Grant) 38%

II. Major Outputs

Major Outputs	Planned				Accomplished		
	LOP	Period	Cum.	Next Period	Period	Cum.	% of LOP
1. REE system established in PCP's	3	RELU's	0	3	0	3	100
2. Agreements signed with PVO's & pub. inst.	16	3	16	2	2	29	181
3. With intl. centers & univ.	6	3	6	2	2	10	167
4. Workshops	600	90	600	60	95	725	121
5. Research activities	200	40	63	22	19	64	32
6. Technology validated	22	6	18	10	8	18	82
Demonstrated	22	10	13	5	9	13	59
Adopted	22	3	6	3	3	6	27
7. Studies	15	3	14	3	4	14	93
8. Publications	120	12	31	5	6	31	26
9. Prod. assoc. worked with	35	35	35	35	2	35	100
10. Other donor contrib. (\$ thousand)(*)							
a. for endowment	300	150	94	80	34	94	31
b. for projects	3900	1500	1574	1500	392	1574	40

Major Outputs

Major Outputs	Planned				Accomplished			
	LOP	Period	Cum.	Next Period	Period	Cum.	% of LOP	
11. Professionals trained	LOP	M	F	M	F	M	F	
a. Long-term	7	0	0	1	0	1	0	
b. Short-term	228	12	3	76	15	12	3	
12. Farmers trained	9000	1750	5960	800	1750	5960	66	
13. Fund raising program operational (part-time Director of Development aboard but search continues for suitable candidate to be hired full-time.)								
(*) Does not include value of 200 ha of irrigated land from CEDEGE (approximately US\$800,000)								

III. PROJECT DESCRIPTION

The Project contemplates several interrelated activities aimed at assisting FUNDAGRO to accomplish the following major tasks:

- To improve and strengthen its administrative and financial structure as well as its technical capabilities;
- To establish research and extension linkage units (RELU's) within each Priority Commodity Program (PCP), presently coffee, dairy and yuca;
- To support science-based research, extension and education systems (REE's) for other commodities on a selective basis as the need arises; and,

- To foment and support Ecuadorian universities participating in the REE program and activities.

IV. PROGRESS TOWARD PURPOSE ACHIEVEMENT AND PROJECT OFFICER'S ASSESSMENT

The purpose of the Project is to institutionalize FUNDAGRO as an NGO capable of serving as a catalyst in the establishment and operation of an improved and coordinated Research, Extension and Education System. The end objective is to help small and medium-sized farmers increase their incomes through improved productivity by adopting science and technology based agricultural practices in selected commodities.

Key EOP indicators include:

- A commodity prioritization and selection process in place to assist FUNDAGRO and cooperating PVO's and public sector institutions to concentrate resources on priority commodities. This has been accomplished.
- FUNDAGRO's financial viability strengthened through increased and diversified funding, as well as sound investment of its assets. This is going well.
- Strong and growing operational linkages forged with private and public sector institutions involved in REE, locally and internationally. This is proceeding well.
- An ever increasing number of deans of colleges, professors, graduate and undergraduate students actively participate in the program. Progress is as expected.
- Efforts are made to involve women in all phases of the Project. This is moving forward.

Progress in achieving these and other indicators continues to accelerate in each succeeding reporting period as FUNDAGRO attains maturity and consolidates its financial, administrative and technical capacity. Without a doubt FUNDAGRO's image as a responsible agricultural development NGO has grown by leaps and bounds.

The Project Purpose remains an accurate statement of project objectives.

V. PROGRESS DURING REPORTING PERIOD

1. The Associates Program was launched in Guayaquil to provide a geographical balance between the Sierra and the Coast.
2. The final tranche of PL-480 funds for FUNDAGRO's endowment was released and invested as recommended by the Oversight Committee.
3. The dairy program has been greatly strengthened under the leadership of Dr. Oswaldo Paladines of CIID, who has his office at FUNDAGRO's Headquarters, as well as by moving the Program Coordinator to AGSO's offices.

4. The coffee program was expanded by providing TA directly to growers not belonging to FENACAFE but willing to renovate their plantations with their own funds.
5. An agreement was signed with ISNAR and the action oriented studies with suggested strategies for INIAP to function effectively as an autonomous agency are currently being carried out.
6. The Rector of the Central University along with the Dean of the CBA and the Coordinator of the Graduate Program were provided an opportunity to visit Central American Universities, which they can emulate in establishing a Masters Degree Program in Agriculture and Agribusiness Administration.
7. A very close relationship has been established with ANDE for assistance to the NIAF Project.
8. Price Waterhouse concluded in-depth studies to evaluate, classify and determine an appropriate job description, salary and administrative relationship for every FUNDAGRO position.
9. A 20-year lease for 200 ha of irrigated land, including farming equipment and installations, was signed with CEDEGE at nearly no cost to FUNDAGRO.

VI. GENDER CONSIDERATIONS

1. When the project was authorized, no gender considerations were taken specifically into account. Nonetheless, women's participation has been at the forefront in all of FUNDAGRO's activities; in the yuca sub-project for instance, several of the member associations are made up exclusively of women. An agreement remains in force with CANA (University of Kentucky) to assign undergraduate women to instruct rural families in nutrition and home economics.
2. Under the Andean Peace Scholarship Program, 22 women from the Project area will be sent to the USA for leadership training during the coming reporting period.

VII. EVALUATION AND AUDITS

Due to travel restrictions, the first external evaluation of the Project could not be carried out as planned. It is now scheduled for May, 1991.

VIII. ISSUES, PROBLEMS, DELAYS AND CORRECTIVE ACTIONS

1. The very important position of Director of (Resources) Development needs to be filled on a full-time basis to maintain a strong Associates Program and to take charge of project development and fund-raising activities.
2. The long-term participant training component is lagging way behind and should receive high priority. The main problem has been the identification and recruitment of suitable candidates.

29

IX. MAJOR ACTIONS PLANNED FOR NEXT SEMESTER

1. Carry out initial Project evaluation. (M. Pesántez; D. Alverson; J. Román) May
2. Recruit and hire full-time Director of Development to manage Associates Program, direct fund-raising activities, and assist Executive Director in enhancing FUNDAGRO's credibility and image locally and abroad. (J. Chang; J. Román) June-July
3. Continue to cooperate with ISNAR in carrying out action oriented studies and strategies to enable INIAP to function well autonomously. (J. Chang; F. Ortiz) Ongoing
4. Finalize negotiations with Kellogg Foundation for \$1.5 million grant to support vocational schools. (J. Chang) July
5. Complete arrangements with CAF to receive US\$150,000 for debt-swap earmarked for Cacao studies. (J. Chang) August
6. Continue negotiations with Fondo Ecuatoriano-Canadiense (Canadian PL-480) to obtain \$1.0 million for research activities in the Babahoyo Demonstration Farm. (G. Vorbeck; J. Chang) Ongoing
7. Negotiate with IBD US\$500,000 40-year soft loan (1% PA. - ten year grace - payable in sucres) plus \$80,000 grant for TA and credit to benefit small farmers in the Babahoyo - CEDEGE irrigation project area. (J. Chang) Ongoing
8. Provide TA to CBA of UCE for the establishment of a Masters Program in Agriculture and Agribusiness Management. (J. Román) Ongoing
9. Carry out external audit for CY 1990. (Price Waterhouse) April
- 10 Interview, select and submit names of not less than 44 women candidates out of which 22 will be chosen for leadership training in USA under the Andean Peace Scholarship Program. (Susan Poats; J. Román) April-May
11. Work in conjunction with GDO for English language training for participant trainees.

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30

PROJECT STATUS REPORT

April 1, 1990-September 30, 1990

A B x C

I. BACKGROUND DATA

Project Title: Small Farmer Irrigation
 Project Number: 518-0074
 Date of Authorization: original 08/30/87
 Date of Obligation: original 08/31/87 last amendment 04/26/88
 PACD: original 08/31/90 last amendment 05/31/91

Implementing Agencies: CARE
 Ministerio de Bienestar Social (MBS)
 INERHI/

Major Contractors: None
 AID Project Managers: Fausto Maldonado
 Status of CPs/Covenants:

Date of Last Evaluation: 00/00/00 Next Evaluation: 09/30/91
 Date of Last Audit: 12/31/90 Next Audit: 05/31/91

FINANCIAL DATA (518-0074)

Amount Authorized:	DA/Grant: original	\$ 600,000	
Amount Obligated:	DA/Grant: original	\$ 300,000	last amend \$600,000
Amount Committed:	Grant - Period:	\$ 0	
	Cumulative:	\$ 600,000	
Accrued Expenditures:	Grant:		
	Period - Projected:	\$ 154,000	
	Period - Actual:	\$ (12,251)	
	Cumulative:	\$ 572,689	
	Period - Next	\$ 27,000	
Counterpart Contribution:	Planned:	\$ 794,000	
	Actual	\$	
% LOP Elapsed:		96%	
% of Total Auth.Oblig. (Grant)		100%	
% of Total Oblig. Exp. (Grant)		96%	
% of Total Auth. Exp. (Grant)		96%	

II. Major Outputs

No logframe has been prepared for this project and few numerical reference data are included in the agreement; however, some outputs to date show interesting results:

<u>Major Outputs</u>	<u>Planned</u>			<u>Accomplished</u>			<u>% of LOP</u>
	<u>LOP</u>	<u>Period</u>	<u>Cum.</u>	<u>Next Period</u>	<u>Period</u>	<u>Cum.</u>	
1. Sprinkler irrigation modules installed							
a. Has.	700	75	500	-	160	660	94%
b. Modules	-	30	52	-	12	52	-
2. Credit provided*	-	140	200	40	85	285	-
3. Follow-up visits to farmers (plots)		1188			1500	-	

* Credit program started only when water was available. Credit is measured in loans provided.

III. PROJECT DESCRIPTION

The Project was conceived as a continuation of the Integrated Rural Development (IRD) project in the Quimiag-Penipe area, to assure adequate on-farm use of the irrigation water to be made available to the farmers. The project started in 1987 and its original PACD was August 31, 1990. However, it was extended until May, 31 1991.

Expected outputs of the project are the following:

1. Assist INERHI to finish the primary and secondary conveyances and start their operation in a technically adequate fashion.
2. Assist small farmers:
 - a. To install on-farm sprinkler irrigation systems on approximately 700 hectares of small farm holdings in Quimiag;
 - b. In the use and maintenance of the sprinkler systems and in soil conservation techniques; and
 - c. To diversify into vegetable and fruit crops.

3. Provide access to credit to finance sprinkler irrigation and crop production.

The project has been implemented by CARE, and the counterpart agencies are the Ministry of Social Welfare (MBS) and the National Institute of Water Resources (INERHI).

IV. PROGRESS TOWARD PURPOSE ACHIEVEMENT AND PROJECT OFFICER'S ASSESSMENT.

The project has accomplished several of the outputs programmed. However, through the three years of implementation, the project suffered several problems and constraints which have delayed full achievement of all activities.

The total area to be assisted by the IRD project was initially calculated to be 1,700 ha, of which 1,200 were on small holdings (minifundia). The CARE project acquired the necessary equipment for sprinkler irrigation for 900 ha, although farms totaling 700 ha actually participate in the project. Installation has been made on 660 ha and the remaining 40 ha will be completed before the end of the project assistance.

The credit program has had a few credit recovery problems in the last period, but it is expected that by the end of the project these will be solved.

With the experience developed by CARE through other projects (soil conservation and agroforestry), the training of small farmers in the use and maintenance of sprinkler irrigation systems and soil conservation has been facilitated. Over the past year a new activity oriented to diversification of vegetable and fruit crops has been accepted by the community.

The project has been rather successful in many respects. Further development could have been achieved had it not been for the very slow response of INERHI to the project. For example, water began to flow through the entire system only since February 1990, eleven years after construction began.

The project should be categorized as "B" due to the important accomplishments that have been realized over the past period.

V. PROGRESS DURING REPORTING PERIOD

1. Promotion of sprinkler irrigation, soil conservation and crop diversification has continued, with a very positive response from the farmers. Two of the communities that had decided not to participate in the program have requested CARE assistance during the period and have been actively working (Communities of Guso and Guntus).

2. Pending loans were almost all paid with only six (6) overdue. The credit program shows at least 90% recovery. 85 new loans have been given during the reporting period.

3. An agreement was signed with INIAP and the Swiss Technical Cooperation (COTESU) to provide assistance on fruit production. It is expected that 2,500 seedlings will be provided to 60 families.

4. The possibility of producing quinoa for export has been discussed with farmers and some of them have agreed to participate in a quinoa production program. Other potential export products are artichokes and asparagus.

VI. GENDER CONSIDERATIONS

As in other projects funded by AID, women are included among the direct beneficiaries of the project. The Quimiag-Penipe Area was chosen as one of the pilot Integrated Rural Development areas because it was known as one of the most depressed areas in the Sierra. Women make up approximately 40 % of the target group which participates in the project. The project employs two female extension agents.

VII. EVALUATIONS AND AUDITS

As stipulated in the Project Agreement, an independent consultant contracted by CARE was to conduct a detailed final impact evaluation near the end of the project. Due to delays that happened during project implementation, CARE recommends that the evaluation be conducted once installation of all the sprinkler irrigation system is completed.

VIII. ISSUES, PROBLEMS, DELAYS AND CORRECTIVE ACTIONS

Throughout project implementation, one of the most difficult problems has been the very slow response of INERHI to the needs of the project. For instance, the contracting of an electrical engineer to maintain the electronic control system was programmed in 1989, but due to budgetary and bureaucratic constraints, INERHI was not able to contract this individual. A technician has been contracted and will receive appropriate training from a specialist during the month of May.

IX. MAJOR ACTIONS PLANNED FOR THE NEXT SEMESTER

1. The installation of sprinkler irrigation systems will be completed for 700 ha and five hundred units will be in full operation. (Miguel Sanchez, May 1991)
2. 2,500 fruit tree seedlings will be distributed to 60 families who join the agriculture (fruit production) diversification program. (CARE Staff, Miguel Sánchez, August 1991)

32

3. The specialist in management of the electronic system will provide technical assistance in system maintenance and training to the local contractor. (Miguel Sanchez, Frank Kaylor, May 1991)
4. Project close-out will be reported in the next SAR.

(9296F)

22

PROJECT STATUS REPORT

October 1, 1990-March 31, 1991

A x B C

I. BACKGROUND DATA

Project Title: Environmental Education
 Project Number: 518-0079
 Date of Authorization: original 07/22/88
 Date of Obligation: original 07/22/88
 PACD: original 07/21/93
 Implementing Agencies: Fundación Natura
 Major Contractors: None
 AID Project Manager: Fausto Maldonado
 Ass.Proj. Off. Amparo Salgado
 Status of CPs/Covenants: N/A
 Date of Last Evaluation: 00/00/00 Next Evaluation: 06/30/91
 Date of Last Audit: 12/31/90 Next Audit: 12/31/91

FINANCIAL DATA (518-0079)

Amount Authorized:	DA Grant: original	\$1,100,000
Amount Obligated:	DA Grant: original	\$1,100,000
Amount Committed:	Grant - Period:	\$ 0
	Cumulative:	\$1,100,000
Accrued Expenditures:	Grant:	
	Period - Projected:	\$ 118,000
	Period - Actual:	\$ 99,068
	Cumulative:	\$ 483,603
	Period - Next:	\$ 120,000
Counterpart Contribution:	Planned:	\$
	Actual:	
% LOP Elapsed:		54%
% of Total Auth.Oblig. (Grant)		100%
% of Total Oblig. Exp. (Grant)		44%
% of Total Auth. Exp. (Grant)		44%

II. Major Outputs

This project has no log frame; however, some of the components include quantifiable activities, which are shown below:

<u>Major Outputs</u>	<u>Planned</u>				<u>Accomplished</u>		
	<u>LOP</u>	<u>Period</u>	<u>Cum.</u>	<u>Next Period</u>	<u>Period</u>	<u>Cum.</u>	<u>% of LOP</u>
1. Assist in the design of specific studies on environmental issues (publications)	-	3	6	3	4	10	-
2. Carry out analyses of industries potentially damaging to the environment	1000	250	1000	-	250	1000	100
3. Select industries to receive environmental information packages	2000	-	500	-	-	500	25

III. PROJECT DESCRIPTION

The EDUNAT III Project builds upon activities initiated under the EDUNAT I and II Projects and seeks to institutionalize those activities within Ecuadorian public and private sector organizations.

With EDUNAT III, Fundación Natura has planned to support activities under five components or "strategies" to achieve the following:

1. An increased public awareness of the environment by developing and implementing a program to educate, sensitize and motivate Ecuadorians on environmental matters.
2. A functioning technical information system on environmental matters by developing and implementing a technical information and assessment system for technologies related to environmental protection and conservation for public and private industries.
3. An expanded environmental education program by developing a mechanism for strengthening and expanding environmental education in both the formal and informal educational systems.
4. The involvement of private community development organizations in environmental protection and conservation by developing and implementing means to train and motivate public and private community development organizations in both rural and urban areas.

27

5. The establishment of a scientific and technical information system for environmental and natural resources matters within Fundación Natura by developing and maintaining a system for collecting, processing and disseminating scientific and technical information.

IV. PROGRESS TOWARD PURPOSE ACHIEVEMENT AND PROJECT OFFICER ASSESSMENT

The purpose is to expand and strengthen environmental awareness among the Ecuadorian public in such a manner that will motivate the public to take actions to protect and conserve environmental and natural resources.

Project implementation has not encountered major problems. Fundación Natura and the project structure are well established and the project has been effectively managed; during the reporting period Fundación Natura received authorization to submit the CDR (certified disbursement report), authorization which recognizes that Natura has a well organized and reliable financial system.

Fundación Natura has continued to work with both public agencies and other NGO's to expand the environmental education program to all provinces of the country. One of the most active of the project components has been environmental education in the formal educational system, mainly at the elementary and high school levels. This has been developed in part through the OTIDES (Organización Técnica Interministerial de Educación para la Salud) Agreement signed with the Ministry of Health and the Ministry of Education.

Several publications have been produced appeared under the different strategies of the project.

As a counterpart contribution, Fundación Natura has obtained support from the MacArthur Foundation to produce educational materials. Local private enterprises have also provided partial funding for the garbage management campaign with the Quito Municipality. A more recent agreement has been signed with the British ODA and another with the Naumann Foundation from Germany. Fundación Natura is combining resources from other projects to add to the EDUNAT III activities.

Impact of this project in developing environmental awareness has been proven and is increasing.

V. PROGRESS DURING REPORTING PERIOD

1. The production of teaching and information materials has continued at a steady pace. Press releases have increased, especially in the Guayaquil newspapers. As a consequence of EDUNAT's activities, most of the newspapers in Ecuador now have sections dealing with environmental matters.

2. Several publications appeared during the period: a report on the environmental consequences of mining in the Zaruma-Portovelo area, a "Teaching Guide on Pre-school Environmental Education", and "Rural Environment Problems. Alternative Solutions". The latter includes about 80 recommendations to improve agricultural practices related to environmental deterioration.

3. A series of TV spots was produced for students, and reported in the previous SAR, but during this reporting period, they were broadcast through TV channels countrywide.

4. Fundación NATURA, through EDUNAT, has signed an agreement with the Municipalities' Association to develop activities in the areas of information dissemination on environmental problems of special interest for the municipalities; to develop training programs for their councilmen and officers; to prepare technical materials for environmental impact analysis; and, to advise on planning and funding of environmental activities to be implemented by the municipalities. A seminar was organized to discuss these matters with secondary municipalities.

VI. GENDER CONSIDERATIONS

The previous SAR report highlighted the important contribution of women to the project and the leadership provided by women to environmental NGO's in Ecuador.

During the reporting period the policy to encourage women's participation has continued. Some of the activities and/or of the publications will benefit women in rural areas.

VII. EVALUATIONS AND AUDITS

A mid-term evaluation was planned for the reporting period, terms of reference were prepared, and it was expected that the contract would be signed immediately; however, legal problems with contracting foreign technical assistance have prevented the evaluation to be carried out this reporting period. Evaluation will be reported on in the next SAR.

As specified in the Project Agreement, an audit has been contracted, and it will be reported on in the next SAR.

VIII. ISSUES, PROBLEMS, DELAYS AND CORRECTIVE ACTIONS

The mid-term evaluation was delayed and has been rescheduled for June 1991.

(N
A

IX. MAJOR ACTIONS PLANNED FOR THE NEXT SEMESTER

1. 60 radio programs will be broadcast during the next reporting period. (Marco Encalada, September 1991)
2. Four special publications will be produced dealing with the different aspects of environmental management, legislation, etc. (Marco Encalada, June 1991)
3. A book on the "Preliminary Analysis of Environmental Impacts" will be published. (Marco Encalada, June 1991)
4. The 1990 Audit Report will be published (Marco Encalada, June 1991)
5. Mid-term evaluation will be contracted and performed. (Marco Encalada, Fausto Maldonado, June 1991) The scope of work will try to measure the project's impact.
6. Under the Agreement with ODA, a special program for production of teaching aids will start. (Marco Encalada, July 1991).

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2/8

PROJECT STATUS REPORT
 October 1, 1990 - March 31, 1991 A ___ B X C ___

I. BACKGROUND DATA

Project Title: Agricultural Education II
 Project Number: 518-0082
 Date of Authorization: original 07/20/89
 Date of Obligation: original 07/20/89
 PACD: original 07/20/94
 Implementing Agencies: Fundación Privada Wilson Popenoe
 Major Contractors: Escuela Agrícola Panamericana "El Zamorano"
 AID Project Officer: Cecilia Tarré
 Status of CPs/Covenants:
 Date of Last Evaluation: 00/00/00 Next Evaluation: 00/00/00
 Date of Last Audit: 12/31/90 Next Audit: 12/31/91

FINANCIAL DATA (518-0082)

Amount Authorized:	DA Grant: original	\$1,000,000
Amount Obligated:	DA Grant: original	\$1,000,000
Amount Committed:	Grant - Period:	\$0
	Cumulative:	\$1,000,000
Accrued Expenditures:	Grant:	
	Period - Projected:	\$ 133,000
	Period - Actual:	\$ 88,537
	Cumulative:	\$ 214,007
	Period - Next	\$ 100,000
Counterpart Contribution:	Planned:	\$
	Actual	\$
% LOP Elapsed:		34%
% of Total Auth. Oblig. (Grant)		100%
% of Total Oblig. Exp. (Grant)		22%
% of Total Auth. Exp. (Grant)		22%

II. Major Outputs

Based on the experience developed in a previous project (518-0062), the design for the Agricultural Education II was oriented towards the achievement of specific academic training at the Pan American Agricultural School (EAP) in Zamorano, Honduras. The WPF has recruited qualified students for entry into the EAP, and they have succeeded academically, graduating at a higher rate than average.

Major Outputs	Planned */				Accomplished			
	LOP	Period	Cum.	Next Period	Period	Cum.	% of LOP	
1. Training (L.T.)								
1st.yr.students	75	15	15	15	23 (a)	23	31	
2nd.yr.students	75	15	15	15	24 (b)	24	32	
3rd.yr.students	75	15	15	15	15 (c)	15	20	
4th.yr.students	20	--	--	5	--	--	0	
Total stud.years	245	45	45	50	62	62	25	
2. Sex disaggregated data, e.g.**/	0	0	0	0	59	4	59	4 N/A
	M	F	M	F	M	F	M	F M F

*/ Starting Jan. 90. (a) Class of 1992, (b) 1991, (c) 1990.
 **/ The Proj. Agreement calls for a WPF campaign targeted to encourage participation of minority groups including women; however, it does not quantify percentages of these groups.

III. PROJECT DESCRIPTION

The Agricultural Education Training Project II (518-0082) Project is designed to provide support to the Wilson Popenoe Foundation (WPF) to educate Ecuadorian students at the Pan American Agricultural School (EAP) in Zamorano, Honduras.

This project has the same project description and purpose as given in the Agricultural Education Training Project I (No. 518-0062). Thus, the reader is referred to the Project I Report for details on Sections II-VIII for this project.

IV. PROGRESS TOWARD PURPOSE ACHIEVEMENT AND PROJECT'S OFFICER'S ASSESSMENT

- The Foundation has requested a new amendment to the project agreement whereby it commits itself to show evidence that an equivalent of the 60% of administrative costs is deposited into a special account to increase the Foundation's endowment. The Foundation has deposited \$16,000 to date.
- The work of the Foundation has progressed well in the initial phases of operation. This is still an accurate statement of project objectives as described under the project description. It also provides for a more aggressive, permanent financial base to perpetuate scholarships.

3. The Foundation clearly stated its basic purpose: To improve the management and productivity of Ecuadorian agriculture. It elaborated further by specifying the need to infuse a practical application and discipline to the task.

The class of 1993, which started January 1991, enrolled 40 students from Ecuador under the project.

V. PROGRESS DURING REPORTING PERIOD

1. Work with the Mission's Training Officer and the Foundation to improve procedures and preparation of PIO/P's for each student. (C. Tarré - C. León - R. Arámbulo, February 1991).
2. Coordinate with PL-480 Implementation Secretariat in communicating to the Foundation the conditions under which food aid local currency would be donated to the Foundation for its endowment. (C. Tarré - L. Sánchez, March 1991).

VI. GENDER CONSIDERATIONS

Women's participation during this period was low. As in previous periods, only 10% of those enrolled were female. While four women have been selected for this semester, special efforts should be made to recruit more minority and low income women. The Project Officer of the USAID is a woman.

VII. EVALUATIONS AND AUDITS

1. The Wilson Popenoe Foundation's audit will be conducted by Romero & Asociados in May 1991. The first draft of the report will be received by July 1991. Next Evaluation will be in 1992.

VIII. ISSUES, PROBLEMS, DELAYS, AND CORRECTIVE ACTIONS

None this reporting period.

IX. MAJOR ACTIONS PLANNED FOR THE NEXT SEMESTER

1. The Foundation must implement specific controls in financial activities such as: supervision of bank reconciliation; supervision of processed documents; establishment of financial statements' periodicity; supervision of income and disbursement procedures. (R. Arámbulo, May 1991)
2. An amendment to the agreement has been requested, including acceptance of rental office payment by AID only for the Development Director. USAID will reach a decision on Agreement amendment requested. (Cecilia Tarré, June 1991)
3. Receive \$500,000 in debt swap funds from the Monetary Board that will be converted to \$1,100,000. (R. Arámbulo, April 1991)
4. Carry out external audit CY 1991 (Romero & Asociados, May 1991)

7. The National Commission on Coastal Management has requested IDB's assistance to continue with the project after AID's assistance comes to an end. The request has been accepted in principle and it is expected that funding will be provided starting in 1993. Also, Fundacion Pedro Vicente Maldonado has requested the GOE to authorize a debt swap for public education purposes. Positive results are expected and will be discussed in the next SAR.

III. PROJECT DESCRIPTION

The Coastal Resources Management Project (CRMP) is a centrally funded project whose goal is to contribute to the economic development of LDCs by assisting them to develop and apply better methods of managing their coastal resources on a sustainable basis. This will be accomplished through the development of an integrated system for managing coastal resources. The project is implemented through pilot projects in three countries of which Ecuador was chosen in 1985 as the first pilot country.

IV. PROGRESS TOWARD PURPOSE ACHIEVEMENT AND PROJECT OFFICER'S ASSESSMENT

The purpose of the project is to develop an integrated approach for coastal resources management, through different mechanisms related to the management of coastal zones in participating countries. At the end of the project it is expected that approaches developed by project-assisted activities will result in conservation of coastal resources through institutional and technical solutions to CRM conflicts; research results which can be applied to management policies and development decisions; the formation of an LDC inter-agency working group which regularly reviews coastal zone development proposals; and the production of technical information about coastal resources which is utilized for development decisions.

This has previously been considered an "A" project and in view of the recent advances, the Project Officer considers it should continue to be rated "A".

V. PROGRESS DURING THE REPORTING PERIOD

1. After the project extension authorized by AID/W, a new agreement has been prepared to be signed by the GOE. Signature has been delayed due to discussions about GOE financial commitment, but it is expected to occur during the next reporting period.
2. GOE contributions have been obtained to staff the counterpart organization, and the Technical Secretary for the GOE Coastal Resources Program has been appointed (Ing. Miguel Fierro). Assistants to the SAMZ's coordinators were appointed and were to be compensated with Project funds until December, 1990 and with GOE funds from January, 1991. The GOE has contributed a new computer for the Technical Secretariat.

3. Activities in the SAMZ's continued. For example, a water reservoir for Data de Villamil was built, with where the CRMP contribution being quadrupled by the community counterpart contribution.
4. With respect to Mariculture Diversification in Ecuador, the project appointed an Ecuadorian Specialist to work as a counterpart to the URI expert. A working document has been prepared for discussion and submitted to both public and private sector entities. This initiative was well received, and the Fishing Resources Undersecretary designated a representative to the Committee on Diversification.
5. The GOE contracted a specialist in Water Quality Monitoring for three months to continue the water quality assessment.
6. FPVM intensified its press release campaign in the newspapers in Quito and Guayaquil.

VI. GENDER CONSIDERATIONS

The AID/Washington Project Officer and USAID/Ecuador Project Assistant are women. Local professional women provide technical and administrative support at URI and also in the areas of water quality and general education. The Public Education advisor and her Ecuadorian counterpart are also women.

Through different mechanisms, the Project is oriented to reach women as beneficiaries. In the small projects of the Special Area Management Zones, one observes a phenomenon similar to that seen in depressed Sierra areas, i.e. more and more women are left alone to make vital decisions in the absence of their husbands, who work in nearby cities or in other fishing areas.

VII. EVALUATIONS AND AUDITS

A mid-term evaluation was performed in 1989. No evaluation or audit has been planned for this reporting period.

VIII. ISSUES, PROBLEMS, DELAYS AND CORRECTIVE ACTIONS

1. Although the ranger corps units system was established, the lack of resources prevented all of them from being functional. Activities for this year will focus on two units: Bahia de Caraquez and Puerto Bolivar.
2. The debt swap proposal submitted to the Junta Monetaria has been accepted in principle, and apparently approved, but not for the amount initially requested. Its amount will be reduced due to the new rate established for the Ecuadorian debt.

46

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3. The reports on Geomorphology of the Coast and on The Evaluation of Mariculture in Ecuador have been delayed due to problems in getting the final version from the authors.
4. Although the water quality control activities have continued, better coordination is needed with PETROECUADOR, FIRBA, Fundación Natura and the Shrimp Producer's Chamber regarding the preparation of the Coastal Water Quality Monitoring Plan.

IX. MAJOR ACTIONS PLANNED FOR THE NEXT SEMESTER

1. Documents prepared by Doctors Chua, Odum and CLIRSEN will be published under the CRMP Reports series. (L.Arriaga 05/91)
2. The Operating Plan for implementing the Galápagos SAMZ will be revised. (L. Arriaga - May 1991)
3. The Geomorphological Manual of the Ecuadorian coasts will be published. (L.Arriaga/H.Ayon - June 1991)
4. The new Amendment to extend the project and add funding will be signed by GOE. (L.Arriaga/E.Pérez/F.Maldonado - May 1991)
5. The first draft for the Water Quality Control Plan will be prepared. (M. Montaña/L.Arriaga, May 1991)
6. An assistant for the Bahía and Puerto Bolivar Ranger Corps unit will be hired. The organization of the Salinas and San Lorenzo Ranger Corps unit will continue. (L. Arriaga, May 1991)
7. Final versions of the Operating Plans for the Public Education Programs in each SAMZ will be prepared. (L.Arriaga/W.Macias, June 1991)

17

OVERVIEW OF ETIO PORTFOLIO

I. An assessment of overall performance of the ETIO portfolio

a. Non-traditional Export Project: The project now has top quality management in place and project implementation is proceeding at a rapid pace. The leadership includes Eng. Marco Penaherrera, Mgr. of the NTAE; David Anderson, Experience Inc.; Dr. Manuel Vivanco, Executive Director, FEDEXPOR, and Rodrigo Crespo, Executive Director, ANDE. With this new management and new technicians, there has been a rapid build-up of capability to support project objectives in the following areas: a) Export diversification: the project has scheduled 22 events to provide export-oriented training to producers; has supported the establishment of new producer associations (e.g. AGRIPRODUC in Guayaquil, APEPACH in Riobamba) and a new FEDEXPOR office in Cuenca; expanded product coverage to include wood products, aquaculture, livestock, and various seeds and herbs; b) Investment promotion: the project hired a Marketing and investment promotion consultant and sponsored a seminar on maquila operations in Ecuador; c) Technology transfer: numerous consultants were brought to Ecuador to give direct technical assistance to producers of non-traditional agricultural products; d) Policy dialogue: The project hired a consultant on policy dialogue and financial matters, who leads biweekly discussions with key policy makers, including Franklin Manguashca, Economic Advisor to the President.

b. Tourism activities: USAID continued to provide support for tourism through ESF local currency funding for FEPROTUR. The emphasis is on promoting tourism to Ecuador and on support for research on ecotourism attractions which are worth developing and promoting. Activities supported included: Ecuadorian participation in various tourism conferences overseas, publishing of such promotional material on Ecuador as "Facts and Information," Birdwatching, archeology, trekking, and fishing," and tourist pamphlets on the various regions of Ecuador.

c. Trade and investment sector program design: ETIO and PPD, with the help of outside consultants, made substantial progress in designing the new T & I sector program. Building upon the accomplishments of the NTAE project, the T & I sector program will extend product and service coverage beyond agriculture to include manufacturing and other non-traditional export sectors. Its policy dialogue content will also be broader and, if sufficient funds are made available, will include non-project assistance to leverage sector policy reforms.

II. Strategic Objective Indicators for ETIO

ETIO's activities contribute to the achievement of the Mission's Strategic Objective No. 1: Increased trade with emphasis on non-traditional exports. Performance indicators and sources selected

are:

- Increased value of non-traditional exports to the U.S., by principal product category (Source: USDOC Imports for Consumption or AID/LAC/DPP trade database).
- Increased value of non-traditional exports to the world by principal product category (Source: Central Bank of Ecuador). The increase of non-traditional exports for CY'90 was \$22 million as compared with the NTAE project goal of \$16 million.
- Degree of market and product diversification: distribution of total value of non-traditional exports by product and, if data available) by country (Source: Central Bank of Ecuador).
- Increased foreign investment in Ecuador: number or dollar value of new foreign investments (Source: Central Bank of Ecuador or Ministry of Finance).
- Improved trade and investment climate: list of policy changes in these areas in which AID had a direct influence; degree of progress shown in matrix of trade and investment policy constraints; number of state-owned enterprises partially or totally privatized (Source: ETIO and GOE sources).
- Increased employment in non-traditional exports, desegregated by product category and gender (Source: FEDEXPOR and PROEXANT by surveying client firms).

III. Significant sector-wide developments and issues

During the past six months, there have been a number of positive developments in the areas of trade and investment in Ecuador, including a further compression of the range of tariffs, elimination of prior deposit requirements for imports, devaluation of the sucre to keep exports competitive, the continued sale of state-owned company shares to the private sector, passage of legislation authorizing the establishment of free trade zones, the drafting of more favorable foreign investment regulations in line with the improved Cartagena Accord Decision 291, and the presentation to Congress of a new mining law designed to attract foreign investment. Furthermore, through eight commissions coordinated by Presidential Adviser Franklin Manguashca, the GOE has engaged various segments of Ecuadorian society on macroeconomic policy issues in preparation for Andean integration -- and specifically on the proposed acceleration of the schedule for elimination of tariff and non-tariff barriers among Andean Pact countries. There has also been considerable public discussion of President Bush's Enterprise for the Americas and in general the response has been favorable. The result is a heightened consciousness of the need for policy changes to open

Ecuador's economy.

There were also some negative developments, including an increasingly strained relationship between the executive branch and congress. For example, the mining law was sent to congress for "urgent" consideration and was rejected. The President has threatened to sign it into law anyway and, if so, this will raise questions about its legality and discourage potential investors until the matter is cleared up. It is also possible that congress will respond to labor union pressure and try to change the favorable labor provisions of the maquila and free trade zone laws. There has also been virtually no progress in reducing inflation, which is still running at about 50% per year and continues to contribute to the dearth and high cost of credit.

IV. Relevant developments in the sectoral policy dialogue agenda

Under the proposed new T & I sector program, ETIO plans to support GOE establishment of one-stop windows for exports and investments, implementation of the third phase of tariff reform, privatization of state-owned enterprises, and passage of legislation to permit the use of debt swaps to attract investments to such high priority areas as non-traditional exports and tourism.

V. Highlights of the major events, accomplishments, and actions in the portfolio expected during the next six months.

a. Major Events

1. Establishment of new FEDEXPOR office in Machala
2. North American Trade Commission meeting in November

b. Major Accomplishments

1. Completion of the design of the Trade & Investment Sector Program.
2. Implementation of NTAE quality control and post-harvest handling program.

c. Major Actions:

1. USAID has agreed to authorize the use of 300 million sucres in ESF local currency for tourism promotion, training, and ecotourism research and development.
2. Field experiments on new high potential crops.
3. Policy Dialogue Committee review of trade and investment constraints.

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PROJECT STATUS REPORT
October 1, 1991 - March 31, 1991

A X B _____ C _____

BACKGROUND DATA

Project Title:	Non Traditional Agricultural Exports	Amount authorized:	DA Grant: original	\$2,400,000	last amend	\$7,260,000
Project Number:	518-0019 (Loan 518-T-058)		Loan: original	\$4,000,000	last amend	\$7,500,000
Date of Authorization:	original 09/13/84 last amendment 10/30/89	Amount obligated:	DA Grant: original	\$ 230,000	last amend	\$6,852,451
Date of Obligation:	original 09/13/84 last amendment 10/30/89		Loan: original	\$2,000,000	last amend	\$7,500,000
PACD: grant: ,	original 09/30/87 amended to 08/30/94	Amount committed:	Grant - Period:	\$ 0		
loan:	original 09/18/84 amended to 12/31/90					
Implementing Agencies:	Central Bank of Ecuador (BCE)		Cumulative:	\$5,772,419		
	National Association of Businessmen (ANDE)		Loan - Period:	\$ 0		
	Federation of Ecuadorian Exporters (FEDEXPORT)		Cumulative:	\$7,500,000		
	Participating Financial Institutions	Accrued Expenditures:	Grant			
Major Contractors:	Experience Inc.		Period - Projected:	\$ 712,000		
AID Project Officer:	Richard Peters		Period - Actual:	\$ 185,202		
Status of CPs/Covenants			Cumulative:	\$3,242,686		
			Period - Next	\$ 556,000		
			Loan:			
			Period - Projected:	\$ 103,000		
			Period - Actual:	\$ 472,135		
			Cumulative:	\$7,474,819		
			Period - Next	\$ 0		
Date of Last Evaluation:	06/30/90	Next evaluation:	10/01/94			
Date of Last Audit:	06/30/90	Next Audit :	06/30/91			
		Counterpart				
		Contribution	Planned:	\$9,350,000		
			Actual :	\$		
		% LOP Elapsed:		66 %		
		% of Total Auth. Oblig.	(Grant)	95 %		
			(Loan)	100 %		
		% of Total Oblig. Exp.	(Grant)	48 %		
			(Loan)	99 %		
		% of Total Auth. Exp.	(Grant)	45 %		
			(Loan)	99 %		

II. MAJOR OUTPUTS

Major Outputs	Planned				Accomplished				Major Outputs	Planned				Accomplished	
	LOP	Period	Cum.	Next Period	Period	Cum.	% of LOP	LOP		Period	Cum.	Next Period	Period	Cum.	% of LOP
1. Total value NTAE Exports	71M	14.0	24.0	10.0	10.0	25.5	35.9	3.Expansion of Growers	1,500	200	500	900	150	230	15.3
2. New diversified crops 5 @ 2 million each 1994	10M	1.0	3.0	1.0	1.0	3.2	32.0	4.Generation of employment	14,000	1,000	6,000	1,500	515	4,090	29.2

III PROJECT DESCRIPTION

The Non-Traditional Agricultural Exports (NTAE) Project is intended to promote the economic growth of Ecuador through sustained increases in exports of non-traditional products. Redesignated in 1988-89, the Phase II project's components include: (a) agricultural technology; (b) post harvest handling and quality control; (c) market information and product promotion; and, policy dialogue and export financing.

Phase I of project concentrated only on fruit, vegetables, and flowers. For Phase II, amendment 7 of March 1, 1991 added the following products to the project: wood products, aquaculture, grains, livestock products, seeds, vegetable coloring, medicinal herbs and fibers.

IV PROGRESS TOWARD PURPOSE ACHIEVEMENTS AND PROJECT OFFICER'S ASSESSMENT

Purpose: To establish a healthy, growing NTAE sector, supported by effective, self-sufficient services.

EOPS indicators:

1. Sales value per year FOB reaches \$71 million by 1994.
2. Agricultural exports become more diverse (5 new crops, each with an export value of at least US\$ 2 million by 1994)
3. Foreign and Ecuadorian investment in NTAE increases over the project period.
4. Ecuadorian NTAE exports earn market acceptance based on product quality and dependability of suppliers.
5. Benefits of increased exports are distributed equitably (1,500 growers by 1994; 14,000 employees by 1994, of which 65% are women).

Regarding the first EOPS indicator, data from the Central Bank indicates that the value of exports of non-traditional commodities being promoted under the project (flowers, fruits and vegetables) was approximately 16 million in 1989. Unofficial statistics from the Central Bank indicate that exports increased to 22 million for the same categories in 1990, a 35 percent increase!

The export of flowers increased substantially during the semester. Other products with high export percentage increases were: asparagus, lemons, mangoes, melons and cardamomo.

Special attention was given to the establishment and performance of the Management unit of the project. The International Advisor (Experience Inc.) moved from USAID to the Project offices and the project consolidated its operations in October, 1990. The Work Plan of the Project for the present year outlines the activities, strategies and mechanisms to attain the project objectives.

Experience Inc. launched an active field program of technical assistance and help to growers, producers, and associations.

A complete training program was developed. The Minister of Agriculture inaugurated the first seminar in Guayaquil on semi-mechanized tomato production, which was acclaimed by the participants. A total of 22 training events are included in the program.

The promotion of exports and investment has been one of the main Project activities, and for this purpose new offices will be opened throughout the country. The opening of Cuenca office received a positive reaction from the exporters of that city. They wanted to cooperate with the Project and offered all their support.

V. PROGRESS DURING REPORTING PERIOD

1. The Project was amended to add new products in March/91.
2. An agreement was signed between the CFN and the Ministry of Finance for S/. 2,100 million for a line of credit to promote exports of non-traditional products supported by NTAE activities.
3. Opening of new office in Cuenca.
4. Preparation of the 1991 Work Plan
5. Preparation of an Agreement to be signed between Proexant and the BNF for the sources of credit for about US\$ 60 million.
6. Close collaboration between the Policy Dialogue Committee and the eight Commissions of the Presidency in preparation Ecuador's position on the Andean integration.
7. Technical mission to Costa Rica and Guatemala. A detailed report and a video of the technology and post-harvest handling procedures will be part of the training program.

46

8. Initiation of trade promotion, marketing information and investment promotion activities.
9. Preparation of a complete plan for phytosanitary and quarantine programs.
10. Collaboration on studies of trade and investment constraints in Ecuador.
11. Completion of the Credit Line with the Central Bank. Total amount disbursed: US\$ 7,474,819.

VI GENDER CONSIDERATIONS

Women are significant participants in the NTAE industry, specially as providers of unskilled or semi-skilled labor. The flower sector especially, for example, employs 5,000 people, of whom about 70% are women. Giving the existing preference of employers in the industry for women, an expansion in the size of the industry should lead to a corresponding increase in the demand for women's labor. At the same time, the project needs to concern itself with possible hazards to women's health and well-being, such as those resulting from their handling of toxic agricultural chemicals. The program being developed in integrated pest management and safe use of agricultural chemicals will include women as beneficiaries of training programs and recipients of protective equipment. There also may be potential for benefiting women who work in the NTAE sector as managers or owners of businesses.

VII EVALUATIONS AND AUDITS

An external audit is planned for the end of June/1991.

VIII ISSUES, PROBLEMS, DELAYS AND CORRECTIVE ACTIONS

Delays in presenting the vouchers for disbursement have created problems in accounting for expenses; management problems in the Guayaquil office; and delays in submission of quarterly reports should be prepared within 15 days after the period closes.

IX MAJOR ACTIONS PLANNED FOR THE NEXT SEMESTER

1. Initiation of programs covering the products recently added to the project.
2. Continued encouragement for the creation of the "one-stop" export window to reduce administrative paperwork for exports.

3. Preparation of the complete personnel organization chart for the Project for 1991-1992.
4. Identification of new sources of credit.
5. Completion of the training program (18 seminars by September/91).
6. Research for a book on trade and investment constraints in Ecuador.
7. Strengthening the Guayaquil office and filling the positions for manager of the office, agricultural technician, secretary, and driver.
8. Supply of plants and seeds.
9. Implementation of program and training on the use of pesticides.
10. Initiation of quality control and post-harvest handling programs.
11. Launching of a magazine with information on economic statistics, exportable products from the country, production, etc.
12. An agreement between PROEXANT and BNF for a line of credit of US\$ 60,000,000 to promote exports for Non-traditional Agricultural Products will be signed in June/91.

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47

Overview of Sector Activities

USAID/Ecuador continues to have success in reaching its goals in this sector, especially in population and family planning. Preliminary results from the November, 1990 National Population census indicate that the population growth rate (PGR) is much lower than the previous GOE estimates of 2.6%. The current rate appears to be closer to 2.2%, which is also less than the rate calculated from recent surveys. These data provide additional strong evidence that the family planning program has been extremely successful over the last decade.

During the SAR period, the sector strategic objective was refined and performance indicators were revised, as follows:

Strategic objective:

Increased use, effectiveness, and sustainability of Family Planning and Maternal and Child Health Services.

Performance Indicators:

- Contraceptive Prevalence Rate (CPR).
- Infant Mortality Rate (IMR).
- Percent and number of water and sanitation systems operational in targeted provinces.
- Percent of recurrent cost of selected family planning NGOs that is self-generated.
- Percent of MOH regular budget devoted to MCH and Family Planning services in targeted provinces.

Data on the CPR will be obtained from MOH and CEPAR surveys conducted every 3-4 years with linear adjustments applied between surveys. IMR will be based on large surveys, smaller provincial-based rapid assessment surveys, and adjusted national vital registration data. Data on the water and sanitation program will be provided by the GOE implementing organization (IEOS) through annual inventories of provincial water systems in Ecuador. NGOs receiving financial sustainability assistance will provide budgets of their operations by source. Mission will work with the MOH and the MSH contractors to develop reliable data annually for the last performance indicator.

The most significant development in the sector was the outbreak of cholera that began in February, its effects, and the GOE and AID response. In the last several months there have been over 6,000 reported cases of cholera with around 100 deaths. With the focus of MOH on cholera, it has been extremely difficult to do business with the Ministry on other matters. USAID is assisting GOE efforts to control cholera with training, communications, and construction of rural water and sanitation systems. The Mission also arranged for special technical assistance from experts from the International Center for Diarrhea Disease Research from Bangladesh. The Ministry has requested and has preliminary approval for special assistance for procurement of IV solution and other commodities from the PL-480 local currency program.

Progress has been made in the design of the new Health and Family Planning Project that includes an extremely innovative approach to NGOs financial sustainability and policy implementation in the public sector. CEPAR was honored with an award of recognition from the United Nations for their contribution to population programs.

The GOE's record on counterpart funding is mixed. While there are sufficient funds for the Child Survival Project, the GOE failure to meet disbursement schedules is causing a severe problem meeting salary schedules for malaria control workers and is beginning to cause delays in implementing the WASHED project. In an effort to improve the implementation of the Malaria Control Project the MOH has finally, after many years, changed the leadership at SNEM. However, the Mission continues to make its position clear that after the December 31 PACD all Mission support for malaria control will terminate.

There have been advances in sector policy strengthening during this SAR period. Discussions with Ministry of Finance, CONADE, and the Social Security Institute have lead to support for USAID non-project assistance with an agreement to change family planning policies focussing on budget changes and greater use of private sector resources. In addition IEOS has delegated additional authority to the provinces for procurement, thus strengthening decentralization efforts. The Minister of Health has signed a decree approving integration of malaria and basic health services in Manabi province. Furthermore, IEOS has hired and trained 19 new women promotors as hygiene educators and trained an additional 75 rural women in Operations and Maintenance and Hygiene Eduction. This represents a complete change from IEOS's historical policy of essentially working only with men, even where inappropriate.

FHO accomplished about 60% of the major actions planned from the last six months period, including the following: approval of the PID for the Health and Family Planning Project; finalized budget and submitted request to reobligate \$615,000 funds from 518-0015 Project; for the Child Survival and Health Project initiated all technical assistance and conducted project start-up workshops; coordinated with the MOH/World Bank Project team, holding a joint donor workshop and agreeing to MSH Chief of Party participation on the Bank Project Pre-Appraisal Team; for WASHED project, designed a revised hygiene education plan, arranged for long-term training advisor and strengthened IEOS project management team; and for malaria, initiated DDT spraying, continued mass medication program, initiated integration activities, and resolved vehicle customs issue.

During the next six months the FHO plans the following:

1. Approval of Health and Family Planning Project and signing project agreements.
2. Development of a plan to respond to cholera crisis, including following: follow-up MOH request for PL-480 local currency support and arrange for additional technical assistance.
3. Resolve counterpart funding issue with SNEM and IEOS to ensure full funding for all projects.
4. Start-up condom commercial marketing program and close population project audit.
5. Approve annual plans for Child Survival, Malaria and WASHED projects.
6. Deobligate/Reobligate \$615,000 in funds from 518-0015 project and send PACR to AID/W.
7. Participate with World Bank project design team.
8. Initiate international procurement under WASHED and Child Survival Projects and resolve procurement issues under malaria project.
9. Make decision regarding MAP request for no-cost extension of OPG.

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PROJECT STATUS REPORT

October 1, 1990 - March 31, 1990

I. BACKGROUND DATA

Project Title: Population and Family Planning
 Project Number: 518-0026
 Date of Authorization: original 07/22/81
 last amendment 07/27/87
 Date of Obligation: original 09/29/81
 last amendment 09/25/90
 PACD: original 12/31/85 amended to 09/28/91
 Implementing Agencies: Social Security Institute (IESS)
 (Active) Archbishopric of Cuenca, Vicariate of Esmeraldas
 Centro Médico de Orientación y Planificación
 Familiar, (CEMOPLAF)
 Asociación Pro Bienestar de la Familia
 Ecuatoriana, (APROFE)
 Centro de Estudios de Población y Paternidad
 Responsable (CEPAR)
 International Planned Parenthood Federation,
 (IPPF/WHR)
 Contraceptive Social Marketing (CSM), Futura
 Johns Hopkins University
 Major Contractors: International Planned Parenthood Federation/Western
 Hemisphere Region, SOMARC, Futures Group.
 Johns Hopkins University
 AID Project Officer: Manuel Rizzo
 Status of CPs/Covenants: N/A
 Date of Last Evaluation: 05/89 Next Evaluation: none planned
 Date of Last Audit: 12/31/90 Next Audit: 09/28/91

FINANCIAL DATA (518-0026)

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Amount Authorized:	DA Grant: original	\$5,600,000	last amend	\$14,000,000
Amount Obligated:	DA Grant: original	\$ 144,000	last amend	\$11,449,136
Amount Committed:	Grant - Period:	\$ 2,660		
	Cumulative:	\$11,204,265		
Accrued Expenditures:	Grant:			
	Period - Projected:	\$1,749,000		
	Period - Actual:	\$ 774,316		
	Cumulative:	\$9,173,676		
	Period - Next	\$1,520,000		
Counterpart	Planned:	\$3,450,110		
Contribution:	Actual	\$2,770,000		
% LOP Elapsed:		95%		
% of Total Auth. Oblig. (Grant)		82%		
% of Total Oblig. Exp. (Grant)		81%		
% of Total Auth. Exp. (Grant)		66%		

II. Major Outputs

	<u>Planned</u>				<u>Accomplished</u>		
	<u>LOP</u>	<u>Period</u> 10/90 03/91	<u>Cum.</u> 10/81- 03/91	<u>Next</u> <u>Period</u> 04/91 09/91	<u>Period</u> 10/90 03/91	<u>Cum.</u> 10/81- 03/91	<u>% of LOP</u>
1. New clinics & posts	530*	N/A	530	N/A	N/A	547	103
2. New users	417,500	35,000	382,000	40,000	34,869	383,461	92
3. Community based distributors (CBD)	1,240	N/A	1,240	N/A	99	1,292	104
4. Private health practitioners	80**	20	80	10	6	68	85
5. CYP (APROFE & CEMOPLAF)	37,000	--	--	--	15,478	72,566	196
6. Contraceptive Social Marketing (CSM)							
a) No. outlets	1,800	N/A	1,800	N/A	N/A	1,800	100
b) No. condoms distributed	4,000,000	0	0	250,000	-0-	-0-	-0-
c) No. orals distributed	680,000	N/A	N/A	N/A	400,245	2,128,280	313
* This is a change from original target of 972 due to policy decisions of Seguro Social Campesino							
** Analysis revealed that population to be served required only 80 PHP.							
7. Training (persons)	M F	M F	M F	M F	M F	M F	
Long-Term	2 2	0 0	2 0	0 0	0 0	2 0	100 0
Short-Term	50 30	7 3	50 30	3 3	0 0	47 24	94 80

III. PROJECT DESCRIPTION

Assistance, including training, commodities and local costs, is provided for family planning clinical and community services and information education and communication programs for the Social Security Institute, private non-profit organizations (APROFE AND CEMOPLAF), the Church (for Natural Family Planning Programs) and the commercial sector (SOMARC). To increase awareness of population policy issues and population planning capacity, support is provided to CEPAR.

IV. PROGRESS TOWARD PURPOSE ACHIEVEMENT AND PROJECT OFFICER ASSESSMENT

Project Purpose: (a) to improve and expand the availability of family planning (FP) services offered by public and private agencies; (b) to promote a greater demand for these services; (c) to increase national awareness of the multisectorial implications of Ecuador's rapid population growth; and (d) to strengthen Ecuador's population planning capacity.

The project has been very successful in contributing to reductions in the crude birth rate (CBR) and increases in contraceptive use. 1989 survey data indicate that the EOPS targets have already been substantially exceeded, that is, the CBR (target of 35) is already 29 and the contraceptive prevalence rate (CPR) (target of 48%) is already 54%. As for policy, the Government issued a national population policy in October, 1987; however, the policy has not been implemented. Another priority is self-sufficiency of the non-profit family planning organizations. While there has been improvement, the organizations are still only partially self-sufficient with CEMOPLAF and APROFE recovering about 35% of their operating costs but CEPAR less than 10%.

V. PROGRESS DURING REPORTING PERIOD

1. Futura has signed contracts with Sherifarm and Warner Lambert. TV campaign, second phase, was launched. Radio spots promoting use of contraceptives by methods are being broadcasted. Condoms have arrived, been packaged, and are ready for distribution after sale price is determined.
2. For the Social Security Institute's (IESS) National Social Medical Directorate clinical equipment to implement program in the annex dispensaries is in customs. In the Peasant Social Security Program 40% of the clinical equipment has been distributed to the field to initiate IUD insertion portion of the program.
3. 34,869 new users were served at AID-assisted clinics, representing a 6.7% increase over the last reporting period.
4. CEPAR organized and conducted 15 orientation sessions on various topics for over 750 professional association members, community leaders, post graduate students, and other professionals. CEPAR published the following research studies: Biological Variables and Child Survival; Socio Demographic Survey of Urban Marginal Areas of Quito; First Report of ENDEMAIN; and Basic Population Compendium. CEPAR was distinguished with the UN Population Award.

5. The CEPAR/ESF-local currency marginal urban outreach program in Quito increased its distribution points by 31% to 59 and is coordinating with MOH and Municipality of Quito. Contract between MOF and CEPAR ends next June when operational research will also end. CEPAR has prepared a proposal for the Municipality of Quito to finance and continue operating program clinics in its second phase.
6. With assistance from John Hopkins University Population Communication Services a communication committee composed of representatives of all public and private institutions working in population/family planning, was organized and a document which details the support that this committee will receive was approved by agencies' heads.
7. Mission completed analysis of 1991/1992 contraceptive requirement and arranged for procurement.
8. The number of private health practitioners increased to 68.

VI. GENDER CONSIDERATION

There has been a tremendous focus on women's participation in family planning programs in Ecuador. In Ecuador 95% of all users of modern contraceptive methods are women. The most extensive male use of contraception is their participation in instruction as practitioners of natural family planning. Other male participants in direct use of contraception is very limited. Less than 2% of couples use condoms as a means of family planning and vasectomies are virtually non-existent.

However, more can and is being done to involve males in family planning as users and even more importantly as partners in making decisions about family planning. Family Planning organizations are now developing communications messages specifically for men; furthermore, APROFE with AID support is planning to establish a clinic to provide information and services to men.

VII. EVALUATIONS AND AUDITS

- a) Recommendation No. 3. from a Rig audit performed in December 1989 was resolved on September 11, 1990 but will not be closed until procurement of equipment for the urban social security takes place. FHO issued the procurement orders for clinical equipment which is partially in customs and for AV equipment which is in process of being purchased by Mission.
- b) A team of GAO auditors evaluated program organization and the use of data in evaluation. FHO is waiting for the report.

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VIII. ISSUES, PROBLEMS, DELAYS AND CORRECTIVE ACTIONS

1. To initiate condom distribution program, sales price should be reviewed. Price to achieve sustainability now appears to be too high; thus Mission plans to negotiate with FUTURA to accept a reduced profit.
2. Since 1989 APROFE's number of new users has been diminishing steadily. The FHO had designed with APROFE and Population Council a strategy to investigate causes so remedial actions can be initiated within the new project.

IX. MAJOR ACTIONS PLANNED FOR THE NEXT SEMESTER

1. Initiate condom distribution activities after prices are determined. (06/91 M. Rizzo/M. Vergara).
2. Increase from 68 to 80 the number of Private Health practitioners (PHP). (Vergara, 07/91).
- 3) Finalize proposal and transfer the marginal urban outreach program to the Municipality of Quito. (Rizzo, 08/91).
- 4) Close remaining RIG audit recommendation. (Rizzo, Goldman, 08/91).
- 5) Design and approve IEC strategy for institutional communication plan with JHU support (Rizzo/Vergara, JHU 07/91)
- 6) Initiate research (data collection) to determine cause of reduction in patient outreach by APROFE services. (Rizzo 06/91)
- 7) Oversee closing of project 518-0026 activities of including resolution of severance pay issue, balancing budget, and ensuring that all actions are taken. (Rizzo 04/91).

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PROJECT STATUS REPORT
October 1, 1990 - March 31, 1991 A ___ B X C ___

I. BACKGROUND DATA

Project Title: Malaria Control
 Project Number: 518-0049 (Loan 518-U-062)
 Date of Authorization: original 01/29/85
 Date of Obligation: original 03/29/85 last amendment 06/14/86
 PACD: original 02/28/90 amended to 12/31/91
 Implementing Agencies: National Malaria Eradication Service (SNEM)
 Center for Disease Control
 Major Contractors: United Schools of America; Vector Biology Control(VBC)
 AID Project Officer: Katherine Jones-Patron/Irene Barriga
 Status of CPs/Covenants: CPs met
 All covenants of the extension have been met.

Date of Last Evaluation: 10/06/89 Next Evaluation: 09/15/91
 Date of Last Audit: 12/31/90 Next Audit: 12/31/91

FINANCIAL DATA

Amount Authorized: DA Grant: original \$3,000,000
 Loan: original \$6,500,000
 Amount Obligated: DA Grant: original \$1,500,000 last amend \$3,000,000
 Loan: original \$2,500,000 last amend \$6,500,000
 Amount Committed: Grant - Period: \$ 91,400
 Cumulative: \$2,627,740
 Loan - Period: \$ (1,907)
 Cumulative: \$4,812,307
 Accrued Expenditures: Grant:
 Period - Projected: \$ 612,593
 Period - Actual: \$ 253,929
 Cumulative: \$2,374,589
 Period - Next \$ 188,500
 Loan:
 Period - Projected: \$1,323,305
 Period - Actual: \$ 141,214
 Cumulative: \$4,689,358
 Period - Next \$ 754,800
 Counterpart Contribution: Planned: \$11,500,000
 Actual: \$10,720,000
 % LOP Elapsed: 89%
 % of Total Auth. Oblig. (Grant) 100%
 (Loan) 100%
 % of Total Oblig. Exp. (Grant) 80%
 (Loan) 73%
 % of Total Auth. Exp. (Grant) 80%
 (Loan) 73%

II. Major Outputs

	<u>Planned</u>				<u>Accomplished</u>		
	LOP	Period	Cum.	Next Period	Period	Cum.	% of LOP
1. Number of homes sprayed (x 000)	2000	170	1670	170	78	1128	56%
2. Entomological Tests	338	50	337	25	40	240	71%
3. Number of Laboratories (10/zone)	70	6	65	2	6	65	93%
4. Presumptive prophylactic treatment(x000)	2200	180	1852	180	175	1847	84%
5. Mass medication (x 000)	2400	625	1177	650	0	475	20%
6. Training	M F	M F	M F	M F	M F	M F	M F
Long-term	5 0	0 0	1 0	0 0	0 0	1 0	20% 0%
Short-term	50 0	0 5	28 0	2 0	0 0	23 0	46% 0%
In country	1254 0	300 0	1254 0	600 0	362 0	1316 0	104% 0%

54

III. PROJECT DESCRIPTION

1. The malaria control project assists the government of Ecuador in its efforts to control malaria nation-wide to a level where it will no longer be a public health problem and to develop institutional capacities to maintain that level of control. The project's five principal components include: program management (strengthening of program management, epidemiology, surveillance); operational research (field trials of anti-malaria drugs, biological control, drug sensitivity, insecticide resistance, evaluation, and baseline prevalence studies of other vector-borne diseases); commodities (equipment, drugs, vehicles and insecticides); and, training (long and short-term training, in-country and abroad, in vector control field operations, evaluation, epidemiology, entomology, and administrative management).

IV. PROGRESS TOWARD PURPOSE ACHIEVEMENT AND PROJECT OFFICER'S ASSESSMENT

The project purpose is to control the incidence of malaria nation-wide.

The epidemiological data for period January through March, 1991 reports a 17.6% decrease in number of malaria cases if compared to same period 1990. This decrease is likely due to the mass drug treatment activities initiated last semester.

V. PROGRESS DURING REPORTING PERIOD

1. The recommendations included in the Manabi Pilot Study for the integration of malaria control with the general health service are now being implemented. The Minister of Health and the Director General have been very supportive. A decree was signed by the Minister of Health approving the integration. The physical integration of both offices has been scheduled for the first week of May, 1991.
2. The custom clearance problem related to the 43 vehicles and 125 motorcycles was solved once the Ministry of Finance issued Decree No. 568 on March 22, 1991 legalizing the importation of mentioned commodities based on "Law No. 30", which applies to all International Agreements, as originally recommended and requested by the Minister of Health to the Minister of Finance in December, 1990.
3. During the reporting period 11 new staff members were hired by SNEM, of which 8 have been assigned to administration and 3 to field work.

4. In-country training was given to approximately 362 SNEM evaluation auxiliaries and sprayers from all zones under the VBC buy-in. Also, assistance to support and train SNEM personnel in administrative and logistic procedures has been obtained and on-the-job training in warehouse procedures and distribution of commodities to the zones is now being implemented.
5. The special brigade which was formed last semester to clear the lagoon La Propicia in Esmeraldas, heavy mosquito breeding site, continues to work.
6. In response to various administrative problems which the project has been facing, the Minister of Health has taken action to restructure SNEM's administration, naming a new acting Director for SNEM. However, formal nomination and register of signature has not yet taken place.
7. The complementary physical inventory of counterpart commodities began in February and is due in June, 1991.
8. DDT totalling 300 MT arrived in country.
9. Mission discussed assistance for Dengue control with GOE and agreed not to provide additional assistance for this program.
10. The second spraying cycle began on January 15, 1991. However, there was a delay in some zones where the DDT was not able to be distributed on a timely basis. 46% of the scheduled activities have been performed during the reporting period.

VI. GENDER CONSIDERATIONS

In compliance to the Mission's gender considerations, 8 of the 11 employees hired by SNEM during this period are women.

VII. EVALUATION/AUDIT ACTIONS

GOE Controller General has scheduled the general project audit for May, 1991, once the investigation of the missing commodities is concluded in April, 1991.

Mission is currently planning a project final evaluation, scheduled for October, 1991. However, Mission may wish to reconsider doing the evaluation given staffing situation and rational for evaluation.

VIII. ISSUES, PROBLEMS, DELAYS AND CORRECTIVE ACTIONS

1. The mass drug treatment scheduled for February, 1991 was delayed and reprogrammed for April, 1991. Anti-malaria drugs will be administered to approximately 650,000 people in 644 different localities.

59

2. The new labor contract was negotiated between the SNEM Union and the MOH. However, the contract has not been signed due to the lack of GOE funds to cover the contract's demands. GOE continues delaying salary payments. This could cause a new labor problem. Mission has discussed issue with MOH.
3. On October 1, 1990 SNEM submitted to the Mission a copy of the Physical Inventory of project procured commodities carried out by SNEM, reporting missing commodities including a significant amount of malathion and some equipment. USAID/Quito notified RIG Honduras and suspended all procurement until the investigation is completed. The Controller General of Ecuador is conducting the investigation which should be completed in May, 1991. As a follow-up action a meeting was held between USAID/Quito Controller's staff and the GOE Controller General the last week of February, 1991 to discuss the status and importance of the investigation since project commodity procurement has been temporarily suspended until final findings, acceptable to USAID/Quito, are reported and the responsibility determined.
4. In spite of our various written and verbal requests to the Ministry of Health, not much has been done in regarding to the project's general audit. However, audit purpose and scope of work were discussed between our Controller's Office and the GOE Controller General staff and commitment to begin the general audit once the on-going investigation is concluded has been obtained. The general audit has been scheduled to begin on May, 1991.
5. Because of temporary suspension host country international procurement has not taken place. MOH/SNEM do not have the capacity or experience to purchase under emergency or normal basis the commodities required for the project. FHO has suggested that anti-malaria drugs be integrated among the list of medicines procured by GOE through CEMEIN. However, it will take quite a while until SNEM starts negotiating with MOH to include chloroquine/primaquine in the list of generic drugs. Unless suspension is resolved soon, the GOE will not be able to spend project resources on commodity procurement before the PACD, leaving substantial funds for deobligation. As an immediate measure SNEM is looking forward to obtaining PAHO's assistance if feasible and acceptable to AID/W.

IX. MAJOR ACTIONS PLANNED FOR NEXT SEMESTER

1. Administrative and technical restructuring of SNEM staff. Formal nomination and registration of authorized signatures. (Minister of Health - Minister of Finance - 5/91)
2. Drug treatment training will be given to field workers who will participate in the second mass medication program scheduled for May, 1991. (Felipe Arellano, AID; Julio Yépez, SNEM - 4-5/91)
3. Project audit to be performed. (Minister of Health and GOE Controller General - 5/91.)

4. AID will work with SNEM to channel host country international procurements through PAHO if suspension is lifted. (I. Barriga, F. Arellano, - 5/91).
5. Physical integration of SNEM offices to MOH provincial headquarters. (Felipe Arellano, AID; Julio Yépez, SNEM; Manabi Provincial Director - 5/91).
6. Complementary Physical Inventory of counterpart funded commodities to be concluded in June, 1991. (Felipe Arellano, AID; Julio Yépez, SNEM - 6/90)
7. Third spraying cycle in July, 1991. Estimated target: 170,000 houses. (Felipe Arellano, AID; Julio Yépez, SNEM - 07/91)
8. Project final evaluation to be performed (USAID Project Manager; Felipe Arellano, AID; Julio Yépez, SNEM; Andrew Arrata, VBC - 9/91)
9. Partial lifting of suspension for procurement only for medication. Letter to RIG saying controls in place needed.

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PROJECT STATUS REPORT
October 1, 1990 - March 31, 1991

A B X C

I. BACKGROUND DATA

FINANCIAL DATA

Project Title:	Private Sector Financing and Health Care	Amount Authorized:	DA Grant: original	\$ 400,000	last amend	\$ 745,000
Project Number:	518-0060	Amount Obligated:	DA Grant: original	\$ 144,000	last amend	\$ 745,000
Date of Authorization:	original 08/29/85 last amendment 09/27/86	Amount Committed:	Grant - Period:	\$ 0		
Date of Obligation:	original 08/30/85 last amendment 09/27/86		Cumulative:	\$ 745,000		
PACD:	original 09/01/90 amended to 12/31/91	Accrued Expenditures:	Grant:			
Implementing Agencies:	Medical Assistance Program (MAP) International-OPG		Period - Projected:	\$ 60,000		
Major Contractors:			Period - Actual:	\$ 31,245		
AID Project Officer:	Ken Yamashita		Cumulative:	\$ 615,231		
Status of CPs/Covenants:			Period - Next	\$ 60,000		
		Counterpart Contribution:	Planned:	\$ 469,000		
			Actual	\$		
		% LOP Elapsed:		89%		
Date of Last Evaluation:	02/28/89	Next Evaluation:	% of Total Auth. Oblig. (Grant)	100%		
Date of Last Audit:	12/31/90	Next Audit:	% of Total Oblig. Exp. (Grant)	83%		
			% of Total Auth. Exp. (Grant)	83%		

II. Major Outputs

	<u>Planned</u>				<u>Accomplished</u>		
	<u>LOP</u>	<u>Period</u>	<u>Cum.</u>	<u>Next Period</u>	<u>Period</u>	<u>Cum</u>	<u>% of LOP</u>
1. Health service in Marcabeli recovering 100% of costs	100%	15%	85%	15%	70%	100%	100%
2. Health service in Solanda recovering 100% of costs	100%	15%	75%	25%	10%	50%	50%

III. PROJECT DESCRIPTION

The project goal is to improve the health status of Ecuadorian people who do not have access to primary health care services. The purpose is to develop and test alternative ways of privately financing community based primary health activities among rural and marginal urban people in Ecuador.

The project is implemented in one urban site in Quito (Solanda), a housing project which has established clinical and outreach services, and in a rural community in El Oro Province (Marcabeli), which operates a laboratory facility. Clinical services in the rural site are operated by the Ministry of Health.

IV. PROGRESS TOWARDS PURPOSE ACHIEVEMENT AND PROJECT OFFICER'S ASSESSMENT

The rural project site (Marcabeli) has achieved its objective of recovering 100% of costs. Moreover, the laboratory is generating revenues which are being utilized for expansion of services in two areas: 1) establishment of a pharmacy; and 2) outreach into surrounding recintos. The urban project site has suffered from increased input costs and lack of community leadership. Although the clinic is functioning well, and services are being provided on a timely basis and with a high degree of quality, lack of community leadership has resulted in poor decisions about pricing strategies, hours of operation, etc., all which affect financial sustainability. As a result, estimates of cost recovery have actually declined from the last semester.

57

V. PROGRESS DURING REPORTING PERIOD

1. As a result of a site visit to Marcabeli, the cost recovery estimates were substantially revised. The community has embarked on a variety of health service activities, and has estimated cost recovery to date on the totality of their activities, which to date would approximate 45-50%. However, looking at the clinic laboratory, which was the main activity supported by this project and utilized as the basis for establishing project outputs, it was evident that 100% of the costs were being recovered. Generated revenues are being utilized for activities beyond those originally planned to establish a pharmacy and to increase outreach activities into the neighboring villages (recintos).
2. The 91 workplan was established during December, 91, and submitted by MAP during January. All facets of the workplan were agreed to, but changes were later required due to the Cholera outbreak and the difficulties in Solanda (see section VIII below).
3. Technical assistance visits by HFS were postponed due to the Gulf Crisis. They are being rescheduled for June or July.
4. The external audit for the five year period ending August 1990 was completed and submitted in February (see section VII) below.

VI. GENDER CONSIDERATIONS

This project recognizes that the strongest community leaders are women and works with the different women's groups. In Solanda the project supported the organization of the women's group CEMUS. In Marcabeli the project has supported different income generating activities among women to increase household incomes.

VII. EVALUATIONS AND AUDITS

An external audit covering the period 31 August 1985 through 31 August 1990. was presented in February. MAP is currently in the process of reviewing the audit recommendations and establishing a plan for carrying them out. A final external evaluation is planned for the end of project, as well as a final audit. In the meantime, two internal evaluations are planned, one for June/July to determine the cost effectiveness of the Marcabeli Pharmacy, and one in August to determine the effectiveness of changes carried out in Solanda.

VIII. ISSUES, PROBLEMS, DELAYS, AND CORRECTIVE ACTIONS

For Marcabeli:

1. The pharmacy is still not recovering its costs. A more detailed internal financial evaluation is scheduled in June, which will show the level of market penetration and client coverage necessary to reach self sufficiency. A decision will be made at that time whether pharmacy activities should continue.

2. The outreach activities are also not recovering their costs, the main expense being the maintenance costs of the vehicle which is used to travel to the villages. The medical doctor is a Ministry physician and is available at no cost. At the village level, a volunteer health worker takes care of stocking basic medication and referring patients to the MSP clinic in Marcabeli. In order to improve cost recovery, the community health committee is considering various alternatives, including utilizing the vehicle as a "health taxi" and charging patients.

In Solanda:

1. The project has suffered two setbacks, both related. First, the cost of medical inputs (material, reagents, etc.) increased substantially, while the price being charged patients did not. Second, the Junta de Salud disbanded, leaving no directive support for the clinic. Indeed, such lack of direction is perceived to be responsible for the lack of price adjustments. These two factors have resulted in a reduction in the level of cost recovery.
2. Establishing a new administrative structure will take some time. The issue is not so much the clinic activities, but rather the mechanisms for sustained community involvement in an essentially social program. The clinic could easily sustain itself by increasing prices substantially, but would lead to a decrease in patients who are able to pay. The administration and financial management of the clinic is well defined, but leadership is lacking. The community of Solanda has become highly politicized and the organizations are rallying around political issues rather than issues affecting community health.
3. In order to establish alternative mechanisms for providing a sustained health clinic in Solanda, MAP is considering various possibilities, including a closed door HMO, complete privatization, transfer to an existing Foundation or the Ministry of Health, and/or establishing a new Health committee. In order to carry out any of these possibilities, MAP will request a no cost extension.

IX. MAJOR ACTIONS PLANNED FOR THE NEXT SEMESTER

1. Receive proposal from MAP for the no cost extension. This needs to be reviewed by USAID and a decision made. (MAP, Yamashita, PPD. 7-91)
2. Consolidate final gains for Marcabeli, fully institutionalize all aspects of the project, design strategy for dissemination of results and or replication through conferences, workshops, etc..
3. Continue health education activities in Marcabeli with emphasis on Cholera prevention as a key component in Child Survival.
4. Implement audit recommendations.
5. Planned evaluation correlates of success and failure between rural and urban sites.

PROJECT STATUS REPORT
October 1, 1990 - March 31, 1991.

A ___ B X C ___

I. BACKGROUND DATA

Project Title: Child Survival and Health Project
 Project Number: 518-0071
 Date of Authorization: original 06/07/89
 Date of Obligation: original 07/14/89 last amend. 27/03/91
 PACD: original 12/31/94
 Implementing Agencies: Ministry of Public Health (MOH)
 National Health Council (CNS)
 Major Contractors: Management Sciences for Health (MSH)
 AID Project Officers: Fernando Ortega/Katherine Jones-Patron
 Status of CPs/Covenants: All project CPs except one have been satisfied

FINANCIAL DATA

Amount Authorized: DA Grant: original \$12,200,000
 Amount Obligated: DA Grant: original \$ 1,778,000 last amend \$8,365,121
 Amount Committed: Grant - Period: \$ 1,683,565
 Cumulative: \$ 4,281,883
 Accrued Expenditures: Grant: \$1,310,000
 Period - Projected: \$ 295,904
 Period - Actual: \$ 486,353
 Cumulative: \$2,235,000
 Period - Next
 Counterpart Contribution: Planned: \$16,130,000
 Actual: \$ 1,635,000
 % LOP Elapsed: 33%
 % of Total Auth. Oblig. (Grant) 69%
 % of Total Oblig. Exp. (Grant) 6%
 % of Total Auth. Exp. (Grant) 4%

Date of Last Evaluation: 00/00/00 Next Evaluation: 6/92
 Date of Last Audit: 12/31/90 Next Audit: 12/31/91

II. Major Outputs

	<u>Planned</u>				<u>Accomplished</u>			
	<u>LOP</u>	<u>Period</u>	<u>Cum.</u>	<u>Next Period</u>	<u>Period</u>	<u>Cum.</u>	<u>% of LOP</u>	
1. Child Survival Intervention Plans (1 central and 8 provincial, 5 CS components plan each year)	45	9	10	0	9	10	22	
2. Epidemiological Profiles	8	8	8	0	6	6	75	
3. Organizational structures and supervision plans developed	16	16	16	8	8	8	50	
4. Systems Strengthened Plans	45	9	10	0	9	9	20	
5. Private Sector Activities								
Workshops	4	1	2	0	2	2	50	
Studies	8	0	0	0	0	0	0	
Publications	12	1	0	0	0	0	0	
6. Training Overseas	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>
Long-term	4	4	0	0	0	0	0	0
Short-term	19	11	0	0	0	0	0	0

III. PROJECT DESCRIPTION

The project consists of three major components: 1) child survival program strengthening, 2) strengthening of decentralized management and support systems for sustainable child survival service delivery, and 3) the examination of private sector initiatives.

59

IV. PROGRESS TOWARD PURPOSE ACHIEVEMENT AND PROJECT OFFICER'S ASSESSMENT

1. The purpose of this project is to improve the effectiveness of child survival programs in eight provinces with the greatest potential for infant mortality reductions so as to reduce neonatal mortality as well as rural/urban mortality differentials.
2. Baseline data for EOPs have been collected and provincial plans developed for achieving intermediate measures.

V. PROGRESS DURING REPORTING PERIOD

1. During the reporting period the Management Sciences for Health (MSH) Technical Assistance team arrived, was oriented, set-up its central and two provincial offices and accomplished most of the planned workplan activities (95%). The 5% lacking is selection, contracting and location of Technical Advisors in 6 provincial directorates.
2. Project Start-up discussions and planning meetings were initiated in each province to obtain active participation in the project and in development of provincial annual plans. This has been one of the most important activities in building-up provincial teams.
3. Consolidated Annual Plan and budget for 1991 was completed and will be submitted by MOH in April. This plan is the product of a coordinated effort with provincial participation, and is the first of this type for the MOH.
4. The GOE has completed all project CP's, except for Information Systems. The MOH has written the plan which will be submitted to USAID for approval.
5. Training seminars and workshops in Health Education, Mother- Child Care, Computers and Information System use, DDC and ARI were executed in provincial and central levels. This is a continuing activity during the life of the project.
6. Local procurement of materials, supplies and needed equipment has been done by MOH according to defined plan. MSH has set-up its offices according to local and overseas procurement procedures.
7. The second stage of the National Vaccine Bank construction was initiated, project funds were transferred to IEOS for this second stage of construction.
8. The project Executive and Execution Committees have been established. The first meets weekly and the second has met once (instead of start up workshop).
9. The National Health Council held two seminars for the Private Sector component, one in Quito and other in Guayaquil. Results didn't meet MOH or AID expectations. MOH and AID are considering alternative implementation arrangements for this component.

10. Seven short term Technical Advisors helped in planning and training in Computers, Statistics, Education and office management.
11. Not planned activities such as production of educational materials and MOH personnel mobilization had to be done due to Cholera epidemic emergency.

VI. GENDER CONSIDERATIONS

The project will analyze data associated with WID objectives after the first year of provincial activities implementation. The rest remain the same as previous SAR.

VII. ISSUES, PROBLEMS, DELAYS AND CORRECTIVE ACTIONS

1. The local currency funds administered by the MOH Projects Financial Unit has demonstrated slow movement through this period due to: The MOH Project Manager instability during the two first months, Quito and Christmas festivities, delay in liquidation of advances, TA arrival delay, increased prices for local procurement. Corrective actions: plan in advance, maintain a permanent dialogue with provinces, central and AID accountants, increase TA commitment to manage financial issues.
2. In February a major cholera epidemic began with the MOH focussing much of its attendance on controlling cholera. In response USAID agreed to using project resources for communication materials and training to fight the outbreak. In addition USAID brought experts from the International Diarrhea Research Center to assist the GOE with the problem and helped the MOH put together a proposal for \$100,000 PL-480 local currency to purchase additional IV solution and other needed equipment, USAID now plans to work with the Ministry to determine if more assistance is needed.

VIII. MAJOR ACTIONS PLANNED FOR NEXT SEMESTER

1. Select, contract and deploy project advisors for six provincial directorates. (MSH 5/91)
2. Training seminars and workshops in country (MSH/MOH ongoing)
3. Local procurement by MOH according to plan. (MOH ongoing)
4. A plan for overseas purchase will be prepared and implemented by MSH based on annual plan needs. Importation will begin before the end of 1991. (MSH ongoing)
5. Approve Information Systems Condition Precedent. (5/91)
6. Approve the Consolidated Annual Plan for 1991 and initiate implementation. (5/91) Supervision plan will be developed during this period.
7. The Private Sector Component of this project will be re-defined during next period.

8. Second meeting of Execution Committee to discuss implementation of provincial actions. (6/91)
9. MSH contract team Chief of Party will participate with World Bank Pre-Appraisal team to ensure coordination. (MSH, 8/91).

IX. EVALUATION/AUDIT ACTIONS

The Contraloria General de la Nacion has initiated the audit for 1990.

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PROJECT STATUS REPORT
October 1, 1990 - March 31, 1991

A X B C

I. BACKGROUND DATA

Project Title: Water and Sanitation for Health
 Project Number: 518-0081
 Date of Authorization: original 07/21/89
 Date of Obligation: original 09/22/89 last amend. 09/27/91
 PACD: original 12/31/93
 Implementing Agencies: Instituto Ecuatoriano de Obras Sanitarias (IEOS)
 Major Contractors: WASH, Romero Asociados
 AID Project Officer: Katherine Jones-Patron
 Status of CPs/Covenants: All CPs have been met.
 Covenants are recurrent during LOP

Date of Last Evaluation: 00/00/00 Next Evaluation: 04/91
 Date of Last Audit: None Next Audit: 12/31/91

FINANCIAL DATA

Amount Authorized:	DA Grant: original	\$ 1,000,000	last amend	\$4,000,000
Amount Obligated:	DA Grant: original	\$ 853,800	last amend	\$2,562,831
Amount Committed:	Grant - Period:	\$ 0		
	Cumulative:	\$ 705,943		
Accrued Expenditures:	Grant:			
	Period - Projected:	\$ 204,740		
	Period - Actual:	\$ 247,594		
	Cumulative:	\$ 390,043		
	Period - Next:	\$ 615,340		
Counterpart Contribution:	Planned:	\$15,761,000		
	Actual:	\$ 340,000		
% LOP Elapsed:		36%		
% of Total Auth. Oblig. (Grant)		64%		
% of Total Oblig. Exp. (Grant)		16%		
% of Total Auth. Exp. (Grant)		10%		

II. Major Outputs

	<u>Planned *</u>				<u>Accomplished</u>		
	<u>LOP</u>	<u>Period</u>	<u>Cum.</u>	<u>Next Period</u>	<u>Period</u>	<u>Cum.</u>	<u>% of LOP</u>
1. Prov. Oper. Module established	16	8	8	8	8	8	50
2. RWS/S Syst. Const. (served people)	640	80	80	83	13	13	2
3. Hygiene Education (cycles of mass media)	320,000	40,000	40,000	37,000	6,572	6,572	2
4. Operat. & Maint. (RSW/S inventory completed)	7	1	1	1	1	1	14
5. Provincial O&M program initiated	8	2	2	0	8	8	100
6. Local training IEOS personnel	8	0	0	2	0	0	0
7. Training (persons) short-term	2,288	270	270	210	158	158	7
	5,768	378	378	400	472	472	8
	60	0	0	4	0	0	0

* Project start-up was delayed six months while technical assistance and IEOS staffing arrangements were made. Project activities started in October 1990.

III. PROJECT DESCRIPTION

The project consists of five major components: systems construction, hygiene education, operations and maintenance, appropriate technology, and training. The project plans to support the construction of 640 new rural WS&S systems using the decentralized operational module approach and institutionalizing this means of construction in the process. The hygiene education program plans to use mass media and person to person health education technologies to change hygiene behavior to improve health impact. Project operations and maintenance objectives are to (1) establish in IEOS the capability to maintain and support the community Water Boards' maintenance of the RWS&S systems and (2) strengthen the administrative capability of the Water Boards. Activities under the Appropriate Technology component are intended to provide IEOS with the long-term capability to design, manage, and apply research to improve RWS&S technologies and efficiency; and also to complete specific studies that can be used to increase the cost-effectiveness of construction and operations. Training activities undertaken by this project will: (1) upgrade the traditional technical and management skills of IEOS headquarters and field personnel to perform their assigned task appropriately, and (2) introduce new management practices and technical skills called for by this Project's innovations.

62

IV. PROGRESS TOWARD PURPOSE ACHIEVEMENT AND PROJECT OFFICER'S ASSESSMENT

The purpose of this Project is to strengthen the Ecuadorian Institute of Sanitary Works' (IEOS) capability to assist rural communities in eight provinces to (1) install cost effective, technologically appropriate safe water supply systems and latrines; (2) use the water and latrines to improve family health status; and (3) maintain and improve the systems in the future. The eight provinces to be served by the Project are Imbabura, Pichincha, Cotopaxi, Chimborazo, Azuay, Tungurahua, Carchi and El Oro.

The project is progressing well. Concrete baselines and plans for meeting EOPS have been developed. IEOS is strongly supporting the proposed decentralized model providing more delegation of authority to provincial offices. Provincial offices now are more capable of constructing low cost and more efficient water systems. The operation and maintenance and the hygiene education programs together with project training activities are being developed to strengthen Water Community Boards and rural communities to properly use the installed water and sanitation systems.

V. PROGRESS DURING REPORTING PERIOD

1. IEOS presented the CY 1991 annual plan including the five major project activities. Plan also addresses environmental and management development concerns. Mission is reviewing the plan and budget.
2. IEOS has organized all project units at the central and provincial level. Some of them are still weak and need additional support.
3. IEOS, together with WASH technical assistance, has developed the new hygiene communication program which includes anthropological recommendations based on experience of past efforts.
4. A complete inventory of all water systems in 8 provinces was carried out to determine maintenance and repair needs. Of 593 ever built systems constructed, 61% are functioning.
5. Communication lines among Mission and IEOS personnel, long-term advisors, WASH consultants and Project Coordinator have been established. Additional actions from IEOS authorities should be taken to enforce continuity.
6. The second WASH short-term technical assistance visit was satisfactorily completed for four project components. Training of trainers was held in November and Hygiene Education, Appropriate Technology and Operations and Maintenance technical assistance activities were held in January and February.
7. Training activities were initiated in October. Twenty courses were completed providing training to 158 provincial and central level IEOS personnel and to 472 village level potable water board members, and operators and leaders for hygiene education.

8. The Management Development Program to improve managerial capabilities of IEOS personnel at the national and provincial level completed one workshop in October.

9. Arrangements for long term training advisor were completed.

VI. GENDER CONSIDERATIONS

Nineteen women promoters have been trained and contracted to work as hygiene educators. IEOS encourages Community Water Boards to include women as hygiene coordinators and as board members in each community. 75 women from rural communities in eight provinces have been trained to participate in O & M and Hygiene Education programs.

VII. EVALUATION AND AUDITS

The project agreement includes an evaluation plan and calls for annual audits. No evaluations or audits were planned for this period.

VIII. ISSUES, PROBLEMS, DELAYS AND CORRECTIVE ACTIONS

1. The GOE disbursed funds at the end of CY 1990. These funds were sufficient for the low level of implementation during the initial project period. However, this level of funding will not cover project needs during this coming period with an expected acceleration in implementation. Mission intends to discuss with counterpart the need of a stronger commitment to support sector activities.
2. The hygiene education program will need stronger support from GOE to implement the modified plan. GOE will need to provide qualified personnel to manage this ambitious program and disburse funds for mobilization of central level promoters. IEOS may also contract the local long-term advisor as soon as the implementation plan for 1991 is approved by USAID.
3. This project facilitated IEOS response to the cholera epidemic which reached Ecuador in February. One of the hardest hit provinces, El Oro, is part of the project. Resources were used for purchase of chlorine, and for educational materials.

As the epidemic has progressed through most of the provinces, IEOS and USAID must develop a plan for how to best use resources without negatively affecting project progress.

IX. MAJOR ACTIONS PLANNED FOR THE NEXT SEMESTER

1. GOE authorities, long-term technical assistance, WASH consultants, Project Coordinator and Mission representatives will participate in a 3-day workshop to monitor project activities, to be held in July, 1991. (IEOS, Long-term technical assistance, Project Coordinator, K. Jones-Patron, 7/91)

2. Fully establish hygiene communications program (IEOS, Project Coordinator, 9/91).
3. Arrange long-term technical assistance for hygiene communications program (IEOS, 6/91).
4. Initiate international procurement for the project (K. Jones-Patron & Coordinator, 5/91).
6. Initiate six studies of new technology and issue the first technical magazine under the appropriate technology project component. (IEOS, 8/91).
7. Establish the O&M program in Azuay and Cotopaxi provinces. (IEOS, 9/91).
8. Second and third phases of the Management Development Program to improve IEOS managerial capabilities. (WASH, 4-9/91).
9. Meet with Ministry of Finance to obtain commitment for GOE counterpart funds (C. Costello, 6/91).
10. Approve annual plan. (USAID, 5/91).

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74

UNITED STATES GOVERNMENT
memorandum

DATE: April 29, 1991
REPLY TO
ATTN OF: William *WNY* Laeger, Director, RHUDD/SA
SUBJECT: Semi-Annual Review, Office Portfolio Review
TO: Charles Costello, Mission Director, USAID/Ecuador

I. Description of Office Portfolio

A. Shelter Program

1. 518-HG-007
2. 518-0076 Technical Assistance Grant: Housing Finance
3. WASH Project Technical Assistance Buy-in: Infrastructure
4. CUNA/WOCCU Technical Assistance Buy-in: Credit Unions.

B. Municipal Development Initiatives

1. Machala Program
2. Municipal Development Strategy

C. Urban Environmental Initiatives

1. Guayaquil: Private Provision of Social Services: Solid Waste Management (ICMA)
2. Quito:
 - a) Industrial Contaminants - Preventing Pollution Pays (ICMA)
 - b) Air Quality Monitoring - (The Getty Conservation Foundation)
 - c) Urban Growth, Population, and Environment (Rapid III)
 - d) Wastewater Management Needs - (City of Louisville, KY)
 - e) Health Effects of the Urban Environment (USEPA)
3. Ecuador Urban Environmental Strategy Development

II. Overall Performance of Office Portfolio

A. Shelter Program

Intensified efforts have produced the following results: a) liquidation of \$1.6 million of the outstanding advance to the GOE with USAID approval of the discounting of 764 loans by the Financial Fund for Housing (FFH), and b) preliminary Superintendent of Banks approval of the BEV's dual indexation mechanism for shelter lending.

The Monetary Board approved access by credit unions to the BCE's Financial Fund for Housing (FFH), subject to the development of procedures by the Superintendency of Banks.

Monetary Board has continued increasing FFH interest rates for the program. The FFH now applies an interest rate of 45%.

The Camara de Construccion de Guayaquil recently launched an initiative, which we are supporting, to explore new ways for private builders and bankers to develop land, housing and infrastructure programs that offer realistic, affordable alternatives to the current system of land invasions that provide virtually all the new low-cost housing in that city.

B. Infrastructure Program

Monetary Board approval of regulations permitting infrastructure credits to be discounted by the FFH continues to be pending.

Although operational obstacles within BCE continued to hinder FFH discounts of infrastructure credits under the HG-007 program, the Municipality of Quito constructed during this period 7,350 water and 2,200 sewerage connections in low-income neighborhoods. These investments would not have been made without the availability of AID financing or continuing technical assistance support to the municipal infrastructure agencies.

C. Municipal Development Initiatives

The urban poverty and economics study were completed by Urbana Consultores. The study is being used to develop a small pilot project with the Municipality of Machala.

D. Urban Environmental Initiatives

In Guayaquil, we are working with the Special Commission that has recommended a program for partial privatization of the city's solid waste collection services. The Commission prepared a presentation which was reviewed and accepted by the Municipality in January. The Commission is now developing plans for implementing the recommendations.

In Quito, we are cooperating with the Municipality on several urban environmental fronts: a Preventing Pollution Pays program with the Chamber of Industries; in collaboration with the Getty Foundation in establishing an air-quality monitoring capacity; with support from S&T, the RAPID model is being used to illustrate the implications of accelerated urban growth; with assistance from the City of Louisville, the Municipality is being helped to plan for its future wastewater management needs. We have established initial contacts between the Municipality and the Health Effects Division of the USEPA, and will be helping to define a self-sustaining program of technical exchanges.

III Action Plan Strategic Objective and Targets of Opportunity Indicators and Performance Targets

A. The shelter component of HG-007, as an existing project, is treated as a "Target of Opportunity." The indicators of performance are well developed. They are the number of shelter solutions delivered to beneficiary families and the sustainability of financial resources as measured by interest rates on shelter loans.

B. The infrastructure component of HG-007 falls under the Mission's strategic objective "Increased Use, Effectiveness, and Sustainability of Family Planning and Maternal and Child Health Services". Increased coverage of urban water and sanitation systems, and improved, sustainable operation of those systems, enhances health. The indicators for this component are the number of water and sewer connections, and the portion of real and recurrent costs which are collected by tariffs.

C. The objectives of the municipal component with regard to the DI strategic objective ("Strengthened Democratic Institutions with Greater Citizen Participation") are to improve the management of public resources at the local level and to broaden participation in local government decisionmaking. There are a number of indicators which could be chosen to measure progress on this objective. LAC/DI has suggested several for municipal government programs within DI activities:

- 1) Improved institutional capabilities of local government (data to be gathered directly from municipal governments with whom AID works).
- 2) Responsiveness of local officials to public concerns (data to be gathered through opinion surveys)
- 3) Criteria or process used in determining priorities in service and resource allocation (data to be gathered directly from municipal governments with whom AID works)

IV. Significant Sector-Wide Developments and Issues

As a result of RHUDD's intensified efforts to engage the Central Bank, Ministry of Finance, Superintendent of Banks, and the Monetary Board to bring closure and adopt the required policy reforms to restart the paralyzed shelter and infrastructure lending programs, a package of policy changes has been prepared for the Monetary Board's consideration and approval. Whenever this policy change package is approved by the Monetary Board, infrastructure credits will be eligible to be discounted by the FFH and credit unions will gain access to FFH funds for on-lending to low-income families for home improvements. Other policy changes resulting from the Monetary Board's approval of the package will include: a) credit union access to the FFH; b) exemption of FFH from monetary restrictions; c) commitments from the FFH to make discounts to interested EFIs and d) the use of dual index credit mechanisms.

V. Relevant Developments in the Sectoral Policy Dialogue Agenda

An expanded USAID supported policy dialogue has encouraged public and private sector groups to focus on the problems of shelter finance in Ecuador. As a result of this dialogue, new alternatives to the current systems are being explored for the first time in several years. For example, the creation of a secondary market institution is being actively explored. In addition, the BCE has submitted to the Monetary Board for approval a new regulation to streamline FFH procedures.

The Mission is now engaged in several initiatives related to the improvement of urban environments. The general thrust of the effort is to help local governments and other interested groups find better ways of using the resources that are currently available to them in dealing with urban environmental problems. Although we have exceedingly few resources of our own with which to work, we have been successful in finding other sources of assistance within AID/W programs and in sources outside the Agency, such as Louisville, KY, the USEPA, and others.

As a result of policy dialogue under HG-007, water tariffs in Quito rose an average of 20% during this review period on top of a 109 percent average increase in the previous period. The dialogue is directed to the use of water and sewer tariff systems that reflect real recurrent costs for operation and maintenance.

During this reporting period, using WASH Project technical assistance, BEDE completed and implemented new technical and financial standards for "urban upgrading" infrastructure projects. These new standards require projects to incorporate simplified financial and economic analyses so that the projects are affordable to project beneficiaries and feasible for municipal infrastructure agencies to operate and maintain.

We have also begun to explore the possibility of using some of Ecuador's stronger and more progressive municipal administrations as models and training grounds through which AID can effectively reach the weaker city governments. The Mayor of Quito has offered to undertake such a program, starting with the cities of Cuenca, Ambato, Loja, Latacunga, Ibarra, Portoviejo and Manta.

VI. Highlights of Major Events, Accomplishments and Actions Expected During Next Six Months

- Municipal development strategy completed. James Stein, July 19, 1991
- Urban environmental strategy completed. Lindsay Elmendorf, June 28, 1991
- Monetary Board approved policy changes relevant to shelter and infrastructure programs. (Renán Larrea, August, 1991)
- HG-007 evaluation completed. Renán Larrea, June, 1991
- Successful initiation of a Pilot Municipal Project in Machala. James Stein, July 19, 1991

VII Review of Last SAR Actions Taken Over Next Six Months and Relevant Issues Regarding Actions

"Real and positive interest rates". See cable from LAC Bureau attached and our response to this.

To date, LAC Bureau has not responded to attached cable sent by USAID/Ecuador on 4/4/91.

PROJECT STATUS REPORT
October 1, 1991 - March 30, 1991
FINANCIAL DATA (518-0076)

A ___ B ___ C X

I. BACKGROUND DATA

Project Title: National Shelter Delivery System
 Project Number: 518-0076 (Loan 518-HG-007)
 Date of Authorization: original 08/19/87 last amendment 06/27/89
 Date of Obligation: original 09/10/87 last amendment 08/31/89
 PACD: original 08/31/90 amended to 12/31/91
 Implementing Agencies: Central Bank of Ecuador (BCE)
 Major Contractors: CUNA/WOCCU/COLAC; WASH for IA
 AID Project Officer: Sonny Low/Renán Larrea
 Status of CPs/Covenants: N/A

Date of Last Evaluation: 00/00/00 Next Evaluation: 03/91
 Date of Last Audit: 12/31/89 Next Audit: 12/31/90

LOAN 518-HG-007

Date of Authorization: original 09/28/84 last amendment 09/30/89
 Date of Obligation: original 04/26/89
 PACD: original 08/31/89 last amendment N/A

FINANCIAL DATA (518-0076)

Amount Authorized:	DA Grant: original	\$ 1,000,000	last amend	\$1,500,000
	Loan: original	\$20,000,000	last amend	\$35,000,000
Amount Obligated:	DA Grant: original	\$ 226,000	last amend	\$1,500,000
	Loan: original	\$10,000,000		
Amount Committed:	Grant - Period:	\$ (16,695)		
	Cumulative:	\$ 983,182		
	Loan - Period:	\$ 0		
	Cumulative:	\$10,000,000		
Accrued Expenditures:	Grant:			
	Period - Projected:	\$ 562,000		
	Period - Actual:	\$ (16,569)		
	Cumulative:	\$ 670,131		
	Period - Next	\$ 384,000		
	Loan:			
	Period - Projected:	\$ 1,500,000		
	Period - Actual:	\$ 1,557,990		
	Cumulative:	\$ 2,537,009		
	Period - Next	\$ 1,000,000		
Counterpart				
Contribution:	Planned:	\$10,000,000		
	Actual	\$ 3,649,635		
% LOP Elapsed:		83%		
% of Total Auth. Oblig. (Grant)		100%		
	(Loan)	29%		
% of Total Oblig. Exp. (Grant)		45%		
	(Loan)	29%		
% of Total Auth. Exp. (Grant)		45%		
	(Loan)	27%		

II. MAJOR OUTPUTS

	Planned				Accomplished					
	LOP	Period	Cum.	Next Period	Period	Cum.	% of LOP			
1. New Construction	13,780	N/A	N/A	N/A	739	2,131	15.5%			
2. Home Improvements	10,000	N/A	N/A	N/A	25	568	5.7%			
3. Urban Upgrading	42,152	N/A	N/A	N/A	0*	0	0%			
4. Training (Persons)	M	F	M	F	M	F	M	F	M	F
Long-term	0	0	0	0	0	0	0	0	0%	0%
Short-term	0	0	0	0	25	158	67	169	0%	0%

*It should be noted that as a direct result of AID efforts 9,750 water connection and sewer connection were made this period, although not discounted under this Loan.

III. PROJECT DESCRIPTION

Through this Program Low-income families in urban areas are to gain increased access to upgraded and new shelter financed by public and private sector institutions. The policy agenda and major components will be focused on: a) Financial policies of the Financial Fund for Housing (FFH); b) expanded private sector low-cost shelter programs; and c) financial management of municipal infrastructure. Expected outputs are about 66,000 new shelter units, home improvements loans, and residential infrastructure connections loans through the investment of \$35 M (loan 518-HG-007), \$10 M local currency counterpart equivalent, and 2.9 M in down payments. The program has located a discount window at the Central Bank of Ecuador to discount eligible mortgages, home improvement and urban upgrading loans generated by private/public Intermediary Financial Entities (EFIs).

IV. PROGRESS TOWARD PURPOSE ACHIEVEMENT AND PROJECT OFFICERS'S ASSESSMENT

A. Shelter Component

High interest rates applied to FFH lending and the absence of an appropriate mechanism to facilitate lending within an inflationary environment have continued to hinder FFH operations and brought implementation of the HG-007 program almost to a standstill. Developers are not starting any new projects and are adopting marginal solutions to find the way out of earlier commitments. Influential individuals and organizations from the housing and financial sectors have taken several initiatives to create new alternatives, for the FFH and housing finance in Ecuador. These initiatives have been taken in response to constraints of the housing finance sector, AID policy dialogue efforts, and the lack of public sector resources for shelter investments. Monetary Board President, Germánico Salgado, and the FFH Coordinating Unit within the Central Bank have agreed to take administrative decisions to make the FFH more operative. A new draft Regulation has been presented for approval by Monetary Board to allow: (i) discounts of municipal infrastructure connections through BEDE and private financial intermediaries, (ii) credit union access to the FFH, (iii) exemption of FFH from monetary restrictions.

Edison Ortiz, former Subsecretary of MOF, Andrés Vallejo, former president of the Monetary Board and Minister of Government; José Coo from the Private Banking Association; Gonzalo Rodríguez; from the Ecuadorian Housing Bank; and Luis Borrero; from the Superintendency of Banks, have reached consensus to create a secondary market institution for housing finance, separate from the BCE. The final objectives of this group are to generate the legal and administrative conditions to create a sustainable discount system for the housing sector by implementing interest rate liberalization, and dual indexed credit mechanisms, incorporating the commercial banking system through their purchase of BEV bonds used to finance low-income shelter.

B. The Infrastructure Component

Progress toward program objectives in the infrastructure component of the program has been positive. The Quito water and sewer agencies have developed several infrastructure project proposals using technical assistance guidance and recommendations developed by the WASH project consultants.

Discounts of infrastructure credits through the FFH remains dependent upon approval and publication of the above-mentioned Monetary Board regulation, and upon the GOE's willingness to implement the monetary and fiscal policy reforms required to create favorable credit conditions in an inflationary environment.

V. PROGRESS DURING REPORTING PERIOD

A. Housing Finance

BEV is awaiting recommendations from the Superintendency of Banks before its dual indexed housing credit system is authorized. The recommended actions include the adoption of considerations proposed by AID to analyze the borrower's credit capacity.

B. HG loan disbursement

The Central Bank and the MOF have liquidated a \$1.56 million of previous advances from escrow.

C. Credit Union Activities

Germánico Salgado, President of the Monetary Board, announced to Mission staff his personal agreement to facilitate access of qualified credit unions to the FFH. A letter of request to implement this process was sent to the Superintendent of Banks. WOCCU and COLAC, through a Mission-funded cooperative agreement, have prepared documentation of an eligible portfolio of US\$390 000 (400 loans) from four credit unions for discounting at the FFH.

D. Interest Rates

The Monetary Board has continued increasing FFH interest rates for the Program. The FFH now applies an interest rate of 45%. While this rate approaches Ecuador's annualized inflation of 49% for the past 12 months, fewer low-income families will have access to housing credit until Ecuador adopts viable financial mechanisms for lending under inflationary conditions.

E. Policy Dialogue

USAID supported policy dialogue is leading to a joint private and public process which includes discussions among officials at the highest government levels. Final policy decisions are expected to create appropriate conditions for the operation of the FFH System.

F. Infrastructure

Although neither the water (EMAP-Q) or sewer (EMA-Q) agencies of Quito have yet to access FFH discounts for the expected US\$1.0M, municipal authorities continue to prepare and execute new residential infrastructure projects. These projects would not have been executed without the availability of AID resources and AID encouragement and Technical Assistance. WASH Technical Assistance has been a key factor in implementing innovative socioeconomic and financial analyses to make residential connections more affordable to low-income families. As a direct result of this effort, 7,350 water and 2,200 sewer connections have been executed in (365) low income neighborhoods in Quito.

Water tariffs in Quito increased another 20% since the previous reporting period. Municipal authorities have implemented practical billing and recovery procedures.

EMA-Q, the sewer agency of Quito, implemented a cost recovery system for its infrastructure projects. These reforms allow EMA-Q to finance and recover directly from beneficiaries the costs of the sanitary sewerage portion of the installed infrastructure. The portion of the investment owing to storm is financed through the share of EMA-Q in city property taxes.

VI. GENDER CONSIDERATIONS

Under the RHUDO/SA Latin American Center for Urban Management (previous known as Latin American Training Center) project with the International Union of Local Authorities (Latin American Chapter) IULA, a regional seminar entitled "Women and Local Development" took place in Quito, the first Regional Seminar in Gender Considerations.

This project is developing gender-sensitive study methodologies, original research, a series of seminars and workshops, and public findings for broad dissemination in the region.

This seminar had a participation of 153 women from throughout of all Latin America, 123 of the participants were Ecuadorian (mayors, city council members, and other municipal officials).

This project with IULA includes the participation of Association of Ecuadorian Municipalities (AME) and its Center for Training and Local Government Development (INFODEM). This activity has begun to generate positive effects in AME-INFODEM projects locally.

VII. EVALUATION AND AUDITS

Expected results and recommendations from a project evaluation have not yet been obtained due to bureaucratic delays in the BCE approving the planned evaluation. However, as a result of AID's policy dialogue with different public and private institutional actors, various financial entities, builders, and public organizations are anxious to find conditions to put the program back on a viable track by working with the highest levels of the GOE.

VIII. ISSUES, PROBLEMS, DELAYS AND CORRECTIVE ACTIONS

A. The Shelter Component

Due to persistent inflationary conditions and the slow response of the BCE to USAID's on-going policy dialogue with the GOE to put in place policy reforms and credit mechanisms to create conditions attractive to intermediary financial entities and builders, implementation of this program has been seriously hampered.

USAID's persistent policy dialogue with public and private organizations and individuals have finally found interested counterparts. High-level public and private sector individuals have formed a group to analyze and prepare a strategy. A decision paper will be presented high-level GOE staff and President Borja.

The final objectives of this group include the implementation of a secondary market for the housing finance sector, shielded from the bureaucratic and operational limitations of the BCE. The HG-007 funding and USAID technical support are seen as the base to generate this discounting system. Location of the FFH operating system in a restructured BEV is one of several viable alternatives proposed by private commercial bankers. Bankers have proposed that the BEV use funds to be obtained from bonds issued by BEV. The funds would serve to discount credits to low-income families granted by commercial banks under FFH program conditions. BEV has indicated its willingness to make key changes in its organizational structure to transform itself into a secondary market unit for the housing finance sector, and to cease making Direct Loans.

B. The infrastructure component

FFH discounts for approximately US\$1.0 million of infrastructure credits through the Quito water and sewer agencies were delayed while the FFH Coordinator Carlos Castañeda and BEDE agreed on changes required in FFH regulations. The delay was caused by FFH opinion that the existing regulations would not permit the FFH to discount credits made to municipal infrastructure agencies instead of individuals. USAID/Ecuador issued a PIL clarifying procedures for the discount of infrastructure credits, among other items. The FFH then prepared the FFH regulation for approval and publication of the Monetary Board. The regulation is pending approval of the Board.

IX. MAJOR ACTIONS PLANNED FOR THE NEXT SEMESTER

A. Shelter Component:

Accelerate Mission dialogue with MOF, BEV, private banks, the Superintendency of Banks, and other high-level GOE representatives to adopt basic policy decisions to implement new approaches for a sustainable FFH system.

Closely monitor Monetary Board's decision about the new FFH regulation, and the fixing of appropriate interest rates for FFH operations.

Complete contracting and implementation of HG-007 evaluation and study alternatives for the FFH. This activity will be conducted to support the process of dialogue with the group of individuals including GOE senior officials.

Amend USAID/Ecuador buy-in to the WOCCU/CUNA project, based on assessment of initial commitments.

Redesign and amend USAID/Ecuador 518-0076 Grant Project with the Central Bank to facilitate its more effective and timely utilization. Request extension of the PACD of the grant, to facilitate implementation of technical assistance to the Program through more interested counterparts.

Implement access of 4 Credit Unions to the FFH to discount eligible loans by working with the Central Bank and Superintendency of Banks, based on Monetary Board's request to the Superintendency and continue the WOCCU/COLAC TA.

B. Infrastructure Component

Work with Quito's EMAP-Q and BEDE to redefine discounting process of executed infrastructure projects, based upon Monetary Board's new Regulation for the FFH.

Complete WASH consultancy related to financial and operational management.

Amend USAID/Ecuador buy-in to the WASH Project, to restructure planned third phase of WASH TA program for the infrastructure and urban components of the Project to be better respond to changing conditions.

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CLASS: UNCLASSIFIED
SERGT: AID 04-31-91
APPEY: DDIF:EXTRAMER
DRYTD: RUUDO: SLOW:EM
CLEAR: 1. RUUDO: WYATGEF
2. PPD: MDEAL
DISTR: AFDZ DCM 3

AIDAC

TOP LAC/SAM, APRE/A KIM KUPA

INFO: 12356: W/A
SUBJECT: ECUADOR SEMI-ANNUAL REVIEW

REF: (A) STATE 054873; (3) 3/15 RUUDO/SA/LAPERA
MEG.

1. ~~PER REF (1)~~, MISSION WANTS TO TAKE THIS OPPORTUNITY TO RECTIFY AN APPARENT MISTAKE REPORTED BY PARA 4. (1) RELATED TO THE NATIONAL SHELTER DELIVERY SYSTEM (518-0076) PROJECT. THE ERIGIOUS STATEMENT IS: QUOTE NO ADDITIONAL DISBURSEMENTS WILL BE AUTHORIZED FROM ESCROW UNTIL THE MISSION CAN DEMONSTRATE THAT INTEREST RATES UNDER THE PROGRAM ARE POSITIVE AND REAL AND THAT THE INFRASTRUCTURE/COST RECOVERY BENCHMARKS PRESENTED IN THE MISSION'S AUGUST 04, 1989 MEMORANDUM TO T. BROWN AND B. GELMAN ARE FULLY ACHIEVED UNQUOTE.

2. ~~PER REF (3)~~, THE MISSION'S UNDERSTANDING OF THE AGREEMENT REACHED WITH THE LAC BUREAU DURING THE REVIEW AND APPROVAL OF THE NATIONAL SHELTER DELIVERY SYSTEM PROJECT'S SUPPLEMENTAL AUTHORIZATION DURING THE SUMMER OF 1989 WAS AS FOLLOWS:

(A) DISBURSEMENT OF AMT OF THE REMAINING EG-007 PROJECT FUNDS IN ESCROW CONTRACTED BY THE GOE IN FEBRUARY, 1989 IS NOT SUBJECT TO A LAC BUREAU REVIEW NOR CONDITIONED ON THE ACHIEVEMENT OF POSITIVE AND REAL INTEREST RATES.

(B) THE POSITIVE AND REAL INTEREST RATE CONDITION LICKS IN FOR GOE BORROWINGS BEYOND A TOTAL OF DOLS. 15-M OF EG-007 FUNDS WHEN SUCH NEWLY BORROWED EG RESOURCES ARE PROPOSED TO BE USED FOR SHELTER ACTIVITIES.

(C) UP TO DOLS. 10-M OF EG-007 FUNDS CAN BE USED FOR INFRASTRUCTURE ACTIVITIES WITHOUT THE ACHIEVEMENT OF POSITIVE AND REAL INTEREST RATES. HOWEVER, SHOULD THE GOE DECIDE TO REQUEST AID APPROVAL TOMORROW TO BORROW UNDER THE EG-007 UP TO DOLS. 5-M FOR USE EXCLUSIVELY IN FINANCING INFRASTRUCTURE, THE LAC BUREAU WOULD

REQUIRE A REVIEW OF PROGRESS ACHIEVED WITH CERTAIN ESTABLISHED INFRASTRUCTURE PROGRAM BENCHMARKS AGREED TO BY USAID/ECUADOR AND RUUDO/SA. LAMBERT

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DIST: AID



REPLY DUE 2/27/91
 NO REPLY NEEDED
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ON _____
DATE / INITIALS
FILE PRM

AIDAC

E.O. 12356: W/A

TAGS:

SUBJECT: ECUADOR SEMI-ANNUAL PORTFOLIO REVIEW

1. THE MISSION'S SEMI-ANNUAL PROJECT REPORTS FOR APRIL 1 - SEPTEMBER 30, 1990 WERE REVIEWED ON DECEMBER 10, 1990. THE REVIEW MEETING WAS CHAIRED BY PETER BLOOM, LAC/DR AND MIKE DEAL REPRESENTED USAID/ECUADOR. THE REVIEW COVERED CROSS-CUTTING ISSUES AND PROJECT-RELATED ISSUES.

2. ~~THE MISSION IS COMMENDED FOR THE EXCELLENT QUALITY OF THIS YEAR'S SUBMISSION AND FOR THE SPECIAL ATTENTION GIVEN TO WID ISSUES IN THE REPORTS. ADDITIONALLY, THE MISSION IS PRAISED FOR CONTINUING TO CONSOLIDATE THE PORTFOLIO.~~

3. CROSS-CUTTING PROBLEM AREAS

1) THE LACK OF GOOD REPORTING ON COUNTERPART FUNDING WAS NOTED IN THE MEETING AND THE MISSION REPRESENTATIVE CLARIFIED THAT THE MISSION CONTROLLER IS CURRENTLY DEVELOPING A BETTER SYSTEM TO REPORT ON COUNTERPART CONTRIBUTIONS.

2) THE ECONOMIC POLICY ENVIRONMENT WAS DISCUSSED. THE MISSION REPRESENTATIVE AND A REPRESENTATIVE FROM APRE/H PRESENTED THEIR VIEWS THAT THE POLICY ENVIRONMENT IS SLOWLY IMPROVING.

3) CONSOLIDATION OF THE PORTFOLIO. MISSION IS COMMENDED FOR THE CONSOLIDATION WHICH HAS TAKEN PLACE SO FAR AND IS ENCOURAGED TO KEEP CONSOLIDATING SINCE SHRINKING AGENCY RESOURCES WILL REQUIRE SMALLER PORTFOLIOS IN THE FUTURE.

4. PROBLEM PROJECTS

1) NATIONAL SHELTER DELIVERY SYSTEM (518-0076) - DISCUSSION CENTERED ON WHETHER THE GOE IS MAKING PROGRESS AGAINST HIGH INFLATION AND OTHER DISINCENTIVES TO LENDING IN ECUADOR. THE APRE/H REPRESENTATIVE STATED HIS BELIEF THAT PROGRESS IS BEING MADE AND THAT THE DUAL INDEXATION MECHANISM DISCUSSED IN THE SAR WILL BE

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ADOPTED AS A SOLUTION TO LENDING AND BORROWING DISINCENTIVES. NO DECISION WAS MADE AS HOW MISSION SHOULD DEAL WITH THIS PROJECT. THE GUIDANCE WHICH WAS SENT TO USAID/ECUADOR FOLLOWING THE DAEC REVIEW OF THE PROJECT'S PP SUPPLEMENT STILL HOLDS. THAT IS, QUOTE UP TO DOLS 5 MILLION FROM ESCROW (MAY BE USED) TO INITIATE INFRASTRUCTURE ACTIVITIES. NO ADDITIONAL DISBURSEMENTS WILL BE AUTHORIZED FROM ESCROW UNTIL THE MISSION CAN DEMONSTRATE THAT INTEREST RATES UNDER THE PROGRAM ARE POSITIVE AND REAL AND THAT THE INFRASTRUCTURE/COST RECOVERY BENCHMARKS PRESENTED IN THE MISSION'S AUGUST 4, 1989 MEMORANDUM TO T. BROWN AND B. GELMAN ARE FULLY ACHIEVED UNQUOTE. FURTHER, BEFORE ADDITIONAL DISBURSEMENTS MAY BE MADE, A.I.D./WASHINGTON MUST REVIEW THE PROPOSAL AND AUTHORIZE THIS.

// Note:
YAEGER

B) NON-TRADITIONAL AGRICULTURAL EXPORTS (518-0019) - THE MISSION REPRESENTATIVE REPORTED THAT LONG-TERM TECHNICAL ASSISTANCE IS IN PLACE SO IMPLEMENTATION OF THIS PROJECT SHOULD PROCEED SMOOTHLY FROM NOW ON. GIVEN THE HISTORICAL PROBLEMS OF THE PROJECT WITH LOCAL PRODUCER ASSOCIATIONS AND CONTRACTING OF TECHNICAL ASSISTANCE, THE BUREAU WOULD LIKE TO BE KEPT INFORMED OF THE STATUS OF THE PROJECT. THE MISSION SHOULD PROVIDE LAC/DR/SA WITH A COPY OF THE NEXT SAR (PERIOD ENDING 3/31/91).

// Action:
PETERS

C) FORESTRY SECTOR DEVELOPMENT PROJECT (518-0023) - THE BUREAU WAS CONCERNED ABOUT WHETHER THIS PROJECT WOULD NEED TO BE EXTENDED. THE MISSION REPRESENTATIVE REPORTED THAT IT LIKELY WOULD, BUT THAT THE MISSION IS WORKING TOWARD SUSTAINABILITY OF THE ACTIVITIES UNDER THE PROJECT.

// Note:
ALVERSON

D) LAND TITLING PROJECT (518-0059) - THE MISSION MAY WANT TO DEOBLIGATE THE LOAN PORTION OF THIS PROJECT AND REOBLIGATE IT AS A GRANT, WHICH WOULD REQUIRE OMB APPROVAL. A DECISION ON HOW TO PROCEED WITH THIS PROJECT IS AWAITING THE OUTCOME OF AN EVALUATION NOW BEING PREPARED BY A CONTRACTED TEAM. THEREFORE, THERE IS NO RECOMMENDATION FROM THE BUREAU AT THIS TIME. HOWEVER, THE MISSION IS REQUESTED TO SEND A COPY OF THE EVALUATION TO GENE RANCE IN LAC/DR/SA.

// Action:
ALVERSON

E) POPULATION AND FAMILY PLANNING PROJECT (518-0026) - WHILE THIS IS CLEARLY NOT A PROBLEM PROJECT, THE BUREAU WOULD FIND IT USEFUL TO HAVE A COPY OF THE NEXT SAR REPORT, IN ORDER TO MONITOR THE SITUATION WITH REGARD TO

CONDOM DISTRIBUTION. PLEASE PROVIDE A COPY TO DR/EPN. //

Action:
GOLDMAN

F) MALARIA CONTROL PROJECT (518-0049) - DURING THE SAR REVIEW IT WAS NOTED THAT GOE COMMITMENT TO THIS PROJECT HAS BEEN UNEVEN. THEREFORE, THE BUREAU SUPPORTS THE MISSION'S PLAN TO INFORM THE GOE (MOH) THAT THE PROJECT DEFINITELY WILL NOT BE CONTINUED BEYOND THE AMENDED PACE //

Note:
GOLDMAN

5. CLARIFICATIONS/QUESTIONS

1) SMALL FARMER IRRIGATION PROJECT (518-0062) - PLEASE INCLUDE INFORMATION ON THE ENVIRONMENTAL IMPACT OF THE PROJECT IN THE SCOPE OF WORK FOR THE EVALUATION.

Action:
ALVERSON

3) ENVIRONMENTAL EDUCATION (518-0074) - ONE OF THE MAJOR ACTIONS PLANNED FOR THE NEXT SEMESTER IS TO PRODUCE TEN MICRODOCUMENTARIES TO INFORM THE PUBLIC ABOUT EDUNAT III AND THE FUNDACION NATURA. THE MISSION SHOULD CONSIDER COVERING ENVIRONMENTAL ISSUES IN GENERAL IN THE DOCUMENTARIES.

Action:
ALVERSON

C) COASTAL RESOURCES MANAGEMENT PROGRAM (936-5512) - IN THE NEXT SAR TO BE REVIEWED IN A.I.D./W (PERIOD ENDING 9/30/91), PLEASE DEVELOP AND REPORT ON OUTPUT AND END OF PROJECT STATUS INDICATORS.

Action:
ALVERSON

ADDITIONAL CLEARANCES:

AID/EXC/SAM:JSCHNEIDER(DRAFT)
AID/LAC/DR/E:JHESTER(DRAFT)
AID/PPC/PB:TBARKER (DRAFT) BAKER.
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SAR: GDO Office Chief's Summary

(October 1, 1990 to April 1, 1991)

This was a period of both continuity and change for GDO. Despite some operational problems (particularly with the Drug Information and Public Awareness project, 519-0064), our established, long-term activities in participant training, fiscal administration and narcotics prevention continued to progress and produce generally positive results.

Particularly good results were evident in the specialized training projects, LAC TI and APSP (see Project Status Reports). For Fiscal Administration Development (518-0042), accelerated high level discussions continued on the extension and expansion of this tax reform implementation program, with good prospects for success. During the reporting period, GDO's involvement in Small Enterprise Development (518-0056) wound down, with the PACD extended (but only to receive, review and distribute the DAI sectoral assessment reports).

Finally, a multifaceted Administration of Justice Assessment began to show results - a study implemented by a consortium of contractors (ILANUD, CAJ/FIU and MSD). Preliminary indications are that the study should produce a solid basis for USAID to decide on whether and what kind of AOJ activity we will design as part of our commitment to a Democratic Initiatives project in FY 92.

GDO's chief role in the newly-announced USAID Strategic Objectives is to "Support the evolution of stable, democratic societies" - i.e., Democratic Initiatives. As outlined in the FY 92 - 93 Action Plan, this implies several possible projects and activities, some of which are well-advanced in design (including indicators), with others under study, i.e.:

- * CLASP II - Basic PP and indicators provided by AID/W, and RFP issued;
- * Narcotics Cross-Cutting Assessment - Planned for next SAR period, will re-examine and propose possible changes in indicators of success;
- * RTAC Buy-In - Indicators to be provided by LAC, and adapted by GDO for Ecuador;
- * AOJ Assessment - Should suggest most promising directions for AOJ follow-on (and indicators);
- * Democratic Initiatives - Additional project elements and indicators are under study.

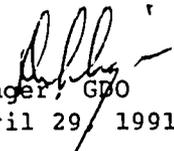
GDO's diverse portfolio and responsibilities make it all but impossible describe significant sector-wide developments and issues. However, the results of forthcoming assessments in participant training, narcotics and AOJ (plus possible further DI studies) should contribute to a broader appreciation of the impact of GDO's work.

Externally, GDO deals primarily with private non-governmental organizations. Internally, our training programs support and respond to the needs of other Mission offices. Consequently, GDO's role has been a limited one in any Sectoral Policy Dialogue Agenda. Yet the Mission's general policy dialogue with the GOE has been helped through the Fiscal Administration (Tax Reform) project. More indirectly, the same goals may well have been served via FNJ's influence in promoting the new drug law and regulations for its implementation. In addition, I believe the impact of tailor-made training programs for GOE policy makers and influential individuals in many fields has been a positive one in USAID's policy dialogue efforts.

During the next six months, GDO plans to complete and analyze the AOJ and Narcotics assessments; wrap up arrangements with LAC for a buy-in to RTAC II; award a major contract to manage our new \$6.6 million CLASP II project; and make progress on the design of a multifaceted DI project.

Finally, in reviewing the last SAR's "Actions for the Next Six Months", the following comments should be made:

- a) It is probable that Fiscal Administration will continue for another year. Its "publications bottleneck" is being overcome; a customs reform element now seems unlikely; due to unforeseen delays, the macroeconomic tax reform studies which were planned for early in the life the tax reform project will be eliminated.
- b) Re SED/SME, the Mission is reviewing the feasibility/desirability of possible future small enterprise work. Meanwhile, the project close-out is proceeding satisfactorily for both the old SED project and the just-completed DAI sectoral assessment.
- c) For the AOJ Assessment, now well underway, the PACD is being extended to July 15, 1991 to facilitate preparation, distribution, and review of the final report and recommendations. USAID's decision to design an FY 92 DI project should enhance the chances of an AOJ activity next year.


DSinger, GDO
April 29, 1991

cc. All GDO Staff

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PROJECT STATUS REPORT
October 1, 1990 - March 31, 1991 A B X C

I. BACKGROUND DATA

Project Title: Graduate Management Program
 Project Number: 518-0035
 Date of Authorization: original 08/13/86
 Date of Obligation: original 08/13/86 last amendment 07/23/87
 PACD: original 10/31/92 last amendment 04/06/90
 Implementing Agencies: Ecuadorian Private Foundation (FPE)
 Major Contractors: University of Houston
 AID Project Officer: Adriana Paez
 Status of CPs/Covenants:

FINANCIAL DATA (518-0035)

Amount Authorized:	DA Grant: original	\$10,000,000	last amend	\$3,178,247
Amount Obligated:	DA Grant: original	\$ 3,500,000	last amend	\$3,178,247
Amount Committed:	Grant - Period:	\$	227	
	Cumulative:	\$	3,178,247	
Accrued Expenditures:	Grant:			
	Period - Projected:	\$	0	
	Period - Actual:	\$	66	
	Cumulative:	\$	3,178,086	
	Period - Next	\$	0	
Counterpart Contribution:	Planned:	\$	4,422,200	
	Actual	\$		
% LOP Elapsed:			100%	
% of Total Auth. Oblig. (Grant)			100%	
% of Total Oblig. Exp. (Grant)			100%	
% of Total Auth. Exp. (Grant)			100%	

Date of Last Evaluation: N/A Next Evaluation: N/A
 Date of Last Audit: 08/31/89 Next Audit: N/A

II. MAJOR OUTPUTS N/A

III. PROJECT DESCRIPTION N/A

IV. PROGRESS TOWARD PURPOSE ACHIEVEMENT AND PROJECT OFFICER'S ASSESSMENT N/A

V. PROGRESS DURING REPORTING PERIOD N/A

VI. GENDER CONSIDERATIONS N/A

VII. EVALUATIONS, AND AUDITS N/A

VIII. ISSUES, DELAYS AND CORRECTIVE ACTIONS

Project computers have been turn over to INCAE, which received other supplies and equipment at project PACD.

In March 1990, the RIG conducted a Non-Federal Audit of the contract between the University of Houston and AID. The audit recommended that USAID/Quito resolve approximately \$800,000 in ineligible questioned contract costs. RCO is responsible for this.

The auditors also stated that there were some problems with the imprest fund.

IX. MAJOR ACTIONS PLANNED FOR THE NEXT SIX MONTHS

1. Received response from the University of Houston to the bill of collection (5/91, RCO)
2. Reach resolution with the University of Houston about the need for an audit of the imprest fund. (7/91, RCO)

PROJECT STATUS REPORT
 October 1, 1990 - March 31, 1991 A ___ B X C ___

I. BACKGROUND DATA

Project Title: Fiscal Administration Development
 Project Number: 518-0042 (Loan 518-W-061)
 Date of Authorization: original 01/13/85 last amendment 03/16/90
 Date of Obligation: original 03/29/85 last amendment 06/03/87
 PACD: original 07/31/89 amended to 07/31/91
 Implementing Agencies: Ministry of Finance (MOF), General Directorate of Revenues
 Major Contractors: OMNIMAX International, Inc., CIAT, INCAE
 AID Project Officer: Eduardo Ortiz
 Status of CPs/Covenants:

Date of Last Evaluation: 10/15/89 Next Evaluation: 07/31/92
 Date of Last Audit: 12/31/90 Next Audit: 07/31/91

FINANCIAL DATA (518-0042)

Amount Authorized:	DA Grant: original	\$4,800,000	
	Loan: original	\$2,000,000	last amend \$2,250,000
Amount Obligated:	DA Grant: original	\$1,500,000	last amend \$4,800,000
	Loan: original	\$1,000,000	last amend \$2,250,000
Amount Committed:	Grant - Period:	\$ (603)	
	Cumulative:	\$4,487,480	
	Loan - Period:	\$ (44,021)	
	Cumulative:	\$1,801,649	
Accrued Expenditures:	Grant:		
	Period - Projected:	\$ 494,000	
	Period - Actual:	\$ 49,915	
	Cumulative:	\$4,093,898	
	Period - Next	\$ 470,000	
	Loan:		
	Period - Projected:	\$ 260,000	
	Period - Actual:	\$ 84,760	
	Cumulative:	\$1,302,978	
	Period - Next	\$ 61,000	
Counterpart Contribution:	Planned:	\$ 2,500,000	
	Actual	N/A	
% LOP Elapsed:		95%	
% of Total Auth. Oblig. (Grant)		100%	
	(Loan)	100%	
% of Total Oblig. Exp. (Grant)		86%	
	(Loan)	58%	
% of Total Auth. Exp. (Grant)		86%	
	(Loan)	58%	

II. Major Outputs

	<u>Planned</u>								<u>Accomplished</u>					
	<u>LOP</u>		<u>Period</u>		<u>Cum.</u>		<u>Next Period</u>		<u>Period</u>		<u>Cum.</u>		<u>% of LOP</u>	
Training (Persons)*	M	F	M	F	M	F	M	F	M	F	M	F	M	F
Short-term	1200	800	300	300	1,100	550	200	300	645	113	1,420	366	118%	45%

* Training seminars to provide familiarization with the Tax Reform are not included (See Section V below)

III. PROJECT DESCRIPTION:

This project is designed to strengthen the General Directorate of Revenues (GDR) tax collection and administrative abilities. The PACD was extended to July 31, 1991 in order to add a new project component designed to institutionalize the January 1990 tax reform legislation. Activities under this component include:

- * Technical assistance to the MOF to help it to implement aspects of the new law.
- * On-the-job training for Ministry of Finance (MOF) staff nation-wide (including the DGR)
- * Public education and information dissemination about the new Tax Reform Law

78

IV. PROGRESS TOWARD PURPOSE ACHIEVEMENT AND PROJECT OFFICER'S ASSESSMENT

The original project purpose was to increase central government fiscal revenues, especially from income and sales taxes. The EOPS was a net increase in non-petroleum revenues of S/.25 billion by the LOP, above and beyond what would have been expected in the absence of the Project. Total tax-based revenues for 1990 were 469.2 billion sucres. This represents, in nominal terms, a 44% increase for years 89/90 which, compared with the 1990 annual inflation rate of 48.5% may not be seen as significant increase. However, this is due to the fact that tax reform was meant to be a long term effort with significant results to be seen after 4-5 years (once the reform is completely instituted). The main focus of the amended project is to consolidate the administration of tax reform. Progress has been made in providing technical assistance and training in key areas of the new tax reform administration. Some delays, particularly in the publications component, continue to be experienced.

V. PROGRESS DURING REPORTING PERIOD

- Technical Assistance:

- tax administration: An improved mechanized audit system including a pilot program to identify new tax payers was approved. The design of computerized tax return forms and field audit procedures including new functional responsibilities for audit supervisors were revised.

- organization and management: A proposal for a new organizational structure for the General Directorate of Revenues (GDR) has been developed. The proposal is now under study by GDR senior officials, and will be presented for final approval by the Minister of Finance during the next reporting period.

- systems: A plan for automating the processing functions of the MOF has been defined. The plan includes remodelling of computer training Centers in Quito and Guayaquil to be funded by AID, as well as computer equipment to be funded by other donors, such as IDB and the Government of Spain.

- Training:

- 2 seminars on "Tax Audit Techniques" held in Quito and Guayaquil with a total of 67 participants (Tax Auditors and Audit Supervisors).

- 12 Seminars on "Control Mechanism for the Special Consumer Tax (ICE)", held nationwide (Quito, Guayaquil, Cuenca, Ibarra, Ambato, Portoviejo, Latacunga, Guaranda, Puyo and Babahoyo) with the participation of 371 tax collection agents.

- 3 "Training for Trainers programs" held in Quito and Guayaquil with a total of 91 participants (Audit Managers).

- 9 basic courses on Computer Sciences (DOS, Lotus 1,2,3 and DBASE III Plus) held in Quito, under the agreement signed between MOF and the National Polytechnic School, with a total of 225 participants.

- 1 International Conference on "Tax Administration, Colombian Experience", held in Cartagena-Colombia, with the participation of 4 high level DGR and MOF officials.

- Space for 2 computer training centers in Quito and Guayaquil (one in each city) has been procured and is now being renovated.

Other activities include:

- Publication of a "Practical Guidelines" (Guía Tributaria) for taxpayers utilizing a case method. This is the first of a series of publications planned for the next reporting period.
- 10 seminars to familiarize public and private institutions with the reform law and the procedures involved in its application were held in Quito with a total of 1,030 participants.

VI. GENDER CONSIDERATIONS:

- The project has a goal of institutional strengthening and does not specifically target individual beneficiaries with the exception of training. Here the numbers of female participants is lower than expected because the project overestimated the number of women to be trained.

VII. EVALUATION AND AUDITS:

- A project financial audit conducted by the Contraloría General del Estado was concluded. The final report has been requested, but not yet received.
- The annual financial audit to be conducted by Price Waterhouse is planned for May 1991.

VIII. ISSUES, PROBLEMS, DELAYS AND CORRECTIVE ACTIONS

- A new Minister of Finance took office in mid-January, 1991 which resulted in some delays in implementing planned project activities. However, the new Minister has expressed his support for the project.
- Three meetings have been held between USAID and MOF officials to consider a possible project extension. USAID and the MOF have agreed on a one year project extension and the reprogramming of US\$400,000 from loan funds and ESF. The MOF will present a new budget to be included in the Mission request to AID/W for project extension approval.
- Delays in the publication component continues to be an issue. However, the Mission understands that responsibility for implementing this activity will be transferred from the Undersecretary for Finance and Public Credit for the Coastal Region to the DGR's main office in Quito. According to MOF officials, this transfer of responsibilities will overcome problems and delays in implementing this activity.

IX. MAJOR ACTIONS PLANNED FOR NEXT SEMESTER

1. Request final report of the financial audit to be conducted by Price Waterhouse (7/91, E.Ortiz).
2. Start implementation of new organizational structure of DGR after Minister of Finance's approval (07/91, DGR).
3. Complete all administrative process for PACD one year extension on the basis of MOF proposal (05/91, PPD/GDO), and obtain AID/W approval.
4. Complete administrative process for one year extension of the CIAT Host Country Contract (05/91, PPD/GDO/RCO).

1082H

74
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74

PROJECT STATUS REPORT
October 1, 1990 - March 31, 1991

A B C

I. BACKGROUND DATA

Project Title: Small Enterprise Development
 Project Number: 518-0056
 Date of Authorization: original 07/31/86 last amendment 01/09/91
 Date of Obligation: original 07/31/86 last amendment 05/31/89
 PACD: original 12/31/89 amended to 04/30/91
 Implementing Agencies: Institute of Socio-Economic and Technological Research (INSOTEC)
 Major Contractors:
 AID Project Officer: Ellen Leddy
 Status of CPs/Covenants:

FINANCIAL DATA (518-0056)

Amount Authorized: DA Grant: original \$4,500,000
 Amount Obligated: DA Grant: original \$1,560,000 last amend \$4,265,504
 Amount Committed: Grant - Period: \$ 377,963
 Cumulative: \$4,233,677
 Accrued Expenditures: Grant:
 Period - Projected: \$ 591,391
 Period - Actual: \$ 336,128
 Cumulative: \$3,274,475
 Period - Next \$ 0
 Counterpart Contribution: Planned: \$ 0
 Actual \$
 % LOP Elapsed: 100%
 % of Total Auth. Oblig. (Grant) 95%
 % of Total Oblig. Exp. (Grant) 77%
 % of Total Auth. Exp. (Grant) 73%

Date of Last Evaluation: 11/17/89 Next Evaluation: N/A
 Date of Last Audit: 12/31/90 Next Audit: 04/30/91

II. Major Outputs

	<u>Planned</u>				<u>Accomplished</u>		
	<u>LOP</u>	<u>Period</u>	<u>Cum.</u>	<u>Next Period</u>	<u>Period</u>	<u>Cum.</u>	<u>% of LOP</u>
1. Increase employment	2149	113	2149	0	100	2911	135%
2. Increase value added							
	*5% in 1989						
	5% in 1990	1%	10	0	1%	10.5%	105%
3. Training (persons)**	23170	948	14643	0	900	24509	105%

* Refers only to Local Foundations under CARE/Fundación Carvajal component.

** Only refers to Local Foundations under CARE/Fundación Carvajal and INSOTEC. Figures represent number of people participating in the different short in-country training courses offered by local foundations.

III. PROJECT DESCRIPTION

The project has three major components: (1) Training and Credit Delivery Mechanisms (CARE/Fundación Carvajal/ACCION-AITEC), (2) Technical Assistance Services (INSOTEC), and, (3) Project Coordination and Evaluation.

1. Training and Credit Delivery Mechanisms Component implemented by CARE, Fundación Carvajal and ACCION/AITEC and provided an integrated package of technical assistance to support the development of credit and training programs for microenterprises in selected areas of Ecuador. Through this component, five microenterprise training and credit programs were established in five secondary cities. Two existing micro-credit programs in Quito and Guayaquil (Fundación Ecuatoriana de Desarrollo and Fundación Eugenio Espejo) received technical assistance to improve performance and increase lending operations.

With the establishment of the AID-funded CFN-INSOTEC Credit Line to support small-scale enterprise activities, the Mission included the participation of Fundación Austral, an NGO that provides training, technical services and legal advice to microentrepreneurs from Cuenca, Loja and Morona Santiago.

2. The Technical Assistance Services Component was implemented by INSOTEC in order to expand the supply and quality of technical assistance to the small scale enterprise sector in five secondary cities through the development of private consultant resources and the provision of technical assistance. Technical assistance was provided through practical courses, workshops/seminars and clinics, as well as individual technical assistance at plant sites.

Beginning in March 1990, to facilitate the provision of TA to microentrepreneurs, INSOTEC's beneficiaries have had access to the AID-funded CFN-INSOTEC Credit Line.

3. The Coordination and Evaluation Component was established to provide expert guidance in project implementation, and an evaluation system which would permit periodic assessments of project achievements at the output and goal level.

IV. PROGRESS TOWARD PURPOSE ACHIEVEMENT AND PROJECT OFFICER'S ASSESSMENT

The project purpose was to increase employment and income in the small scale enterprise sector through an increase and improvement in the supply of technical assistance, training and credit.

The key revised EOPS indicators for the project were the following:

- 2,149 new jobs created in 1987-1990 through INSOTEC, CARE-Fundación Carvajal, and CARE/ACCION components (measured on basis of 8 hours of daily work).
- 5% of increase in value added (measured in real terms) during 1989 and 1990 in microenterprises that have received training and assessment through CARE/Fundación Carvajal.

The project has met these goals.

V. PROGRESS DURING REPORTING PERIOD

During this period, the project was at its final stage. USAID financial support for the implementing institutions under the CARE agreement finished on October 30; CARE closed its activities for the project on November 15; and the majority of Insotec activities ended on December 31/90.

The implementing agencies mainly devoted their efforts to improving the institutions' managerial capability, and to increasing their self-sufficiency.

The main activities were:

- CARE/Fundacion Carvajal/ACTION-AITEC Component

CARE contracted the services of professional consultants for the execution of a Strategic Planning Seminar, which took place on October 1990.

The local foundations that had worked with the Carvajal methodology visited Colombia in October 1990, in order to observe the activities of Colombian NGO's. They also participated in the Seminar "Contact 90", that was held in Miami.

In addition, CARE/ACCION organized the following seminars: Administrative Management Skills and Managerial Skills Needed for the Management of Successful Organizations.

All the local NGOs under the CARE/Fundacion Carvajal component were able to increase their percentage of self-sufficiency in training activities.

- Technical Assistance Component (INSOTEC)

Insotec implemented a new program in Santo Domingo, using Carvajal methodology.

INSOTEC also completed training of personal in several areas: Financial Management, Strategic Planning and Consultant skills.

- The Evaluation Component:

Completed the Ecuador Microenterprise Sector Assessment.

VI. GENDER CONSIDERATIONS

Gender disaggregated data was not collected under this project.

VII. EVALUATION AND AUDITS

INSOTEC is completing its 1990 audit. CARE finished all required audits.

VIII. ISSUES, PROBLEMS AND CORRECTIVE ACTIONS

None

IX. MAJOR ACTIONS PLANNED FOR THE NEXT SEMESTER

The Mission will hold a series of meetings to disseminate the results of the Sector Assessment among the local institutions involved in the SED sector, donor organizations, and other interested parties (5/91 - GDO/ETIO).

Decide how many copies will be distributed, what cost and where funds will come from.

In addition financial close-out will be completed and the project completion report finalized. (9/91 - GDO/CONT).

1101H

PROJECT STATUS REPORT
October 1, 1990 - March 31, 1991

A B C

I. BACKGROUND DATA

Project Title: Improved Quality of Life for Ecuadorian Children
 Project Number: 518-0061
 Date of Authorization: original 07/12/85 last amendment 07/23/87
 Date of Obligation: original 07/12/85 last amendment 07/23/87
 PACD: original 12/31/89 amended to 01/31/91
 Implementing Agencies: National Institute of Child and Family (INNFA)
 Major Contractors:
 AID Project Officer: Adriana de Páez
 Status of CPs/Covenants:

FINANCIAL DATA (518-0061)

Amount Authorized:	DA Grant: original	\$1,414,159	last amend	\$1,213,292
Amount Obligated:	DA Grant: original	\$ 400,000	last amend	\$1,211,135
Amount Committed:	Grant - Period:	\$ 0		
	Cumulative:	\$1,208,135		
Accrued Expenditures:	Grant:			
	Period - Projected:	\$ 127,392		
	Period - Actual:	\$ (32,594)		
	Cumulative:	\$1,158,931		
	Period - Next	\$ 0		
Counterpart Contribution:	Planned:	\$ 321,600		
	Actual	\$		
% LOP Elapsed:		100%		
% of Total Auth. Oblig. (Grant)		99%		
% of Total Oblig. Exp. (Grant)		96%		
% of Total Auth. Exp. (Grant)		96%		

Date of Last Evaluation: 00/00/00 Next Evaluation: 00/00/00
 Date of Last Audit: 12/31/90 Next Audit: N/A

II. MAJOR OUTPUTS N/A

III. PROJECT DESCRIPTION N/A

IV. PROGRESS TOWARD PURPOSE ACHIEVEMENT AND PROJECT OFFICER'S ASSESSMENT N/A

V. PROGRESS DURING REPORTING PERIOD N/A

VI. GENDER CONSIDERATIONS N/A

VII. EVALUATIONS, AND AUDITS N/A

VIII. ISSUES, DELAYS AND CORRECTIVE ACTIONS

PACD was extended from January 31, 1990 to January 31, 1991 for audit purposes only. INNFA has requested some changes in the draft audit report. Price Waterhouse has agreed to these changes. The final report is expected during the next reporting period.

No other project activities have occurred during the reporting period.

The Mission has decided against the use of ESF Local Currency to conduct a project evaluation.

IX. MAJOR ACTIONS PLANNED FOR THE NEXT SIX MONTHS

To receive a copy of the final audit report (7/91 - GDO)

1102H

PROJECT STATUS REPORT
 October 1, 1990 - March 31, 1991 A ___ B ___ C X

I. BACKGROUND DATA

Project Title: Drug Information and Public Awareness
 Project Number: 518-0064.2
 Date of Authorization: original 07/23/87 last amendment 04/02/90
 Date of Obligation: original 07/23/87 last amendment 04/02/90
 PACD: original 07/23/89 last amendment 04/01/94
 Implementing Agencies: Fundación Nuestros Jóvenes
 Major Contractors:
 AID Project Officer: Derek Singer/Eduardo Ortiz
 Status of CPs/Covenants:

FINANCIAL DATA (518-0064.2)

Amount Authorized:	DA Grant: original	\$1,600,000	last amend	\$2,725,000
Amount Obligated:	DA Grant: original	\$ 300,000	last amend	\$2,420,587
Amount Committed:	Grant - Period:	\$ 278		
	Cumulative:	\$2,420,587		
Accrued Expenditures:	Grant:			
	Period - Projected:	\$ 364,000		
	Period - Actual:	\$ 256,157		
	Cumulative:	\$1,931,469		
	Period - Next	\$ 150,000		
Counterpart Contribution:	Planned:	\$ 532,000		
	Actual	\$		
% LOP Elapsed:		55%		
% of Total Auth. Oblig. (Grant)		89%		
100% of Total Oblig. Exp. (Grant)		80%		
% of Total Auth. Exp. (Grant)		71%		

Date of Last Evaluation: 10/14/88 Next Evaluation: 09/30/91
 Date of Last Audit: 12/31/90 Next Audit: 12/31/91

II. Major Outputs

	<u>Planned</u>				<u>Accomplished</u>				<u>% of LOP</u>					
	<u>Period</u>		<u>Cum.</u>		<u>Period</u>		<u>Cum.</u>							
	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>				
Training in drug Prevention (Persons)														
Short-term	15.000	12.000	2.200	2.000	4.200	3.500	2.200	2.500	2.000	3.020	4.900	4.220	32%	35%

III. PROJECT DESCRIPTION

A four-year (1990-1994) "Cooperative Agreement" budgeted for \$1.125 million. The main components include:

- Institutional strengthening of the Fundación Nuestros Jóvenes (FNJ).
- Research on drug consumption and the risks of consumption.
- Prevention information dissemination.
- Legal education.

IV. PROGRESS TOWARD PURPOSE ACHIEVEMENT AND PROJECT OFFICER'S ASSESSMENT

Purpose: To significantly increase public awareness about the problem of drugs and prevention of drug abuse by increasing understanding of the negative effects of drug production, trafficking and consumption.

The EOPS indicators include: a) Government institutions articulate clear and coherent strategies relating to the political, economic, financial and social areas which support drug prevention programs; b) Implementation of effective controls which impede the formation of drug trafficking and production networks; c) A reduction in the rate of growth in the consumption of illegal drugs (as compared to 1988); and d) Anti-drug attitudes, opinions and practices are shared by 95% of the population.

During the reporting period, the implementing regulations for Ecuador's drug law were published and a nation-wide contest to promote national understanding of the new law was instituted. As part of the interim evaluation to be conducted next reporting period, better output indicators will be developed. Progress toward achievement of existing outputs is satisfactory.

V. PROGRESS DURING REPORTING PERIOD:

Institutional Strengthening: FNJ's administrative procedures were strengthened by the development and implementation of a more equitable employee compensation plan, a revised personnel system and administrative-financial manuals. FNJ's recently purchased new building was remodelled and is now occupied by FNJ's Quito-based staff.

Research: A study on "Drug-Users" has been completed. The final report will be published during the next reporting period. A one-week training seminar on "focus groups" was held in Quito, with participation of members of the FNJ's research department.

Preventive Information Dissemination: FNJ's Information Centers in Quito and Guayaquil provided information services to a monthly average of 320 persons interested in drug-related problems. 400 "alertas" (monthly written reports on up-dated literature on drugs) were distributed among opinion and political leaders, Congressmen, university professors, etc. Demand for "Informa T" services now averages 40 telephone calls per day.

Other preventive information activities addressed to high school students, community leaders, and the general public include:

- 9 round-table discussions about drugs in Loja, Imbabura and Pichincha.
- 10 video presentations on drug-related issues in Quito and Guayaquil.
- 6 teacher presentations in Quito and Guayaquil.
- 22 lectures on preventive education in Loja, Manabi, and Pichincha.
- Approximately 108 radio programs broadcast nationwide (Loja, Esmeraldas, Manabi, Imbabura, Machala, Milagro).

Legal Education: One of the results of the Agreement between FNJ and the Ecuadorian Union of Journalists (UNP) is a nation-wide contest to promote national understanding of the new law through the press. Awards will be given for the most effective articles. A three day seminar on "Drug Prevention and the Media", with the participation of about 20 journalists, was held in Quito. Largely as a result of FNJ lobbying, the implementing regulations for the September, 1990 drug law were published in the Official Register on March 7.

Other Activities: The FNJ's self-financing plan has been updated and an "FNJ Self-Financing Committee" was created to implement the Plan. Current Fund-raising activities include:

- A \$10,000 program in technical assistance provided to psychologists from the Ecuadorian child/teenage care centers of the Ministry of Social Welfare.
- An FNJ-sponsored art auction held in Quito, and about \$5,000 in profits was reported.
- A video production corporation (Arte America S.A.) sponsored by FNJ is underway in the Guayaquil area.

An Agreement for a \$500,000 long-term soft loan from the Interamerican Development Bank (IDB) was signed. FNJ anticipates meeting the conditions required for disbursement during the next reporting period.

A \$200,000 ECU grant from the European Economic Community (CEE), to create a Therapeutic Unit to provide curative services to former drug-users, was approved.

VI. GENDER CONSIDERATIONS:

Baseline data containing quantitative and qualitative variables relating to gender for all preventive activities and research programs has been created. Sex disaggregated data will be provided in the next reporting period.

VII. EVALUATION AND AUDITS:

The pre-award audit conducted by Price Waterhouse was completed. GDO hopes to receive the final report in May, 1991. An annual financial audit conducted by a local firm (Romero and Associates), covering the period from April/90 to Dec./90, was completed. This report is also expected in May, 1991. A sectoral assessment of narcotics prevention and education activities (including an FNJ interim evaluation) will begin during the next reporting period.

VIII. ISSUES, PROBLEMS, DELAYS & CORRECTIVE ACTIONS:

- During the reporting period, the FNJ Project Manager position remained unfilled. Candidates presented by the Executive Director have lacked the appropriate background and qualifications. Other "key positions", such as Administrative Director and Legal Advisor, have also been vacant for a significant period of time. The Mission has expressed deep concern over this issue to the FNJ Executive Director.
- The employee turnover rate in administrative and financial management continues to be high. Problems in updating the accounting system have been reported, due to frequent employee turnover. A more attractive compensation plan has been approved which should reduce the rate of personnel turnover.
- There are also some indications that FNJ (the Executive Director) faces serious labor conflicts with former employees over severance pay. The cases are being reviewed by the Ministry of Labor. If the Ministry of Labor finds for the employees, the severance payments may pose a serious threat to FNJ's self financing efforts. The topic will be discussed in a meeting between FNJ's Board of Director's and Mission management.
- The positions of FNJ Executive Director and Chairman of the Board of Directors have been held by the same person since April, 1989. The resulting lack of internal checks and balances has had an unfavorable impact on the timely resolution of management and personnel problems. A meeting with the Board of Directors should also discuss this issue.

IX. MAJOR ACTIONS PLANNED FOR NEXT SIX MONTHS:

1. Urge FNJ to fulfill its staffing obligations by appointing three key senior members to the project: Project Manager, Administrative Director and Legal Adviser. (6/91 - DSinger/EOrtiz)
2. Obtain final report of the long-delayed Price Waterhouse Pre-Award Survey of the Foundation and monitor compliance with its recommendations (5/91 - CONT/GDO).
3. Request final report of financial audit conducted by Romero and Associates, and oversee compliance with its recommendations (5/91, CONT/GDO)
4. Request final report of the Informa-T "impact evaluation". Based on the results of this evaluation, decide whether or not to continue to fund this activity (6/91 - DSinger/EOrtiz)
5. Schedule meeting with Board (possible disbursement suspension).
6. Assessment of quality of FNJ's programs.

I. BACKGROUND DATA

FINANCIAL DATA (518-0067)

Project Title: Andean Peace Scholarship
 Project Number: 518-0067
 Date of Authorization: original 02/14/85 last amendment 09/21/89
 Date of Obligation: original 09/21/87 last amendment 09/21/89
 PACD: original 09/30/91 amended to 09/30/94
 Implementing Agencies: AID/Ecuador
 Major Contractors: Development Associates, EIL and Aguirre International
 AID Project Officer: Jennifer Stimson
 Status of CPs/Covenants: N/A

Amount Authorized:	DA Grant: original	\$6,313,000	last amend	\$6,879,000
Amount Obligated:	DA Grant: original	\$ 75,000	last amend	\$6,535,573
Amount Committed:	Grant - Period:	\$ (16,056)		
	Cumulative:	\$6,519,517		
Accrued Expenditures:	Grant:			
	Period - Projected:	\$ 348,000		
	Period - Actual:	\$1,153,878		
	Cumulative:	\$4,478,276		
	Period - Next	\$ 348,000		
Counterpart Contribution:	Planned:	\$ 0		
	Actual	\$ 0		
% LOP Elapsed:		50%		
% of Total Auth. Oblig. (Grant)		95%		
% of Total Oblig. Exp. (Grant)		69%		
% of Total Auth. Exp. (Grant)		66%		

Date of Last Evaluation: yearly project meetings Next Evaluation: FY93
 Date of Last Audit: 09/30/89 Next Audit: 12/15/91

II. Major Outputs

	<u>Planned</u>								<u>Accomplished</u>					
	<u>LOP</u>		<u>Period</u>		<u>Cum.</u>		<u>Next Period</u>		<u>Period</u>		<u>Cum.</u>		<u>% of LOP</u>	
	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>
Training (Persons)														
Long-term	52	38	10	4	48	30	18	17	7	1	34	21	65	55
Short-term	181	139	28	7	143	123	13	68	24	7	168	71	93	51

III. PROJECT DESCRIPTION

The Andean Peace Scholarship Program is a regional subcomponent of the Caribbean and Latin American Scholarship Program (CLASP), the objectives of which are to contribute to the formation of more effective manpower resources, thereby ensuring the leadership and technical skills needed for the progressive, balanced and pluralistic development of the Andean countries, and to strengthen mutual understanding between these countries and the United States. The program strategy provides for short and long-term US-based training for current and potential leaders. At least 70% of the participants shall be disadvantaged and 40% shall be women.

IV. PROGRESS TOWARD PURPOSE ACHIEVEMENT AND PROJECT OFFICER'S ASSESSMENT

The objectives of the Andean Peace Scholarship Program are to promote democratic values, strengthen U.S.-Andean relations and contribute to the Andean countries' economic, political and social development by providing current or potential leaders with appropriate and relevant technical and academic training in priority developmental areas, as well as exposing them to the U.S., its citizens, values and cultures. Of a total of 400 scholarships projected for Ecuador, 320 (78%) will be short-term (1-9 months, average 6 weeks) and 90 long-term (12-30 months, average 16 months). All training will take place in the United States or Puerto Rico, and will include an "Experience America" cultural component. Follow-up activities will be conducted in order to increase the effectiveness of the training.

To date, 239 short-term participants have received training and 55 long-term scholars have been enrolled in Masters or long-term non-degree programs or preparatory English language courses in the U.S. In addition, another 7 participants are currently receiving in-country English training in preparation for long-term programs scheduled to begin in FY91. Follow-up visits have been made to seven regions of the country where regional alumni associations will be established, diagnostic interviews have been conducted, and questionnaires were sent to all returned participants. Technical seminars, workshops, and other follow-up activities have been held for approximately 120 returned participants.

V. PROGRESS DURING REPORTING PERIOD

1. Short-term training: Training was conducted for 15 young political party leaders and 16 agricultural extensionists, for which participants were prepared by two predeparture sessions per group. 20 participants were selected for the librarian program scheduled to begin in April. Three short-term groups-- 13 national park managers, 15 urban community leaders, and 16 agricultural extensionists-- returned and were debriefed. Initial training plans were developed for the three remaining short-term groups for FY91 (microentrepreneurs, auxiliary nurses and women in agriculture) and recruitment was initiated for the women in agriculture program.

2. Long-term training: Eight long-term participants departed for the U.S. to begin Masters or long-term non-degree programs or preparatory English language training (ELT) in the U.S., after receiving ELT and predeparture orientation in-country, and 8 additional long-term participants were enrolled in a combination of semi-intensive and intensive ELT courses in-country. Six long-term participants returned and ten participants who returned during the previous period attended a debriefing workshop. The agricultural economics program was designed and recruitment and prescreening/interviewing activities were initiated for remaining long-term scholarships in public health and agricultural economics.

3. Liaison with Contractors: a) EIL's new Home Office Coordinator visited Quito in December to meet with field office staff and prepare a revised budget for an amendment to the EIL contract; b) EIL's English language training specialist visited Quito in January to work with the APSP language coordinators and teachers and conduct an evaluation of the APSP English language training program; c) The EIL contract was amended in March to reflect budget modifications and additional follow-up responsibilities; d) EIL, Development Associates and the Mission began to evaluate budget and participant projections for the remainder of the project in light of real costs, needs for extensions, etc., and e) The Fulbright Commission Contract was formerly closed out by the RCO in November.

4. Follow-up: EIL visited returnees in Quito, Ibarra, Tulcan, Latacunga, Puyo, Santo Domingo, Guayaquil, Esmeraldas, and Cuenca, and conducted diagnostic interviews regarding training applicability and follow-up needs with over 40 participants. Evaluation questionnaires were sent to all returned long and short-term participants, the majority of which expressed satisfaction with their training. The results of the follow-up seminar for FY89 municipal participants and counterparts, conducted in August, 1990, were published by the Association of Ecuadorian Municipalities. A meeting was held in Esmeraldas to form a regional alumni association. Two meetings were held to form technical alumni associations for returnees from the FY89 drug prevention education group and two environmentally-related groups: the FY88 watershed managers/ecologists group and the FY90 national park managers group. The DCM hosted a reception/forum on ecology for returnees from the latter two groups and members of the U.S. Mission community.

5. CLASP II Design: The CLASP II Social Institutional Framework (SIF) was completed in December. The CLASP II Project Paper and the PIO/T for the CLASP II Contractor were prepared, and the Project Paper was reviewed during this period.

VI. GENDER CONSIDERATIONS

By Congressional mandate, at least 40% of APSP participants must be women. At the end of this reporting period, 31% were women. This percentage remains low due largely to the fact that the agricultural extensionists and young political leaders groups which departed during this period were male dominated. However, it is expected that four of our FY91 short-term programs -- auxiliary nurses, librarians, microentrepreneurs, and women in agriculture -- as well as our remaining long-term scholarships in public health and agricultural economics will bring our percentage for female participation up to slightly over 40% by September, 1991.

VII. EVALUATION/AUDIT REPORT ACTIONS

The CLASP I evaluation contractor, Aguirre International, has advised the Mission that their evaluation of APSP/Ecuador, originally scheduled for February, 1991, will not be conducted until after CLASP I is over and probably not until CLASP II is in its second or third year of implementation.

Thus, Aguirre International will probably undertake the final evaluation of CLASP I at the same time as it conducts the mid-term evaluation of CLASP II. The in-country contractor, EIL, will contract for an independent financial compliance audit by December, 1991.

VII. ISSUES, PROBLEMS, DELAYS AND CORRECTIVE ACTIONS

The APSP Project Manager, who is expected to return from a half-time to a full-time work schedule in July, wishes to return on a three-quarter time basis. The exception to the proposed three-quarter time schedule, when she would work full-time, would be the period from roughly October, 1991 to February/March 1992, which coincides with the close-out of the CLASP I contract and start-up of CLASP II. GDO will evaluate her proposal and make a recommendation to the Mission as to its feasibility and desirability.

IX. MAJOR ACTIONS PLANNED FOR THE NEXT SEMESTER

1. Approximately 22 auxiliary nurses, 18 microentrepreneurs, and 22 women in agriculture will be selected and training programs will be conducted for these groups as well as 20 librarians, for which they will be prepared by two predeparture orientation sessions per group. (last group in September, JJCisneros, EIL)
2. The librarians, auxiliary nurses and microentrepreneurs will be debriefed upon their return from training. (last group in September, JJCisneros, EIL)
3. Approximately 22 remaining scholars in public health and agricultural economics will be selected in April. (JStimson, GDO; JJCisneros, EIL)
4. Follow-on: Technical alumni association meetings will be held for long-term participants and for the following short-term groups: community leaders, health administrators, artisans, acuaculturists, ecology program participants, agricultural extensionists, and librarians (April-September). Nine regional alumni association meetings will be held by September. Two participant news bulletins and one training "workbook" on drug prevention education will be prepared by September. Two follow-up reception/fora for returned participants and members of the US Mission community will be hosted at the Deputy Director's and the Ambassador's homes by September. (MOrtega/JJCisneros, EIL)
5. 34 long-term participants will begin training between April and August in public administration, educational administration, public administration with an emphasis on health administration, and agricultural economics. They will all receive an orientation program prior to departure. (JJCisneros, EIL)
6. The CLASP II PP will be authorized and the CLASP II PIO/T will be issued in April. (JStimson, GDO; JDunlap, RCO)
7. The contract for CLASP II implementation will be signed in September. (JDunlap, RCO)

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EIL

I. BACKGROUND DATA

Project Title: LAC Training Initiatives
 Project Number: 598-0640
 Date of Authorization: original 04/18/85 last amendment 02/18/87
 Date of Obligation: original 10/01/84 last amendment 09/28/89
 PACD: original 12/31/94 amended to 12/31/92 *
 Implementing Agencies: There are 12 different implementing agencies
 Major Contractors:
 AID Project Officer: Catalina León
 Status of CPs/Covenants:

FINANCIAL DATA (598-0640)

Amount Authorized: DA Grant: original \$ 450,000 last amend \$1,450,000
 Amount Obligated: DA Grant: original \$ 50,000 last amend \$1,443,422
 Amount Committed: Grant - Period: \$ (3,940)
 Cumulative: \$1,420,984
 Accrued Expenditures: Grant:
 Period - Projected: \$ 17,715
 Period - Actual: \$ 24,712
 Cumulative: \$1,329,347
 Period - Next \$ 19,951
 Counterpart Contribution: Planned: \$ 215,000
 Actual \$ 286,282.50
 % LOP Elapsed: 66%
 % of Total Auth. Oblig. (Grant) 99%
 % of Total Oblig. Exp. (Grant) 92%
 % of Total Auth. Exp. (Grant) 91%

Date of Last Evaluation: N/A Next Evaluation: N/A **
 Date of Last Audit: 07/30/89 Next Audit: 07/31/91

* PACD for the Ecuador buy into the regional project
 ** Since this is a regional Project, the evaluation will be carried out by the LAC Bureau at the end of the Project (December 1994).

II. Major Outputs *

	Planned						Accomplished					
	Period		Cum.		Next Period		Period		Cum.		% of LOP	
	M	F	M	F	M	F	M	F	M	F	M	F
Training (Persons)												
Long-term	26	0	0	0	0	0	1	3	14	14	108%	108%
Short-term	105	0	0	0	0	0	1	0	112	27	132%	135%

*NOTE: Targets for female and male participation under the LAC Training Initiatives were not determined in counterpart agreements, except in the case of the only on-going activity with the Fulbright/AID Cooperative Agreement. The level of training (short-term and long-term), as well as the number of scholarships to be implemented under each sub-activity, were specified in each institutional agreement.

III. PROJECT DESCRIPTION

This project is designed to provide training for Ecuadorians in order to promote the transfer of knowledge and skills as a necessary element in the process of development, and also to afford a unique opportunity for participants to be exposed to democratic processes in the United States. Special attention is directed toward the training of disadvantaged segments of the population.

IV. PROGRESS TOWARD PURPOSE ACHIEVEMENT AND PROJECT OFFICER'S ASSESSMENT

A total of 125 participants were planned under the project for fiscal years 85, 86 and 87 (21 academic long-term and 104 technical short-term). Fields of training included agriculture, fruit culture and entomology. With the addition of FY-87 resources, new fields of training were opened, including liberal arts.

To date, a total of 138 short-term and 1 long-term technical courses have been completed, and 28 long-term academic training grants have been implemented. Training fields have included journalism, educational administration, computerized information systems, dairy cattle, agriculture, fruit culture, entomology, wood industry, plant breeding, harvest management, dairy farming, nutrition, housing, special education, journalism, scientific environmental issues, educational technologies, international trade, human resource management and project design/management, housing administration, agribusiness management, marketing, engineering administration, project design/management, ecology, childhood education, environmental science and business administration.

27

V. PROGRESS DURING REPORTING PERIOD

The Fulbright/AID Cooperative Agreement is the only on-going activity under the LAC Training Initiatives Project. The Agreement is effective until December 31, 1992. In order to determine the amount of funds remaining under the Agreement, the PIO/P estimated budgets for previously completed short and long term scholarships are being adjusted to reflect real training costs. This is a continuous action that will go beyond the termination of the last four long-term scholarships. Any excess funds will be used to co-finance training activities in conjunction with other donor organizations in order to allow more groups to be trained.

<u>Status</u>	<u>Targets</u>	<u>Completed</u>	<u>In Progress</u>
1. Short-term technical courses	(104)	138	-
2. Long-term academic programs	(21)	24	4
3. Long-term technical courses	(0)	1	-

VI. GENDER CONSIDERATION:

Targets for female participation were not specified in the counterpart agreements under this project, except in the case of the AID/Fulbright Cooperative Agreement. That agreement established a global target of 32%, and under the Fulbright Agreement, women's participation has been 20% short-term and 69% long-term.

VII. EVALUATION/AUDIT REPORT ACTIONS

The Fulbright Commission contacted the AID authorized audit firms Price Waterhouse and Romero y Asociados. Only Romero y Asociados has submitted a proposal. Once the two proposals are available, a decision will be made so that the audit of this activity can be carried out immediately.

VIII. ISSUES, PROBLEMS, DELAYS AND CORRECTIVE ACTIONS

The regional PACD for this project is December 1994. The Ecuador buy-in PACD is December 1992. Unfortunately, all funds have been fully committed. Therefore, the Mission is unable to initiate any new activities under this very successful project. Based on project success and the importance of training in Ecuador's development, the General Development Office requests that additional funding be provided to this agreement. Our estimate is \$25,000 per/person for a two-year master's degree level. If funds are allocated and PACD is extended through December 31, 1994, several scholarships can be implemented in accordance with the purpose and goals of this project, in order to permit individuals who are not eligible for training under CLASP II to be trained under "Target of Opportunity" circumstances.

IX. MAJOR ACTIONS PLANNED FOR THE NEXT SEMESTER

Under the AID/Fulbright Cooperative Agreement, the Mission will co-sponsor the participation of twelve Ecuadorian candidates, representing private and public sector higher education institutions throughout Ecuador to attend a USIA-sponsored Workshop on Higher Education for Ecuadorian University Administrators to take place in Gainesville, Florida from April 14-26, 1991. The use of project funds for this purpose will deplete LAC.II.

PROJECT STATUS REPORT
October 1, 1990 - March 31, 1991

A ___ B X C ___

FINANCIAL DATA (518-0004)

I. BACKGROUND DATA

Project Title: Special Development Activity Authority
 Project Number: 518-0004
 Date of Authorization: original 10/01/85
 Date of Obligation: original 10/01/85
 PACD: N/A
 Implementing Agencies:
 Major Contractors:
 AID Project Officer: Patricio Maldonado
 Status of CPs/Covenants:

Date of Last Evaluation: 11/30/89 Next Evaluation:
 Date of Last Audit: N/A Next Audit: N/A

Amount Authorized:	DA Grant: original	100,000
Amount Obligated:	DA Grant: original	19,850
Amount Committed:	Grant - Period:	19,850
	Cumulative:	19,850
Accrued Expenditures:	Grant:	
	Period - Projected:	40,000
	Period - Actual:	45,815
	Cumulative:	N/A
	Period - Next	N/A
Counterpart		
Contribution:	Planned:	N/A
	Actual	N/A
% LOP Elapsed:		50%
% of Total Auth. Oblig. (Grant)		19.5%
% of Total Oblig. Exp. (Grant)		90%
% of Total Auth. Exp. (Grant)		18%

II. Major Outputs

Not applicable to this project.

III. Project Description

The purpose of the project is to finance small self-help activities aimed at improving the lives of the rural and/or urban poor with financial support that can have an immediate impact at the community level.

IV. Progress Toward Purpose Achievement and Project Officer's Assessment

During the reporting period, 7 new small community development projects throughout Ecuador were approved for SDAA assistance, in areas such as micro-enterprise development, technical skills training, agriculture, etc.

The total SDAA funds committed in this reporting period is of US\$23,270.

The project has accomplished its objective of reaching poor disadvantaged groups in Ecuador's urban and rural areas with quick financial assistance that has achieved a positive social and economic impact for at least 1,200 beneficiaries.

V. Progress During Reporting Period

Same as No. IV above.

VI. Gender Considerations

Approximately 45% of SDAA direct beneficiaries are women, principally in the areas of skills training, micro-enterprise development and agriculture.

VII. Evaluation/Audit Report Actions

There are non outstanding.

VIII. ISSUES, PROBLEMS, DELAYS AND CORRECTIVE ACTIONS

There are no major issues.

IX. Major Actions Planned for the Next Semester

1. The Mission will continue to implement SDAAs in light of PPD reduced staff.

PROJECT STATUS REPORT
October 1, 1990 - March 30, 1991
FINANCIAL DATA (518-0044)

A B C

I. BACKGROUND DATA

Project Title: Technical Training
 Project Number: 518-0044
 Date of Authorization: original 08/16/84 last amendment 05/30/89
 Date of Obligation: original 08/16/84 last amendment 05/30/89
 PACD: original 09/30/89 amended to 09/30/92
 Implementing Agencies: Centro Juvenil San Patricio
 Major Contractors:
 AID Project Officer: Patricio Maldonado
 Status of CPs/Covenants:

Amount Authorized: DA Grant: original \$ 150,000 last amend \$1,100,000
 Amount Obligated: DA Grant: original \$ 150,000 last amend \$1,100,000
 Amount Committed: Grant - Period: \$ 0
 Cumulative: \$1,100,000
 Accrued Expenditures: Grant:
 Period - Projected: \$ 0
 Period - Actual: \$ 55,807
 Cumulative: \$1,045,883
 Period - Next: \$ 0
 Counterpart Contribution: Planned: \$1,831,292
 Actual: \$
 % LOP Elapsed: 83%
 % of Total Auth. Oblig. (Grant): 100%
 % of Total Oblig. Exp. (Grant): 95%
 % of Total Auth. Exp. (Grant): 95%

Date of Last Evaluation: 11/30/89 Next Evaluation: 12/31/91
 Date of Last Audit: 06/10/90 Next Audit: 12/31/91

II. Major Outputs

Major Outputs	Planned				Accomplished			Major Outputs	Planned		Next		Accomplished		
	Period		Cum.	Next Period	Period	Cum.	% of LOP		LOP	Period	Cum.	Period	Cum.	% of LOP	
	LOP	Period													Period
1. Permanent students trained for gainful employment	800	60	760	40	65	690									
2. Community adults (men and women) trained in technical skills)	660	70	620	40	120	163	4. Students in public and private sector schools trained through the competency-based curriculum	7,030	2,330	4,830	2,170	2,500	6,400		
							5. Learning Resources Center equipped and in operation	1	0	1	0	0	1	100%	
3. teachers in private and public sector schools trained in the use of the competency-based curriculum technology	520	190	450	70	130	415	6. Private foundation established and in operation to serve as linkage between the CJSP and the local private sector	1	0	1	0	0	1	100%	

III. Project Description

The project has as its main objective the institutional development of the Centro Juvenil San Patricio (CJSP) an is designed to expand and improve the Centro's technical program by means of selective use of technology transfer of a new methodology for teaching and for education administration; improved educational materials and teacher training program. FY-89 funds were provided to add an extension component to the project, in order to disseminate the San Patricio Model into other, public and private institutions, that serve the technical training needs of poor youths throughout Ecuador. A key component of the institution building aspect of the project is the establishment of a viable, permanent linkage with the local private sector to maximize the availability of human and financial resources for the Centro, and to achieve a more practical instruction with a better focus on the real needs of potential employers.

IV. Progress Toward Purpose Achievement and Project Officer's Assessment

The CJSP has continued to make significant progress towards achievement of project objectives. It has entered into an active process of technology transfer and institution building with public and private institutions that deal with the education and behavioral problems of children and youths throughout Ecuador. The CJSP has placed emphasis on the training of teachers of Ministry of Education and Ministry of Social Welfare schools that deal with poor youths and children with behavioral problems. San Patricio has also consolidated other key elements of the project, i.e. the linkage with the private sector through the "Fundación Chicos de la Calle" and the Learning Resources Unit, with emphasis on the production of curriculum modules. The CJSP is also moving ahead with creativity and hard work to consolidate its institutional self-sufficiency, as evidenced by the proposal that they are preparing to the Monetary Board to obtain a debt for development "cupo". Partial funding for the purchase of debt will be provided by the German Salesian Organization.

V. Progress During Reporting Period

1. The CJSP has maintained monthly programming meetings to implement the recommendations of a Puerto Rico Department of Education consultant to improve teacher training programs for its own faculty as well as for faculty from the Ministries of Education and Social Welfare in the area of competency-based curriculum technology.
2. The CJSP completed the elaboration and distribution of didactic materials for the 1990-1991 school year.
3. The CJSP has conducted 7 seminars on the design, production and use of self-education modules in the areas of carpentry, metal works and electricity, for teachers of the Ministry of Education and Ministry of Social Welfare technical schools.
4. The CJSP has continued the implementation of extension programs to train marginal youths in the Cumbaya area and the "Barrio Lucha de los Pobres" in the areas of basic carpentry, welding and electricity.
5. The CJSP has obtained, through the "Fundación Chicos de la Calle", strong private sector financial support to continue the organization and implementation of a productive unit (IESPA) which is designed to become an income generating micro-enterprise.

VI. Gender Considerations

Although the CJSP is mainly oriented to serve technical training needs of out-of-school, male youths and children, it is also providing training in sewing and cooking to a limited number of women from the area of Cumbayá where the Centro is located, particularly during weekends.

VII. Evaluation/Audit Report Actions

The CJSP has implemented the recommendations of an audit report for improvements in the areas of accounting and contracting.

VIII. ISSUES, PROBLEMS, DELAYS AND CORRECTIVE ACTIONS

The CJSP continues to fall short of actions and expectations in providing training for women from the area of Cumbayá. Since the former Project Director (Father Calero) was replaced by a new Director (Father Amador) AID will again start a round of discussions to study and decide our specific steps to overcome this problem.

IX. Major Actions Planned for the Next Semester

1. The CJSP will start a program to improve the evaluation of the learning process. A new evaluation manual will be developed, together with an individualized student progress chart and a performance scorecard.
2. Five work-shops will be carried out for teachers of Ministry of Social Welfare technical training centers in Loja, Quevedo, Machala and Esmeraldas, in the area of competency-based curriculum and individualized training.
3. The CJSP will reinforce its teacher training program for teachers in Ministry of Education and Ministry of Social Welfare technical training centers, with emphasis in the use of new didactic materials and training modules.
4. The CJSP will develop the terms of reference for the final/impact evaluation of the project.
5. An amendment the CJSP will be signed to add US\$66,000 to the project in order to finance the final evaluation and final audit of the CJSP OPG.

PROJECT STATUS REPORT
October 1, 1990 - March 31, 1991

A X B ___ C ___

BACKGROUND DATA

Project Title: Policy Dialogue Support
 Project Number: 518-0089
 Date of Authorization: original 09/20/90
 Date of Obligation: original 09/28/90
 PACD: original 09/30/94
 Implementing Agencies: INCAE
 Major Contractors:
 AID Project Officer: Guillermo Jauregui
 Status of CPs/Covenants: N/A

Date of Last Evaluation: N/A
 Date of Last Audit: None

Next Evaluation: 09/28/91
 Next Audit: 12/31/91

FINANCIAL DATA (518-0089)

Amount Authorized:	DA Grant: original	\$2,800,000
Amount Obligated:	DA Grant: original	\$2,450,492
Amount Committed:	Grant - Period:	\$ 0
	Cumulative:	\$2,160,492
Accrued Expenditures:	Grant:	
	Period - Projected:	\$ 350,000
	Period - Actual:	\$ 424,000
	Cumulative:	\$ 424,000
	Period - Next	\$ 426,842
Counterpart Contribution:	Planned:	\$ 0
	Actual:	\$
% LCP Elapsed:		13%
% of Total Auth. Oblig. (Grant)		88%
% of Total Oblig. Exp. (Grant)		18%
% of Total Auth. Exp. (Grant)		16%

II. MAJOR OUTPUTS

Major Outputs	Planned					Accomplished							
	LOP	Period		Cum.		Next Period	Period		Cum.		% of LOP		
	LOP	M	F	M	F		M	F	M	F	M	F	
1. Seminar and Workshop Participants	980	4	1	6	0	0	150	60	9	60	9	6	3
a. Component 1	455	8	6	8	6	100	134	21	148	25	3	1	
b. Component 2	535	0	0	0	0	40	0	0	0	0	0	0	
c. Component 3	400	0	0	0	0	80	74	45	74	45	7	3	
d. Component 4													

III. PROJECT DESCRIPTION

In order to create broad-based consensus among Ecuadorian decision-makers on the need for macroeconomic policy reform, this project will pursue the following four sets of components: 1) Policy Dialogue Support such as structural-reform seminars, policy-formation workshops, and informal networking, 2) Macroeconomic Training for public and private sector leaders to familiarize important decision-makers with market-oriented models, 3) University Training in economics, focusing on reform of curricula and methodologies, and 4) Data Generation and Analysis Reform to rationalize the process by which economic research data is produced and used.

IV. Progress Toward Purpose Achievement and Project Officer's Assessment

The project purpose is to establish a process and a mechanism for informed macroeconomic policy dialogue and discussion, based on the knowledge, analysis, implications, and advantages of outward- and market-oriented policy reform in the medium to long term. The key EOPS indicators for the project include: 1) Increased levels of information, changed attitudes, and new behavior among targeted mid- and high-level public and private sector officials, 2) Specific articles and publications that provide facts about Ecuador's economic growth process, 3) Changes in university economics curricula, and 4) Clear agreement reached on priority data generation needs and concerted action among users. Because this project is new, it is impossible to report on progress reached toward EOPS goals at this time.

V. Progress During Reporting Period

A. At the request of Industry Minister, Juan Falconi two major seminars on Industrial Transformation were held to support Ecuador's policy reforms. Both the private and the public sector in Quito and Guayaquil participated in these seminars which received press coverage.

B. INCAE Project Director presented strategy to the Mission on the Approach which INCAE will be using to further the dialogue process in Ecuador. Networking will be intensified and private sector commissions will be created to discuss the major economic issues in the economy.

C. Three diagnostic studies on the major areas of policy reform and political environment were presented to the Mission for its review and comments.

D. Seminars held in the reporting period include the following areas:

1. Structural Adjustment and Economic Policy Management in Quito for 47 public and private sector officials, February 4 - 8, 1991.
2. Workshop for Economic Researchers in Quito for 61 public and private officials, February 13 - 23, 1991.
3. Workshop for Economic Researchers in Quito for 58 public and private officials, April 22 - 26, 1991.

4. Industrial Reconversion Seminar in Quito for 38 public and private sector officials, May 6 - 7, 1991.

5. Industrial Reconversion Seminar in Guayaquil for 31 public and private sector officials, May 8 - 9, 1991.

6. Structural Adjustment and Sectoral Economic Management in Quito for 45 public and private sector officials, May 13 - 17, 1991.

7. Structural Adjustment and Economic Policy Management in Guayaquil for 35 public and private sector officials, May 6 - 10, 1991.

8. Macroeconomic Policy Management in Quito for 26 officials of the Finance Ministry, May 16 - 17, 1991..

Gender Considerations

INCAE will make attempts to include females in all training activities

VII. Evaluations and Audits

INCAE and US/AID Ecuador will conduct an annual review of the project to coincide with USAID/Ecuador's annual review at the end of FY91.

VIII. Issues, Problems, Delays and Corrective Actions

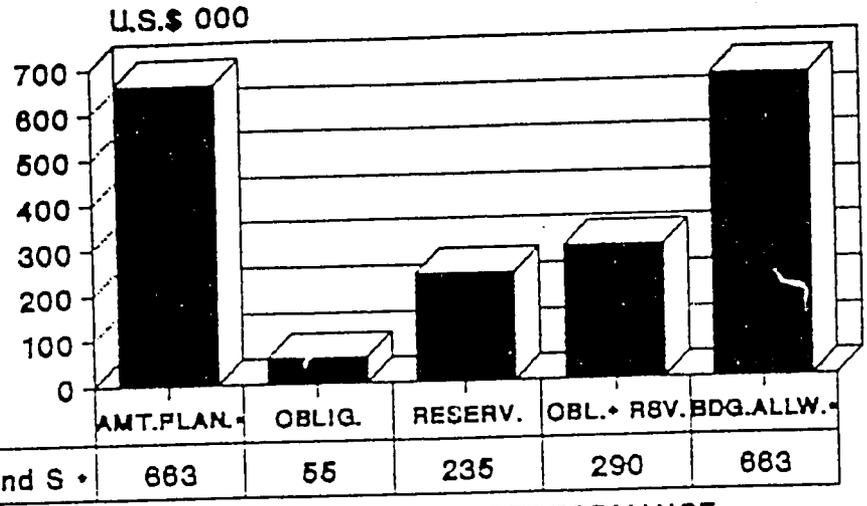
The project was amended to eliminate the PSC economist position and substitute it with short-term technical assistance contracts. The project office for Guayaquil was also created. It was opened with an administrative assistant on May 14, 1991. It has been difficult to hire an economist for the Guayaquil office as the salary being offered is at the Junior Economist level. INCAE graduates returning to Ecuador in July with a Master's Degree in Business Economics will be included in the selection process.

IX. Major Actions Planned for the Next Semester

1. A presentation of the strategy of the project in its final form and the annual work plan will be made by Dr. Eduardo Doryan.

2. Agreement will be reached between RCO and INCAE Costa Rica on compensation to professors and salaries of staff in the project.
3. The Economist position in Guayaquil should be filled by August 1991.
4. At the request of Dr. Franklin Maiguaschca, who is the Economic Advisor of President Borja, INCAE will be continuing the private and public sector dialogue process (8 Commissions) to further economic reform in Ecuador.
5. A number of seminars will be held to further economic training for public, private sector officials. Journalists who will be covering the 1992 presidential campaign will be given four (2 in Guayaquil and 2 in Quito) special seminars on economics. (0008J)

USAID/ECUADOR FY-91 PD and S FUNDS
MONTHLY STATUS REPORT
TOTAL MISSION PERFORMANCE



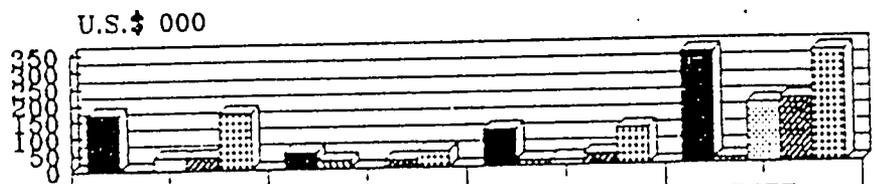
TOTAL MISSION PERFORMANCE

PERCENT	100%	8.3%	35.4%	43.7%	100%
		■ TOTAL PD and S *			

* Includes Deobs-Reobs
Date of this Report: April 10, 1991
Program Office/PPD

BEST AVAILABLE COPY

USAID/ECUADOR FY-91 PD and S FUNDS
MONTHLY STATUS REPORT
BY FUNCTIONAL ACCOUNT



FUNCTIONAL ACCOUNTS	ARDN	PN	EHR	PSEE
Amt. Plan.*	169	50	110	334
Oblig.	3	25	15	12
Reserv.	38	0	18	180
Oblig. + Reserv.	41	25	32	192
Budg.Allow.*	169	50	110	334

Performance by Functional Account

■ Amt. Plan.* ▨ Oblig. ▤ Reserv.
▧ Oblig. + Reserv. ▩ Budg.Allow.*

* Includes Deobs-Reobs
Date of this Report: April 10, 1991
Program Office, PPD

D & S MONTHLY STATUS REPORT

DATE: APRIL 1, 1991

FY-91 QTR							STATUS REPORT AS OF APRIL 1, 1991
D & S ARDN ACCOUNT (518-0010.02)							
PURPOSE	(1) AMOUNT PLANNED	CUT-OFF DATE	(2) OBLIGATED TO DATE	(3) RESERVED TO DATE	(2+3) TOTAL	(4) BUDG. ALLOW TO DATE	
1. LIVESTOCK EXPORT FEASIBILITY STUDY	17,000		0	0	0	17,000	
2. BEE CROSS-CUTTING EVALUATION	37,540		0	37,450	37,450	37,540	
3. DESIGN FOR SUBIR	3,000		3,000	0	3,000	3,000	
4. AMOUNT FOR POSSIBLE RE-PROGRAMMING	111,460		0	0	0	111,460	
TOTALS	169,000		3,000	37,450	40,450	169,000	
PERCENTAGES	100.0%		1.8%	22.2%	23.9%	100.0%	

FY-91 QTR							STATUS REPORT AS OF APRIL 1, 1991
D & S ARDN ACCOUNT (518-0010.02)							
PURPOSE	(1) AMOUNT PLANNED	CUT-OFF DATE	(2) OBLIGATED TO DATE	(3) RESERVED TO DATE	(2+3) TOTAL	(4) BUDG. ALLOW TO DATE	
1.	0		0	0	0	0	
TOTALS	0		0	0	0	0	
PERCENTAGES	0.0%		0.0%	0.0%	0.0%	0.0%	

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PAGE 7

KT-91 ODP STATUS REPORT AS OF APRIL 1, 1991

OP AND S. FN ACCOUNT (513-0000.03)

PURPOSE	(1) AMOUNT PLANNED	CUT-OFF DATE	(2) OBLIGATED TO DATE	(3) RESERVED TO DATE	(2+3) TOTAL	(4) BUDG. ALLOW TO DATE
1. FAMILY PLANNING PROJ. DESIGN	24,693		24,693	0	24,693	24,693
2. AMOUNT FOR POSSIBLE RE-PROGRAMMING	25,307		0	0	0	25,307
TOTALS	50,000		24,692	0	24,692	50,000
PERCENTAGES	100.0%		49.4%	0.0%	49.4%	100.0%

KT-91 ODP STATUS REPORT AS OF APRIL 1, 1991

OP AND S. FN ACCOUNT (513-0000.04)

PURPOSE	(1) AMOUNT PLANNED	CUT-OFF DATE	(2) OBLIGATED TO DATE	(3) RESERVED TO DATE	(2+3) TOTAL	(4) BUDG. ALLOW TO DATE
2. CLASP II PROG DESIGN.	9,102		9,100	2	9,102	9,102
2. CROSS-CUTTING NARC PREVENTION	17,500		0	17,500	17,500	17,500
4. ADMINIST OF JUSTICE.	26,000		0	0	0	26,000
5. RTAC II PROJECT	5,712		5,712	0	5,712	5,712
6. EVALUATION PSC	27,000		0	0	0	27,000
7. RTAC II WORKSHOP	420		420	0	0	420
3. AMOUNT FOR POSSIBLE RE-PROGRAMMING	4,264		0	0	0	4,264
TOTALS	110,000		15,222	17,502	22,216	110,000
PERCENTAGES	100.0%		13.8%	15.9%	29.4%	100.0%

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STATUS REPORT AS OF APRIL 1, 1991

AND S FIVE ACCOUNT (518-0010.05)

PURPOSE	(1)	CUT-OFF DATE	(2)	(3)	(2+3)	(4)
	AMOUNT PLANNED		OBLIGATED TO DATE	RESERVED TO DATE	TOTAL	BUDG. ALLOW TO DATE
1. TRADE & INVEST SECTOR PROG DESIGN	90,000		0	38,493	38,493	90,000
2. TRADE & INVEST INVITATIONAL TRAVEL	10,000		0	0	0	10,000
3. UNIV INTERN FOR ECON ANALYSIS	0		0	0	0	0
4. DEVELOPMENT OF ETIO STRATEGY	54,601		0	54,601	54,601	54,601
5. MISCELLANEOUS	45,071		0	11,071	11,071	45,071
6. LOCAL SERVICES OF LOCAL LAWYERS	5,000		0	0	0	5,000
7. URBAN PROGRAM PID	32,000		0	24,000	24,000	32,000
8. AMOUNT FOR POSSIBLE RE-PROGRAMMING	26,328		0	0	0	26,328
9. MUNICIPAL ENVIRONMENTAL ACTIVITIES	14,000		12,123	1,872	14,000	14,000
10. PARTIC. TRAINING FOR URBAN DEVEL. IULA	10,000		0	0	0	10,000
11. URBAN STRATEGY SEMINARS & DOCUMENTS	2,500		0	0	0	2,500
12. ANALYSIS OF 1990 CENSUS FOR UPDATE STATISTICS ON URBANIZATION.	2,500		0	0	0	2,500
13. AUDIT OF COUNTERPART CONTRIBUTIONS (CONT).	40,000		0	0	0	40,000
TOTALS	334,000		12,123	130,037	192,165	334,000
PERCENTAGES	100.0%		3.6%	39.2%	57.5%	100.0%

STATE REPORT AS OF APRIL 1, 1991						
NY-91 OIB						
FOR THE S ACCOUNTS						
ACCOUNT	(1) AMOUNT PLANNED	CUT-OFF DATE	(2) OBLIGATED TO DATE	(3) RESERVED TO DATE	(2+3) TOTAL	(4) BUDG. ALLOW TO DATE
1. PD&S ARDN 518-0000.01	169,000		3,000	27,450	40,450	169,000
2. PD&S HE 518-0000.02	0		0	0	0	0
3. PD&S EN 518-0000.03	50,000		24,693	0	24,693	50,000
4. PD&S EHR 518-0000.04	110,000		15,233	17,503	32,736	110,000
5. PD&S PSEE 518-0000.05	334,000		12,128	180,637	192,765	334,000
TOTALS	663,000		55,054	234,990	290,044	663,000
* PERCENTAGES	100.0%		8.3%	35.4%	43.7%	100.0%

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9

PROGRAM STATUS REPORT

October 1, 1990 - March 31, 1991

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BACKGROUND DATA

Project Title: Food Aid Program
 Project Number: 518-0480
 Date of Authorization: N/A
 Nature of Obligations: N/A
 Implementing Agencies: The authorized GOE representatives are the Ministries of Agriculture and Finance. The following agencies are currently implementing local currency activities:

Public Sector:
 - Ministry of Agriculture (MAG)
 - Special Interinstitutional Commission (CEI)

Private Sector:
 - Sheep Growers' Association (ANCO)
 - Yucca Producers' Association (UAPPY)
 - Agricultural Development Foundation (FUNDAGRO)
 - Institute for Agricultural Strategies (IDEA)
 - Casa Campesina Cayambe
 - Administrative Commission, Puyango Forest
 - Federation of Autonomous Agricultural Workers of Esmeraldas (FETANE)
 - CARE
 - Pedro Vicente Maldonado Foundation
 - Living Earth Foundation

FINANCIAL DATA (518-4801)

Source	Date	Sucres Grant	Loan
Title I, FY85	05/85		1,424,046,489
Title II, CMR, FY86	05/85	11,476,000	
Title I, FY86	06/86		734,258,199
Sugar Quota, FY 85	09/85	206,834,147	
Sugar Quota, FY 87	03/87	460,000,000	
Section 416, FY 87	05/87	1,020,411,255	
Emergency Food Program FY 87	05/87	867,000,000	
Food for Progress, FY 88	03/88	1,325,143,250	
Section 416, FY 89	03/89	1,536,340,420	
Total Obligations to Date:		5,427,205,072	2,158,304,688
PACD: N/A			

AID Project Officer: David Alverson
 Date of Last Evaluation: 00/00/00 Next Evaluation: 00/00/00
 Date of Last Audit: 12/31/87 Next Audit: 12/31/91

II. PROGRAM STATUS

A. Financial Summary (Local Currency)

Total:	PL-480 L/C	Available	S/.10,536,314,228
	PL-480 L/C	Programmed	S/.10,309,755,282
	PL-480 L/C	Disbursed	S/. 6,935,993,921

1. Title I, FY85

	Cumulative	Report. Period
Available	S/.1,722,328,108	
Programmed (% of avail.)	1,722,328,108 (100%)	
Disbursed (% of avail.)	1,722,328,108 (100%)	

2. Title II, CMR FY86

	Cumulative	Report. Period
Available	S/.11,476,000	
Programmed (% of avail.)	11,476,000 (100%)	
Disbursed (% of avail.)	11,476,000 (100%)	

3. Title I FY86

	Cumulative	Report. Period
Available	S/.862,574,953	
Programmed (% of avail.)	862,574,953 (100%)	
Disbursed (% of avail.)	862,574,953 (100%)	

4. Sugar Quota, FY86

	<u>Cumulative</u>	<u>Report. Period</u>
Available	S/.234,001,955	
Programmed (% of avail.)	234,001,955 (100%)	
Disbursed (% of avail.)	234,001,955 (100%)	

5. Sugar Quota, FY87

	<u>Cumulative</u>	<u>Report. Period</u>
Available	S/.460,000,000	
Programmed (% of avail.)	460,000,000 (100%)	
Disbursed (% of avail.)	460,000,000 (100%)	

6. Section 416, FY87

	<u>Cumulative</u>	<u>Report. Period</u>
Available	S/.1,475,049,890	
Programmed (% of avail.)	1,475,049,890 (100%)	
Disbursed (% of avail.)	1,072,536,725 (73%)	286,641,101(19%)

7. Emergency Food Program, FY87

	<u>Cumulative</u>	<u>Report. Period</u>
Available	S/.1,489,810,192	
Programmed (% of avail.)	1,262,104,705 (85%)	
Disbursed (% of avail.)	936,825,983 (63%)	77,357,747(5%)

8. Food for Progress, FY88

	<u>Cumulative</u>	<u>Report. Period</u>
Available (*)	S/.1,635,103,656	
Programmed (% of avail.)	1,636,250,197 (100%)	
Disbursed (% of avail.)	1,636,250,197 (100%)	458,249,357 (28%)

(*) Difference of S/.1,146,540 in Food for Progress will be cancelled when the amount that was not used from the activities related to the execution period is being recovered.

9. Section 416, FY89

	<u>Cumulative</u>	<u>Report. Period</u>
Available	S/.2,645,969,474	
Programmed (% of avail.)	2,645,969,474 (100%)	
Disbursed (% of avail.)		

B. Progress Toward Purpose Achievement and Project Officer's Assessment

The purpose of the Food Aid Program is to provide U.S. surplus commodities (e.g. grains) which are in short supply in Ecuador and hold potential for developing commercial trade with the United States. The local currency generations from the sale of these commodities provide support to public and private organizations principally engaged in efforts to increase the production and productivity of small farmers, through the expansion and diversification of agricultural activities; marketing improvements, construction of rural infrastructure, natural resource management and conservation; agricultural research, extension and education; and development of small-scale agroindustries. The Program also contributes to the Mission's policy dialogue efforts by strengthening the policy analysis and education capabilities of Ecuadorian organizations and by leveraging policy reforms with the potential to significantly improve the growth, efficiency, and equity of the agricultural sector.

The Program currently finances sixteen (16) activities in various areas: research and technology transfer (technologies for yuca production and processing on the Coast; highland pasture, strengthening cacao research, Pichilingue Experimental Station); strengthening the Ministry of Agriculture the capacity to formulate livestock policies y macroeconomic reforms (Agricultural Sector Reorientation Project, Agricultural information and survey systems); promotion of agricultural production among small farmers (development of sorghum crop and crop fruits, improvement of production conditions in Pucalpa, irrigation and soil conservation in the Sierra); technical training in agriculture (strengthening of an agricultural school); small-scale agroindustry (rural cheese production); agricultural policy analysis and dialogue; land titling and registration; and, natural resource/environmental management (natural forests, protection of a petrified forest).

C. Progress During Reporting Period

1. Based upon the selection criteria and priorities defined by USAID and the MAG, 14 new activities were approved for financing, of which 9 are functioning this semester and four are in the stage of prefeasibility and feasibility. These activities cover the range of areas indicated in Section B above.
2. Financial and internal control evaluations were carried out on 16 activities and their implementing organizations. These evaluations has made possible the formal closing-out of 8 activities as well as improving the control over PL-480 funds provided to the on-going activities.
3. A computerized system has been installed and is in use to monitor the activities of the program.
4. The activity related to the management of native forest has been completed.

1001

5. An endowment fund of 50 million sucres was given to UAPPY Manabi. It will be a line of credit to finance yuca commercialization.
6. The Implementation Subsecretariat evaluated 26 projects for possible financing.
7. The Implementation Secretariat gave FUNDAGRO 250 million sucres to complete the endowment fund.
8. Some activity-specific accomplishments included: (a) second phase of the sprinkler irrigation program started in September 1990 under the Quimiag project; (b) a rural cheese factory doubled its production and improved product quality; AID financed the acquisition of the cold room.

D. Evaluations and Audits

The Comptroller General concluded its audit of the Rural Technology Transfer System Project for the period 1/86 - 6/90. Preliminary findings indicate some irregularities in administrative and financial procedures of the program.

At the request of the AID Mission, the Comptroller General has initiated an audit of the Agricultural Sector Reorientation Project executed by the MAG because the financial evaluation conducted by the Implementation Secretariat reported some irregularities in the financial management procedures of the program.

E. Issues, Problems, Delays, and Corrective Actions

1. Five activities have not initiated operations due to a delay in project preparation.

Action: Technical support has been given to the entities in the preparation of proposals; as a result, three are in final preparation, one is making limited progress and the last has been eliminated.

2. Internal control of executing entities.

The evaluations financed by the program have uncovered deficiencies in the financial control systems of some executing entities.

Action: The Implementation Secretariat has prepared actions to correct these deficiencies. The AID Controller's office has requested the Controller General to provide audits.

Due to these problems, disbursements have been postponed for the Institutional Strengthening and Production for FETANE.

3. Debt ENAC/IDEA

Meetings were held with MAG to obtain repayment of 30 million sucres of GOE debt to PL-480 needed to liquidate the donation of 60,000 MT of sorghum.

The GOE has stated that the debt will not be cancelled until irregularities in the sorghum distribution have been resolved satisfactory.

The loan of 12 million sucres to IDEA was liquidated by July 1990. IDEA, financed basically by AID and PL-480 funds, has proposed to pay the amount mentioned above the moment they receive the new funds earmarked for the IDEA endowment under the FY 91 Food for Progress Agreement.

Action: Upon defining with the GOE the terms of sale for the new 36,000 MT of sorghum, Food for Progress FY 91 will look for a mechanism that will permit the collection of the 30 million sucres regarding ENAC debt. Regarding IDEA, the Advisory Council will analyze the proposal once the delivery of the new contribution to IDEA's endowment is assured.

III. PRINCIPAL ACTIONS PLANNED FOR THE NEXT SEMESTER

1. Definition and implementation of activities to be financed with funds provided by the FY 91 Food for Progress donation. (L.Sanchez/D.Alverson/M.E.Pesantes, July 1991)
2. Commencement of ten new activities approved by the Advisory Council of the Program. (L.Sanchez/D.Alverson/M.E.Pesantes, July 1991)
3. Prepare financial evaluations of activities not considered in the previous period. (L.Sanchez/D.Alverson/M.E.Pesantes, September 1991)
4. Start-up of computerized monitoring of Program activities. (L. Sanchez, May 1991)

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162

SEMI ANNUAL REVIEW

OCTOBER 1, 1990 - MARCH 31, 1990

Project Title: PL-480 Title II (Non-monetized)

Project Number: 518-480-II

Purpose: Provide supplementary food to vulnerable, low-income populations as an incentive to accelerate the planning and implementation of development programs designed to increase local capacity to resolve problems. Programs include maternal child health, food-for-work, school feeding, and other child feeding components with a total of 24,000 beneficiaries.

Implementing Agency: Catholic Relief Services (CRS)
National Secretariat of Social Promotion
of the Catholic Church (SENAPS).

Major Accomplishments: CRS has informed USAID verbally that there has been significant progress in fulfilling recommendations of CRS audit and in closing all aspects of the Project as planned in the last SAR Report. These include: submitting all final food distribution reports and all commodity loss claim forms, requesting SENAPS to balance all books and submit final reports, and obtaining certification from all centers that all food has been distributed.

Actions Planned: CRS plans to report in writing on these accomplishments before the end of June.

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3438z-Page 2
04/26/91

16

PROJECTED EVALUATIONS FOR FY- 91

DATE: 06-03-91

PROJECT	FY 90		FY 91		FY 92		ISSUES /STATUS
	START (QTR)	AID/W (QTR)	START (QTR)	AID/W (QTR)	START (QTR)	AID/W (QTR)	
0007 HOUSING AND URBAN DEVELOPMENT ASSESSMENT			2QFY91	3QFY91			PURPOSE.- TO DETERMINE THE OVERALL DEVELOPMENT IMPACT OF THE PROGRAM AND TO PROVIDE NEW INPUTS RELATED TO POLICY DETERMINATIONS WHICH MIGHT AFFECT FUTURE PROGRAMS. PROGRESS TOWARDS ATTAINMENT OF THE PROGRAM'S OBJECTIVE WILL BE REVIEWED, EMPHASIZING AREAS OF CONSTRAINT.
0032/68 CROSS-CUTTING SECTOR EVALUATION OF AGRICULTURAL RESEARCH EXTENSION AND EDUCATION SYSTEM. FUNDAGRO /RTTS.			3QFY91	3QFY91			PURPOSE.- TO EVALUATE HOW LOW PRODUCTIVITY IN ECUADOR'S AGRICULTURE IS BEING ADDRESSED BY THE PROJECTS COMPRISING RESEARCH EXTENSION AND EDUCATION PORTION OF THE MISSION'S PORTFOLIO.
0049 MALARIA EVALUATION			4QFY91	4QFY91			PURPOSE.- TO DETERMINE THE OVERALL IMPACT OF THE PROGRAM ON THE CONTROL AND REDUCTION OF MALARIA INCIDENCE; EVALUATE AND MEASURE THE INTEGRATION PROCESS OF MALARIA SERVICES INTO THE MOH HEALTH SERVICES (MAMANI); ANALYSE SLEM/MOH INSTITUTIONAL AND FINANCIAL CAPACITY TO CONTINUE PROJECT ACTIVITIES AND REACH THEIR PROJECT GOALS FOR 1992.
0059 LAND TITLING EVALUATION			1QFY91	2QFY91 COMPLETED			PURPOSE.- TO EVALUATE THE EFFECTIVENESS OF THE TECHNICAL AND LEGAL PROCEDURES AS WELL AS INSTITUTIONAL ARRANGEMENTS IN PLACE AS A RESULT OF THE PILOT STAGE OF THE PROJECT. TO ASSESS THE DEGREE OF COMPLIANCE WITH THE CONDITIONS PRECEDENT TO MOVE BEYOND THE PILOT PHASE; TO MAKE RECOMMENDATIONS CONCERNING THE VIABILITY AND IMPORTANCE OF CONTINUING TO STAGE TWO OF THE PROJECT, AND TO DOCUMENT THE TECHNICAL PROCESSES, ESPECIALLY THE INNOVATIVE FIELD AND MAPPING TECHNIQUES, AND THE INSTITUTIONAL ARRANGEMENTS BEING DEVELOPED IN THE PROJECT, FOR THEIR POTENTIAL APPLICATION IN OTHER COUNTRIES.
0023 FORESTRY SECTOR DEVELOPMENT.			3QFY91	4QFY91			PURPOSE.- FINAL EVALUATION TO ANALYSE INSTITUTIONAL STRENGTHENING AND TO DETERMINE PROJECT IMPACT ON LOW- INCOME GROUPS, TROPICAL DEFORESTATION, BIO-DIVERSITY, AND DEVELOPMENT OF SUSTAINABLE AGRICULTURAL SYSTEMS.
0064/83 CROSS-CUTTING EVALUATION OF NARCOTIC AWARENESS ACTIVITIES WITH FUND/GYQUIL, FUND/ MISTO JUVENES Y MIN ED.			3QFY91	3QFY91			PURPOSE.- TO ASSESS PRESENT NARCOTICS AWARENESS ACTIVITIES USING INTERVIEWS, DIRECT OBSERVATION AND SECONDARY SOURCES TO ESTIMATE IMPACT AND ACHIEVEMENTS AND AS WELL TO IDENTIFY ADDITIONAL CRITICAL TARGETS OF OPPORTUNITY. THIS INFORMATION WILL BE USED TO ORIENT FUTURE AID SUPPORT IN THIS AREA.
0086 CROSS-CUTTING EVALUATION OF THE SMALL ENTERPRISE SECTOR	4QFY90			2QFY91 COMPLETED			PURPOSE.- TO DEFINE A MEDIUM- TO LONG-TERM STRATEGY FOR SUPPORTING MSE DEVELOPMENT IN THE COUNTRY THAT MAXIMIZES THE EMPLOYMENT AND INCOME IMPACT OF THE MISSION'S LIMITED RESOURCES. TO IDENTIFY AND DOCUMENT MAJOR POLICY AND PROGRAM ISSUES THAT NEED TO BE ADDRESSED BY INSTITUTIONS INVOLVED IN SUPPORTING MSE DEVELOPMENT.

PROJECTED EVALUATIONS FOR FY-91

DATE: 04-03-91

PROJECT	FY 90		FY 91		FY 92		ISSUES / STATUS
	START (QTR)	AID/W (QTR)	START (QTR)	AID/W (QTR)	START (QTR)	AID/W (QTR)	
CROSS-CUTTING EVALUATION OF SUSTAINABILITY.	4QFY90			1QFY91 COMPLETED			PURPOSE.- TO CONDUCT AN IN DEPTH ANALYSIS OF REPRESENTATIVE PROJECTS CUTTING THE AID DEVELOPMENT ASSISTANCE PORTAFOLIO, AS WELL AS OF REPRESENTATIVE INSTITUTIONS IN THE ECUADORIAN AND PRIVATE SECTORS IN ORDER TO DETERMINE WHAT LESSONS HAVE BEEN LEARNED FROM THE SUSTAINABILITY STAND POINT, AND IMPLEMENT CORRECTIVE ACTIONS ON ON-GOING PROJECTS AS WELL AS INTRODUCE SUSTAINABILITY CONSIDERATIONS IN NEW PROJECT DESIGN, WITH THE ULTIMATE OBJECTIVE OF PROMOTING THE MEDIUM AND LONG TERM VIABILITY OF DEVELOPMENT ASSISTANCE EFFORTS IN ECUADOR.
0079 ENVIRONMENTAL EDUCATION III EVALUATION			3QFY91	4QFY91			PURPOSE.- A MID TERM EVALUATION TO ASSESS PROJECT IMPLEMENTATION, COUNTERPART CONTRIBUTION AND PROBLEMS THAT MIGHT PREVENT THE PROJECT FROM A SUCCESSFUL COMPLETION OF THE STRATEGIES DESIGNED TO GUIDE FORMAL AND NON FORMAL EDUCATION, INDUSTRIALIST, COMMUNITY LEADERS, AND TO CREATE AND MAINTAIN AN INFORMATION SYSTEM ON ENVIRONMENTAL PROBLEMS IN ECUADOR.
0044 TECHNICAL TRAINING ORG EVALUATION			3QFY91	4QFY91			PURPOSE.- TO ASSESS THE IMPACT OF THE COMPETENCY BASED CURRICULUM METHODOLOGY IN VOCATIONAL AND TECHNICAL SKILLS TRAINING IN ECUADOR.