

USAID/Ecuador

RESULTS REVIEW

FY 1997

&

RESOURCE

REQUEST

FY 1999 - FY 2000

March 16, 1998

- TNC and CARE, in collaboration with their Ecuadorian NGO partners, completed management plans for the Cayambe-Coca Ecological Reserve and communities in the buffer zone of the Cotacachi-Cayapas Ecological Reserve, respectively.
- Approval of the Special Law for Galápagos by the Ecuadorian Congress.
- CARE worked with nine communities in resolving territorial disputes and obtained legal title for over 24,000 hectares surrounding the Cotacachi-Cayapas Ecological Reserve.
- Ecuadorian NGO FP partners established "sustainability funds" and developed the by-laws that will regulate the management of these funds and the use of the interest earned and capital.
- USAID/Ecuador assistance to the MOH and NGOs improved and/or expanded 137 service delivery points, greatly exceeding targets.
- Ecuadorian NGOs provided 28,021 women victims of domestic violence with legal, psychological, and social services.
- Ecuadorian NGO CLD completed its justice and democracy index, an annual index which will measure changes in public perception of the justice sector and democracy in Ecuador.
- The new Penal Procedures Code developed and vetted widely among legal experts throughout Ecuador with support from CLD was presented to Congress in December 1997, with passage expected by May 1, 1998. The Arbitration and Mediation Law, actively pushed by CLD and CIDES, was enacted in September 1997.
- Banco Solidario has opened five new branches in suburban Quito and in smaller cities across the country and has initiated a savings program that in only three months of operation has attracted \$200,000 in savings from its microentrepreneur clients.
- NGO partners CRS, HOPE, and FINCA have established 115 village banks, exceeding the planned target and benefitting approximately 3,000 poor women.

Table of Contents

Table of Contents	i
Acronyms	ii
PART I: OVERVIEW AND FACTORS AFFECTING PROGRAM PERFORMANCE ..	1
PART II: PROGRESS TOWARD OBJECTIVES	5
A. Summary Performance Assessment Table	5
B. SO 1: Biodiversity Conservation	8
C. SpO 1: Pollution Prevention	23
D. SO 2: Family Planning and Health	30
E. SO 3: Civil Society Strengthening	42
F. SpO 3: Good Governance	55
G. SpO 2: Microenterprise	62
H. Disaster Preparedness	68
I. Global Bureau Assistance	70
J. Environmental Compliance	72
PART III: STATUS OF THE MANAGEMENT CONTRACT	73
PART IV: RESOURCE REQUEST	76
A. Financial Plan	76
B. Prioritization of Objectives	76
C. Linkage with Centrally Funded Mechanisms	80
D. Workforce and O.E.	81
E. Resource Tables	83

Acronyms

AED/RTI	Academy for Educational Development/Research Triangle Institute
ADR	Alternative Dispute Resolution
AOJ	Administration of Justice
APROFE	Association for the Well-being of the Ecuadorian Family (Asociación Pro-bienestar de la Familia Ecuatoriana)
ASME-CX	Ecuadorian Medical Association of Christian Commitment (Asociación Médica Ecuatoriana de Compromiso Cristiano)
BASICS	Basic Support for Institutionalizing Child Survival
BIO	USAID/Ecuador Biodiversity Conservation SO
BSP	Biodiversity Support Program
CARE-APOLO	Cooperative Assistance Relief Everywhere - Support to Local Organizations (Apoyo a Organizaciones Locales)
CARE-SUBIR	Cooperative Assistance Relief Everywhere - Sustainable Uses for Biological Resources
CDC	Center for Disease Control and Prevention
CDF	Charles Darwin Foundation
CECIA	Council for the Conservation and Research of Birds (Consejo para la Conservación e Investigación de las Aves)
CEDA	Centro Ecuatoriano para Derechos Ambientales
CEDENMA	Ecuadorian Committee for the Protection of Natural Resources and the Environment (Comité Ecuatoriano para la Defensa de la Naturaleza y el Medio Ambiente)
CEMOPLAF	Medical Center for Family Planning and Counseling (Centro Medico de Orientación y Planificación Familiar)
CEPAR	Center for the Studies of Population and Responsible Parenthood (Centro de Estudios de Población y Paternidad Responsable)
CEPAM	Ecuadorian Center for Woman's Promotion and Activities (Centro Ecuatoriano para la Promoción y Acción de la Mujer)
CHF	Cooperative Housing Foundation
CIAR	Interagency Commission to Support the Health Sector Reform in Ecuador (Comisión Interagencial de Apoyo a la Reforma del Sector Salud en el Ecuador)
CIDES	Center on Human Rights and Society (Centro Sobre Derecho y Sociedad)
CLD	Latin American Corporation for Development (Corporación Latinoamericana para el Desarrollo)
CONADE	National Council for Development (Consejo Nacional de Desarrollo)
CONAM	National Council for Modernization (Consejo Nacional de Modernización)
CTH	Mortgage Titling Company (Compania de Titularización Hipotecaria)
CP	Cleaner Production
CRS	Catholic Relief Services
CSO	Civil Society Organization
CYP	Couple Years of Protection

DEM	USAID/Ecuador Democracy SO
DHS	Demographic and Health Survey
E2P3	Ecuadorian Environmental and Pollution Prevention Program
EIA	Environmental Initiatives of the Americas
EMAAP-Quito	Municipal Water Company (Empresa Municipal de Agua Potable)
ENDEMAIN	Demographic and Maternal/Child Health Survey (Encuesta Demográfica y de Salud Materna e Infantil)
EP3	Environmental Pollution Prevention Program
EXP	Expendable Property
FBP	Fundación Banco del Pichincha
FE	Ecuador Foundation (Fundación Ecuador)
FER	Rumicocha Ecological Foundation (Fundación Ecologica Rumicocha)
FINCA	International Foundation for Community Assistance (Fundación Internacional para Asistencia Comunitaria)
FLO	Fundación Leonidas Ortega
FPH	USAID/Ecuador FP and MCH SO
FP/MCH	Family Planning and Maternal/Child Health
FSN-PSC	Foreign Service National-Personal Service Contractor
FUNAN	Antisana Foundation (Fundación Antisana)
GOV	USAID/Ecuador Governance Special Objective
G/PHN	Global Bureau - Population, Health and Nutrition
G/DG	Global Bureau - Democracy and Governance
G/ENV	Global Bureau - Environment
GEF	World Bank's Global Environmental Fund
GDP	Gross Domestic Product
GNP	Galápagos National Park
GMR	Galápagos Marine Reserve
GOE	Government of Ecuador
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
IBRD	International Bank for Reconstruction and Development
IDB	Interamerican Development Bank
ICITAP	International Criminal Investigative Training Assistance Program
IMCI	Integrated Management of Childhood Illnesses
IMF	International Monetary Fund
IMR	Infant Mortality Rate
INDA	National Institute for Agricultural Development (Instituto Nacional de Desarrollo Agropecuario)
INEFAN	Ecuadorian Institute for Forestry, Natural Resources and Wildlife (Instituto Ecuatoriano Forestal y de Areas Naturales y Vida Silvestre)
IPR	Intellectual Property Rights
IR	Intermediate Result
ITTO	International Timber Trade Organization
JHP/IEGO	John Hopkins Program/International Education in Reproductive Health
JHU/PCS	John Hopkins University

JICA	Japanese International Cooperation Agency
LAC	Latin America and Caribbean Bureau
LQA	Living Quarters Allowance
MAS	USAID/Ecuador Microenterprise Assistance and Strengthening Special Objective
MCH	Maternal Child Health
MIDUVI	Ministry of Housing and Urban Development (Ministerio de Desarrollo Urbano y Vivienda)
MOA	Ministry of Agriculture
MOE	Ministry of Education
MOEn	Ministry of Environment
MOF	Ministry of Finance
MOH	Ministry of Health
MOU	Memorandum of Understanding
MPP	Mission Performance Plan
MSE	Micro and Small Enterprise
NEC	National Education Council
NFP	Natural Family Planning
NGO	Non-Governmental Organization
NPI	New Partnership Initiative
NRM	Natural Resource Management
OE	Operating Expenses
OMNI	Opportunities for Micronutrient Intervention
OPDAT	Overseas Prosecutorial Development, Assistance and Training
ORT	Oral Rehydration Therapy
OYB	Operating Year Budget
PACD	Project Activity Completion Date
PAHO	Panamerican Health Organization
PASA	Participating Agency Service Agreement
PC	Peace Corps
PHR	Partnerships for Health Reform
PIP	Parks in Peril
POL	USAID/Ecuador Pollution Prevention Special Objective
PUCE	Pontifical Catholic University of Ecuador
PVO	Private Voluntary Organization
QA	Quality Assurance
REA	Antisana Ecological Reserve
RECAY	Cayambe-Coca Ecological Reserve
RECC	Cotacachi-Cayapas Ecological Reserve
RIF	Reduction in Force
RUDO/SA	Regional Urban Development Office/South America
ROL/DS	Rule of Law/Democracy Support
SDP	Service Delivery Point
SCDF	Seed Capital Development Fund

SO	Strategic Objective
SOTL	Strategic Objective Team Leader
SpO	Special Objective
TAACS	Technical Advisors in AIDS and Child Survival
TNC	The Nature Conservancy
UNFPA	United Nations Population Fund
UNIFEM	United Nations Development Fund for Women
URC	Urban Research Corporation
USAID	United States Agency for International Development
USDH	US Direct Hire
USPSC	US Personal Services Contractor
WCS	Wildlife Conservation Society

PART I: OVERVIEW AND FACTORS AFFECTING PROGRAM PERFORMANCE



The extremely complex political and social situation in Ecuador in 1997 significantly colored the broader development context in which USAID/Ecuador carried out its assistance program. The embedded political crisis came to a head in February 1997 when President Abdala Bucaram was removed from office by the popular protests and the Congressional action that declared him mentally incompetent. Bucaram had been elected on a populist ticket that purported to address the frustrations and disenchantment of a population facing widespread poverty; corruption; unemployment; stabilization fatigue; failure in basic services; lack of personal security; and a discredited justice system. Bucaram not only failed to address these issues, but also led the most corrupt administration in the history of Ecuador. Consequently, the Mission encountered the difficult task of maintaining its SOs in the face of great political strain for Ecuador: the ousting of a president and the subsequent transition into the interim Alarcón administration. Changes at the ministerial and sub-secretarial level, for example in the Ministry of Health (MOH), impacted negatively on certain aspects of the Mission portfolio by delaying important decisions and critical administration support of specific reforms, as time was needed to bring these new individuals up to date and on-board with their new functions. On the positive side, however, the support of the interim administration's new Minister of Environment can be viewed as critical to the successful passage of the Special Law for the Galápagos by the Ecuadorian Congress.

The existence of this transitional government, the election of the National Assembly, and the upcoming presidential elections in August 1998 have put a damper on hopes for another economic upturn, long-awaited since 1995. The Alarcón government has been unable to conclude a Stand-by Agreement with the IMF because of its unwillingness to reduce energy subsidies (which are not needs based), and its inability to produce a credible plan that would reduce the fiscal deficit to 2.5%. The fiscal deficit is now projected at 4.5-6.5% of GDP. The recent sharp drop in oil prices will swell the deficit unless the GOE imposes new taxes or ends subsidies to

offset lost oil revenues. High real interest rates and uncertainty for domestic and foreign investment are also contributing to low economic activity. For example, the first major attempt by Ecuador to privatize the state telephone company failed in November 1997.

Structural democratic weaknesses have continued to impede a reduction of widespread poverty, hindered the improvement of income distribution and the quality of life of the population, and stunted economic growth that creates employment opportunities. Over six and one half million Ecuadorians, about 56% of the population, suffer from lack of or are at risk of losing basic necessities. Approximately two million indigent Ecuadorians, about 20% of the population, are not able to obtain minimal caloric intake. Education indicators show very low levels of academic achievement in urban and rural public schools. Test scores reveal failing grades in mathematics of 35% and 33%, and in Spanish of 54% and 61%, respectively in 6th and 9th grades. As far as income distribution goes, the income share of the lowest quintile is only 5.6%, while the income share of the top quintile is 52%. Annual real per capita GDP growth of 1.3% for 1997 is far below the sustained per capita growth rate of 3% that is needed to reduce poverty.¹ The average per capita GDP growth rate since 1989 remains at just over 1/2%. Unemployment decreased from 10.4% in 1996 to 9.2%² Ecuador's annual inflation rate of 31% is the second highest in the region.³ The prospects for 1998 are also grim as the sharp drop in the international price of petroleum combined with the substantial extra-budgetary outlays related to the El Niño destruction have widened the projected fiscal deficit from 2.5% to 4.5-6.5% of GDP. The projection for the annual rate of inflation has been revised upward from 25% to 40% and the projected growth of the economy has been revised downward from 4% to less than 2% for 1998.⁴

Another outside factor which has impacted negatively on the achievement of certain aspects of the Mission's portfolio has been El Niño. Although fortunately, to date, the effect of this weather phenomenon has not been long-term devastation, the need to focus efforts on disaster preparedness has diverted the limited budget resources and manpower of some GOE counterpart organizations, for example, the MOH. Because of the need to budget resources for disaster preparedness and mitigation, for the first time in recent history the percentage of GDP dedicated to health activities has dipped below 2%, slowing the MOH's capacity to contribute to USAID/Ecuador activities to improve access to quality health services. More directly, El Niño's flooding of Ecuador's coastal region, which has resulted in the disruption of transportation and the temporary dislocation of coastal populations, has reduced anticipated demand for family planning services in those areas.

Amidst all the distress of a shaky government and El Niño, however, USAID/Ecuador continues to work with and energize the country's NGOs, especially in the environment, justice, and health sectors. Since the primary, overarching focus of the Mission is to strengthen NGOs, the mission does not weigh the achievement of its goals as entirely dependent upon these outside factors. As time passes and USAID/Ecuador approaches its close-out date at the end of FY 2003, each team devotes more energy to making these NGOs self-sustainable. With only five years left, the Mission is having to prioritize NGOs in order to determine which of them has the highest

probability of survival and effectiveness without the assistance of USAID. Therefore the strengthening of NGOs remains the goal, but now this goal has more urgency.

On the positive side, the prospects are good in 1998 for a positive conclusion to the Peace Process, resolving the border conflict between Peru and Ecuador. The Mission is prepared to work collaboratively with the Peru/Ecuador Border Integration Commission and USAID/Peru to identify and implement specific activities to solidify cooperation between the two countries and ensure the longer-term viability of the Peace Accords. Continued peace is a critical factor in the economic development of Ecuador, with the severe economic crisis which directly followed the 1995 Border Conflict graphically illustrating the devastating impact of war on the growth of Ecuador's economy.

Since Ecuador has endured tremendous political upheaval, has seen very little substantive change in its socio-economic difficulties, and is in the process of weathering a potentially catastrophic natural phenomenon, the Mission continues to believe that its Strategic Plan accurately addresses some of the major problems faced by Ecuador's citizens. The matrix on the following page lays out the relationship and commonalities between the Mission's SOs/SpOs on the one hand and US national interests and Ecuadorian goals on the other. The matrix also identifies the US Mission goals as elaborated in last year's Mission Program Plan, since the Country Team has not yet received guidance from Washington necessary to formulate this year's Mission Performance Plan. However, close consultation between USAID/Ecuador and Embassy staff has ensured the consistency of USAID/Ecuador activities with US Mission priorities. USAID/Ecuador does not recommend changing or eliminating any of the objectives at this time.

Interagency collaboration between USAID/Ecuador and other members of the Country Team is a definite plus for promoting USG interests in Ecuador. The Peace Corps is a key player in implementing targeted interventions at the community level. These activities can provide an immediate response to developmental concerns raised by the Ambassador and provide high visibility to US-Ecuador relations at the "people" level. USAID/Ecuador has been collaborating extensively with the MLGRP on emergency relief. Surplus and donated medical supplies brought in on military transport are warehoused either by the MOH or directly by USAID/Ecuador, and then distributed in response to critical needs, including El Niño relief. USAID/Ecuador consults frequently with ECON on IPR and modernization of the State with POL on anti-corruption and justice sector activities, as well as planning for Peace Process related activities in the border areas. USIS collaborates actively in obtaining broad publicity for the USG's developmental and relief role, for example in El Niño relief efforts and support for modernization of the State.

COMMON OBJECTIVES

United States Agency for International Development in Ecuador (USAID/Ecuador) and the Government of Ecuador (GOE)

USG NATL INTERESTS	SUMMIT OF THE AMERICAS	GOE TARGETS ⁵	USAID/Ecuador TARGETS	MPP
II. ECONOMIC PROSPERITY 6. Promote broad-based economic growth in developing and transitional economies	III. ERADICATING POVERTY AND DISCRIMINATION 19. Encouraging microenterprises and small businesses	- Strengthen the participation of the poor in the identification of their needs and of alternative proposals to create employment opportunities.	Spo 2 - MICROENTERPRISE - Increased access to financial services by micro-entrepreneurs, with emphasis on women. - Increase in micro-entrepreneur borrowers assisted by USAID partner organizations per year, disaggregated by gender from 1,300 men and 1,000 women in 1996 to 15,000 men and 35,000 women in 2000. - Increase in number of village banks from 0 in 1996 to 630 in 2000.	III. Increased investment and export opportunities for US business, in part through promotion of economic reform.
V. DEMOCRACY 12. Increase foreign government adherence to democratic practices and respect for human rights.	I. PRESERVING AND STRENGTHENING THE COMMUNITY OF DEMOCRACIES OF THE AMERICAS 1. Strengthening Democracy 3. Invigorating society and community participation		SO 3 - CIVIL SOCIETY - Civil Society strengthened in the key democracy enhancing areas of justice and education. - Increase in cases initiated per year through Comisarias de la Mujer from 25,600 in 1996 to 38,000 in 2003. - Increase in active ADR and legal services cases per year processed through Alternative Dispute Resolution and indigenous legal clinics from 4 in 1996 to 1,035 in 2003. - Legislative and/or policy reform advocacy actions in education and justice successfully completed by CSOs. Spo 3 - GOVERNANCE - Improved transparency and governance in target governmental institutions. - Reforms implemented in key government offices and entities. - Special "anti-corruption" unit created and in full operation in Prosecutor General's office. - Increase in anti-corruption cases brought to trial from 8 in 1997 to 12 in 1999.	I. Promote the consolidation of democratic institutions and practices and the observance of human rights.
	III. ERADICATING POVERTY AND DISCRIMINATION 16. Universal access to education	- Prioritize basic education, promote curricular reform, promote participation of civil society, and obtain a national consensus on education reforms.		
	I. PRESERVING AND STRENGTHENING THE COMMUNITY OF DEMOCRACIES OF THE AMERICAS 5. Combating corruption	- Reduced contraband and customs fraud. - Reduce tax evasion to 20%. - Reform the tax system. - Appoint a new Supreme Court. - Establish an Anti-Corruption Commission. - Establishment of the National Judiciary Council.		
VII. GLOBAL ISSUES 16. Protect human health and reduce the spread of infectious diseases. 15. Stabilize World Population	III. ERADICATING POVERTY AND DISCRIMINATION 17. Equitable access to basic health services	- A 50% reduction in maternal mortality reduction by the year 2000.	SO 2 - FAMILY PLANNING AND HEALTH - Increased Use of Sustainable Family Planning/Maternal Child Health services. - Increase in Contraceptive Prevalence Rate from 56.8% in 1994 to 60.0% in 2000. - Increase in number of visits by women and children (0-5) using improved or expanded MCH services per year from 0 in 1995 to 170,000 women and 434,000 in 2000.	V. Support sound environment policies and productive, sustainable resources.
VII. GLOBAL ISSUES 14. Secure a sustainable global environment in order to protect the US and its citizens from the effects of international environmental degradation	IV. GUARANTEEING SUSTAINABLE DEVELOPMENT AND CONSERVING OUR NATURAL ENVIRONMENT FOR FUTURE GENERATIONS 22. Partnership for biodiversity	- Reduce the rate of deforestation by 30%. - Increase reforestation by 20,000 hectares a year. - Reduce mangrove destruction by 50%. - Recover 300,000 hectares of eroded land.	SO 1 - BIODIVERSITY - Biodiversity conserved in selected protected areas and their buffer zones. - Increase in households in selected protected areas and their buffer zones adopting improved NRM practices from 3.2% in 1996 to 30.9% in 2003. - Increase in hectares in selected protected areas and their buffer zones under implemented NRM plans from 70,000 ha in 1996 to 1,402,000 in 2003. - Increase in hectares under legal title outside of selected protected areas from 10,000 ha in 1996 to 300,000 in 2003.	
	IV. GUARANTEEING SUSTAINABLE DEVELOPMENT AND CONSERVING OUR NATURAL ENVIRONMENT FOR FUTURE GENERATIONS 23. Partnership for pollution prevention	- Reduce urban pollution to the limits on lead established by the WHO, - Promote the formation of microenterprises that dispose of solid waste and treat water pollution.	Spo 1 - POLLUTION PREVENTION - Improved sustainable capacity of selected public and private institutions to prevent pollution. - Increase in number of industrial plants implementing cleaner production technologies in their production processes from 2 in 1995 to 100 in 2000. - Increase in number of municipalities adopting cleaner production policies and/or improved solid waste management practices from 1 in 1996 to 21 in 2000.	

PART II: PROGRESS TOWARD OBJECTIVES

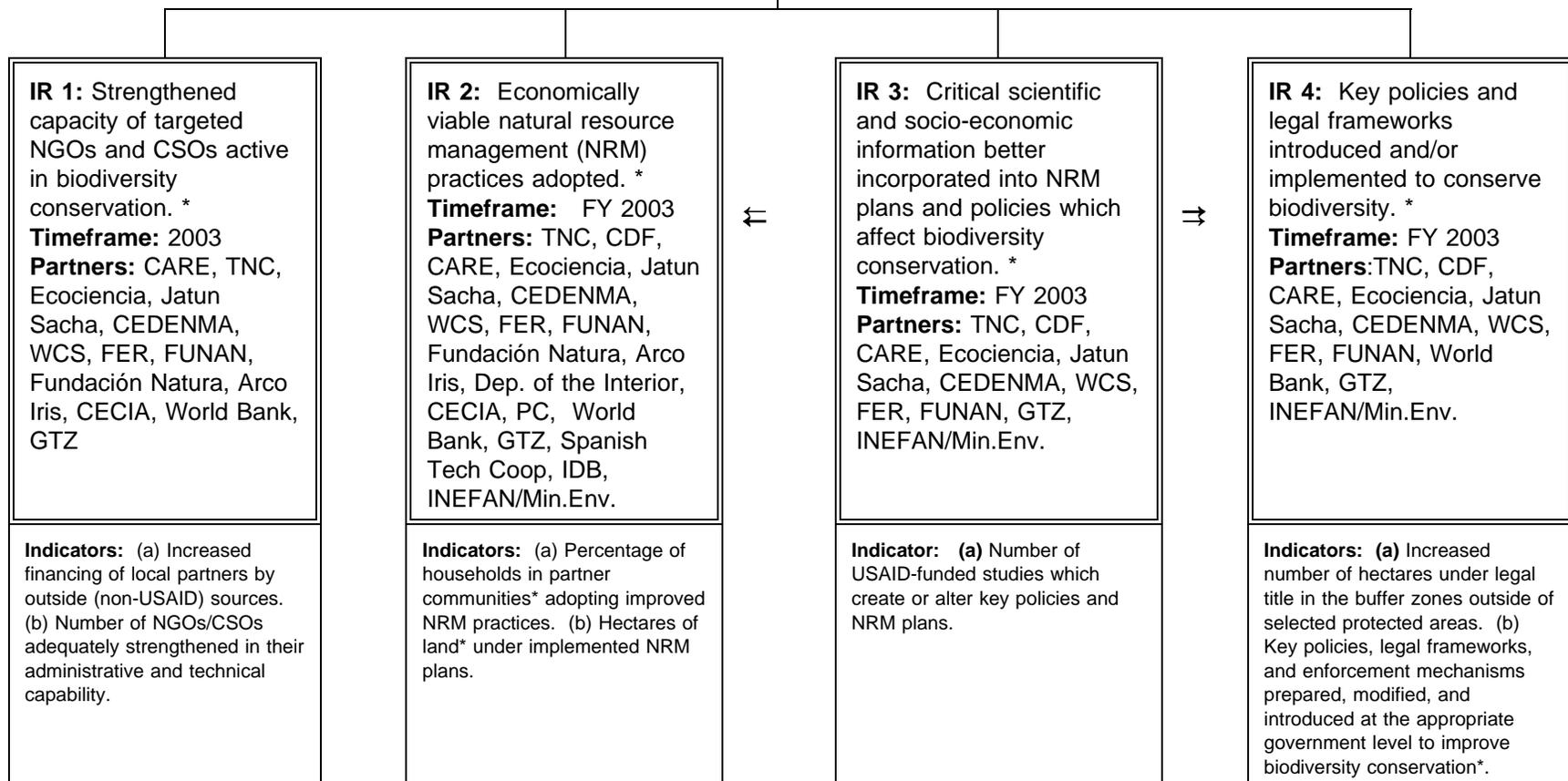
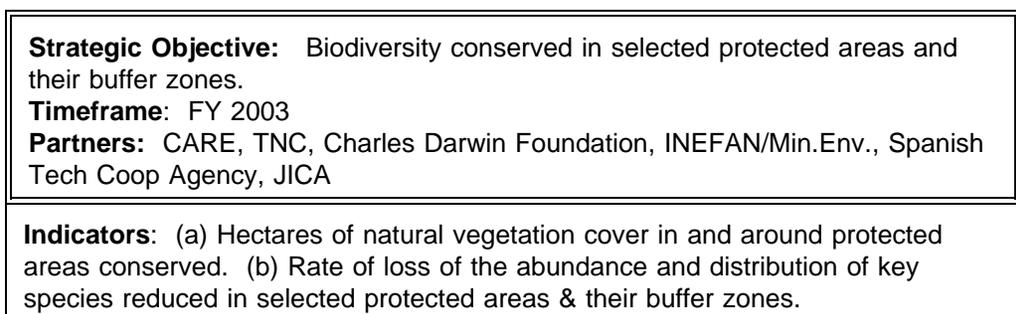
A. Summary Performance Assessment Table

During FY 1997, USAID/Ecuador realigned its portfolio, focusing on three SOs and three SpOs as part of the new Strategic Plan for FY 1998 - 2002. This was done in line with the realities facing the Mission with respect to funding and staffing constraints as USAID/Ecuador moves from being a Full Sustainable Development Mission to a Limited Mission. Overall, the focus of the Strategic Plan is to establish a network of institutionally strengthened, sustainable Ecuadorian PVOs/NGOs which can participate in decision-making across a spectrum of sectors at both the local and national levels and continue to contribute to development over the longer term.

Given the restructuring of the portfolio to accomplish the revised SOs and SpOs and the refocusing of activities that occurred last year, for purposes of this R4, USAID/Ecuador planned to use the revised indicators as laid out in the Strategic Plan in order to measure progress beginning in FY 1997. However, in the interval, USAID/Ecuador has been working with USAID/Washington to refine the SOs, SpOs, IRs, and indicators. This R4 uses the Results Frameworks which are the final outcome of this process. The following table presents a summary rating of overall performance for each SO/SpO.

Objective Name	Rating	Evaluation findings
SO 1: Biodiversity Conservation	Met	Assessment of Mission's programs by the Biodiversity Support Project Team concluded that the activities in Cotacachi-Cayapas, Cayambe-Coca, and Galápagos should continue for an additional phase and capitalize on the experience gained during previous activities of these programs.
SpO 1: Pollution Prevention	Met	The above mentioned assessment also endorsed the continuation of activities undertaken by Oikos Corporation.
SO 2: FP/Health	Met	A mid-term evaluation of the Child Survival Project noted that USAID has played a key role in both mobilizing and coordinating donor support for health care reform.
SO 3: Civil Society	Met	A review by an outside consultant concluded that justice sector partners are doing well technically, but are not yet forming strategic alliances. The potential of an NGO fund as a mechanism to encourage technical and programmatic collaboration was confirmed. In education, a review confirmed the wisdom of direction of Mission efforts, while identifying specific next steps to move the process forward.
SpO 3: Good Governance	Met	In response to the fast breaking changes in the political area in Ecuador, USAID/Ecuador is working closely with the Embassy to take advantage of the flexible design and modify its activities to work in the areas of greater impact.
SpO 2: Microenterprise	Met	Initial findings by Accion Int'l and Weidemann Associates consultants conclude that Banco Solidario is performing well; however, it is critical that the Bank continues to receive TA to strengthen specific aspects of its microcredit operations.
Percent funding through NGOs and PVOs: FY98 - 85%; FY99 - 89%; FY00 - 94%		

STRATEGIC OBJECTIVE 1 - BIODIVERSITY



* In selected protected areas and their buffer zones.

B. SO 1: Biodiversity Conservation

1. SO 1 Performance Analysis

SO: Biodiversity conserved in selected protected areas and their buffer zones.

USAID/Ecuador's Biodiversity Conservation Strategic Objective supports the US national interest of securing a sustainable global environment in order to protect the US and its citizens from the effects of international environmental degradation. This is identified with the fifth goal of the Mission Performance Plan.

Overall performance towards this SO was good during the reporting period. Of particular significance is the continuation of the land titling program in the Cotacachi-Cayapas Ecological Reserve (RECC), the completion of management plans for the Cayambe-Coca Ecological Reserve (RECA Y) and communities in the buffer zone of the RECC, and the approval of the Special Law for Galápagos by the Ecuadorian Congress. In line with the restructured SO, new baseline data is being collected. Jatun Sacha has contracted with Conservation International to undertake the aerial photography of the 200,000 hectares in the RECC and its buffer zone to establish the nature of natural vegetation cover. The methodology to measure key species in the RECC and the RECA Y has been established and studies have been initiated to establish baselines. For the RECC, Ecociencia has established five groups of *especies guias* (amphibians, micro-mammals, earthworms, aquatic insects, and terrestrial insects) and two proxy measurements (availability of food seeds for granivores and the conditions of epiphytes and forest floor litter). In the RECA Y, monitoring will be of selected endangered species, i.e., the condor and the spectacled bear.

In line with the New Partnership Initiative (NPI), partnering between and among US and Ecuadorian NGOs has continued to be a major focus under the SO during the reporting period. CARE has continued to build the capacity of its Ecuadorian partners Fundación Ecociencia and Fundación Jatun Sacha. TNC-PIP has taken an active role in establishing linkages between its Ecuadorian partner Fundación Arco Iris and its Peruvian partner ProNaturaleza, an important step in light of the border peace process. Unfortunately with respect to its partners in the RECA Y, however, in mid-1997, the Board of Directors of the Fundación Ecologica Rumicocha (FER) was changed and the administration was restructured. This untimely change has thus far apparently weakened rather than strengthened FER's technical and administrative capability.

A 1997 assessment of the Mission's environmental portfolio by the Biodiversity Support Project Team concluded that the Missions's programs in the RECC, RECA Y, and the Galápagos Islands should continue and capitalize on the experience gained from the previous activities carried out by partners CARE, TNC, and CDF. Key positive customer feedback can be derived from the decision by all twenty-two participating RECC communities to once again renew their agreements with CARE-SUBIR this year. In the Galápagos, the Charles Darwin Foundation (CDF) developed consensus among key stakeholders/customers with respect to the divergent interests of the fisheries, tourist industry, and conservationists.

IR 1: Strengthened capacity of targeted NGOs and CSOs active in biodiversity conservation.

US NGO partners continued to strengthen the administrative and technical capabilities of their Ecuadorian partners. During 1997, CARE-SUBIR achieved an effective decentralization to the field level, enabling project staff and partners to develop and implement proactive strategies together with communities and community-based organizations. Continuing with strategies to shift the program's functional emphasis toward national partners, EcoCiencia and Jatun Sacha fully executed two of the five technical components, through sub-agreements with CARE, and in conjunction with local organizations and trained community paratechnicians. With the assistance of TNC-PIP, Arco Iris has improved its administrative and technical capacity through a reorganization of its Board of Directors and staff training. Fundación Natura prepared a long-term financial plan for Machalilla National Park, in coordination with the work undertaken by INEFAN-GEF to update the management plan for the Park. Arco Iris and Natura, with assistance from TNC-PIP, continued to develop and implement workshops, conferences, and a series of radio programs on environment and conservation directed at local communities.

Ecuadorian partners have shown significant advancement in developing their skills to identify outside sources of income, prepare proposals, and secure funding. EcoCiencia and Jatun Sacha, with technical assistance from CARE, have both achieved a significant diversification of their funding bases, by as much as 70%, for activities both within and outside the RECC. For activities within the RECC, EcoCiencia received an additional \$340,000, including \$90,000 of PL-480 local currency funding for ecotourism activities in CARE-SUBIR partner communities. Jatun Sacha received an additional \$ 549,000, including \$100,000 from PL-480 local currency to provide technical assistance in the design and implementation of community-based natural resource management plans. Fundación Antisana (FUNAN) has obtained a total of US\$182,000 and the FER a total of US\$117,000 from sources other than USAID. The CDF has prepared a long-term strategic plan which includes the important aspect of fund raising.

IR 2: Economically viable natural resource management (NRM) practices adopted.

During FY 1997, NGO partners have continued to work with local communities and regional authorities to development NRM plans. FUNAN, with TNC-SUBIR assistance and in coordination with INEFAN, has prepared a management plan for 400,000 hectares of the RECA Y. CDF coordinated the revision of the management plan for the 130,000 km² Galápagos Marine Reserve through a participative process which included all of the Galápagos interest groups. Also, Natura, with TNC-PIP, participated in updating the 142,000 hectares Machalilla National Park management plan.

An important factor for insuring the continuing viability of NRM practices is the ability to generate income for the communities involved in implementing the practice. With training and technical assistance provided by Rutgers University, CARE-SUBIR developed and tested a medium-scale process to make pulp and hand-made paper from sisal. Using this process and a cadre of thirty-eight trained artisans, local communities are poised to meet an ever-increasing

national and international demand for hand-made paper products. Over \$8,000 has already been generated in the first two months of paper sales.

In conjunction with the development of a regional forestry policy, CARE, Jatun Sacha, and the Wildlife Conservation Society (WCS) provided training to community members in sustainable forestry practices. CARE and Jatun Sacha also participated in price negotiations between communities currently adopting sustainable forestry practices and national timber companies—thus eliminating intermediaries—which resulted in as much as a 400% increase in community revenues for semi-processed softwoods. Over \$7,000 has been generated from forestry activities in a single participating community to date. Environmental assessments were carried out with technical assistance from the Biodiversity Support Program to evaluate the potential impact of forestry activities and to propose mitigative measures. CARE-SUBIR organized a workshop to establish a national certification program for sustainably harvested timber, in collaboration with the Smartwood Program of the Rainforest Alliance.

In FY 1997, nine community groups in Machalilla National Park and 105 families in the Podocarpus National Park adopted improved resource management practices disseminated by Arco Iris and Natura with assistance by TNC-PIP. These practices included bee-keeping, poultry raising, and tree nurseries. In the RECA Y, community park guards, with the technical support of FUNAN and FER, introduced improved soil, water, and forest management practices to approximately 235 families who control 2,000 ha.

IR 3: Critical scientific and socio-economic information better incorporated into NRM plans and policies which affect biodiversity conservation.

During the reporting period, CARE-SUBIR and its partners have published two manuscripts and submitted another for peer-review. In addition, over twenty more are being finalized for submission to international peer-reviewed journals. Aspects of CARE-SUBIR biological studies, as well as the socio-economic information, have been incorporated in the development of community-based natural resource management plans in the RECC. FUNAN collaborated with other donors to complete fifteen detailed scientific and socio-economic studies which formed the basis for the RECA Y management plan. Natura developed a methodology for monitoring park use which was used as the basis for studies of tourism and land use in the Machalilla National Park. The results were used by INEFAN to update the park's management plan. CDF collected and tabulated statistics on fish catches and biodiversity in the Galápagos Marine Reserve which were used in the revision of the Marine Reserve Management Plan. Socio-economic information was collected and analyzed for use in planning the future land use of the municipality of Puerto Villamil.

IR 4: Key policies and legal frameworks introduced and/or implemented to conserve biodiversity.

In 1997, CARE-SUBIR helped eight communities resolve territorial disputes and obtain legal title for over 14,000 hectares surrounding the RECC, bringing the total number of communities to

nine and the total area benefitted to 24,000 ha. To do this, CARE-SUBIR developed a proposal for the division of responsibilities between separate national government agencies involved in the adjudication of forested land. The proposal was accepted by the Ecuadorian government, and land titles were subsequently authorized for those communities with natural resource management plans. These plans have a direct impact on the SO in terms of the sustainable use of resources, conservation of biodiversity, and income generation by the communities.

"LAND TENURE AND SUSTAINABLE LAND USE"

The SUBIR project is focused on the Cotacachi-Cayapas Ecological Reserve Esmeraldas Province in northwest Ecuador, where several distinct ethnic groups (including Chachi Indians and Afro-Ecuadorians) have lived for more than 300 years. More recently this part of the country has absorbed increasing numbers of new settlers, as well as timber companies, as this region provides 70% of Ecuador's domestic timber production.

Each of these groups wants more access to land, and local organizations have had difficulties in securing land tenure for their communities. The process of obtaining legal title in Ecuador is complicated and only partially defined, particularly in areas under multiple jurisdictions, and where the gap between the current laws and social reality is particularly wide. Without title to the land, individual communities or groups are generally unwilling or unable to invest in long-term natural resource management initiatives such as eco-tourism or forest management. Without land tenure, conservation initiatives are severely weakened, since land tenure is a cornerstone in the establishment of long-term value of forested land. Overlapping national jurisdictions in buffer zone lands can make the legalization process difficult.

In order to promote sustainable land use practices, the SUBIR project developed an advocacy component to help change national government policies and to empower local organizations to apply for title to the land surrounding the Cotacachi-Cayapas Ecological Reserve. The SUBIR project trains community-based "paralegals" in legal principles related to the environment, agrarian issues, and community organization. These paralegals can help establish community organizations and then help them apply for land tenure from the government. CARE-SUBIR paralegals have mediated conflicts over land occupation between the two ethnic groups in Esmeraldas province. They helped the leaders of the two groups develop a joint approach to the local authorities, leading to a census to determine the number of families in each group, the definition of criteria to divide the land fairly, and an agreement on the land-title proceedings.

Because of the success of the paralegal program, the World Bank is investing \$500,000 in a paralegal training program at the national level which will be followed by a titling program. It is expected that this program will be implemented by CARE. Similarly, the European Community is developing an activity, also to be implemented by CARE, which will replicate the model in additional locations in the RECC.

Partner NGOs have for the most part successfully completed the analyses and preliminary drafts of policy/legal reforms planned for FY 1997 and introduced them to the cognizant authorities. For example, activities supported by USAID/Ecuador led to the approval by Congress of the Galápagos Special Law which was signed into law by the President in March 1998. USAID/Ecuador supported a Ministry of Environment team of lawyers to draft the law, and through our activities with the CDF, resources were allocated for Harvard University Conflict Resolution experts to develop a consensus among the three major groups in Galápagos with interest in the draft legislation -- fisheries, tourism, and conservationists. This legislation will enforce quarantine to protect the Galápagos environment from species introduced from the continent, restrict immigration, streamline and empower the local institutions in Galápagos to take the leadership in the affairs of the archipelago, prohibit commercial fishing within forty miles of most parts of the islands, and allow park fees from tourism to stay in Galápagos to finance their programs and conservation of the environment.

The study laying out the framework for the legal formation of two second level organizations in lowland RECC has been completed and CARE-SUBIR is in the process of seeking legal recognition from the Ministry of Agriculture (MOA). Legislation to amend the *ley de comunas* to provide more stability and continuity by having the terms of community level officials

increased for more than one year has also been presented for approval to the MOA. CARE-SUBIR trained paralegals have been certified by the Quito Ecuador Bar Association to represent their communities before the State in such issues as land titling, resource management issues, conflict resolution, and agrarian reform. Additionally, the MOA's National Institute for Agricultural Development (INDA) and the Quito Bar Association have recognized the legal framework for a national level paralegal network. As a result of the work of Arco Iris and TNC-PIP, a resolution prohibiting mining activities within the Podocarpus National Park was issued by the Dirección Nacional de Minería. Arco Iris is now working with CEDENMA to introduce changes to the Mining Law and Environmental Regulations for Mining Activities.

With assistance from TNC-SUBIR, FUNAN prepared an economic assessment of the water resources flowing out of the RECA Y, the steps to follow to legally establish an endowment fund for watershed protection, and the structure to operate the fund, and presented their findings to INEFAN and the Quito water authority, EMAAP-Q. Recently, the Municipality of Quito and EMAAP-Q agreed to establish the watershed protection fund. The analysis provides the economic rationale for the establishment of the endowment fund from revenues from water charges in order to finance the permanent protection of the reserve. However, subsequent progress in the drafting of the actual legal framework is dependent on a political decision by EMAAP-Q. The Mission is looking at the possibility of directly enlisting the support of the mayor of Quito to get more directly involved in this landmark activity.

During 1997, CARE-SUBIR took an active role in the development and implementation of a regional forestry policy regime for the Esmeraldas Province. With additional funding from the MacArthur Foundation, SUBIR partners are providing legal guidance and other technical assistance to the Esmeraldas Province's Regional Coordinating Unit to develop the capacity to design and implement natural resource supply planning at the regional level.

2. SO 1 Expected Progress Through FY 2000 and Management Actions

SO: Biodiversity conserved in selected protected areas and their buffer zones.

USAID/Ecuador has developed productive relationships with members of the interim government -- the Ministry of the Environment, INEFAN, and INDA have all been supportive of USAID/Ecuador activities in the RECC and have actively participated in seminars and program activities. In spite of scheduled elections in May and subsequent change of administration in August, however, due to the "NGO" nature of this SO, the Mission does not anticipate any major disruption of the majority of these activities as the new administration takes office and becomes familiar with the Mission's program.

During 1997, follow-on activities to the SUBIR activities were designed through FY 2003. These activities build on the successes and lessons learned of the SUBIR activities, and seek to strengthen relationships between our US and Ecuadorian partners in the arena of Biodiversity Conservation. Given the firm commitment of the Ecuadorian NGO partners to achieving the objectives elaborated under this SO, the prognosis for achieving policy reform and a long-lasting

grass-roots impact should be high. However, the current funding profile developed by the LAC Bureau for FYs 1998-2000 could negatively impact on achievement of results. In fact, as a consequence of the \$400,000 FY 1998 OYB reduction of environment funding, USAID/Ecuador has had to postpone or reduce some activities under SO 1 both with the Charles Darwin Foundation in Galápagos Marine Reserve and the planned Condor Project with the Department of the Interior, in addition to restructuring the assistance provided to Oikos under SpO 1. In the absence of assurances from the LAC Bureau that efforts will be made to compensate for funding reductions from the Mission requested levels in FYs 1998-2000, the Mission will be forced to initiate discussions with our NGO partners CARE and TNC in order to identify specific activities (and results) which can be dropped.

IR 1: Strengthened capacity of targeted NGOs and CSOs active in biodiversity conservation.

CARE-SUBIR will continue to strengthen Jatun Sacha and Ecociencia as they work to diversify their funding bases and execute an expanding range of conservation-related projects. Efforts will continue to strengthen secondary level organizations and community groups in the RECC buffer zones so that they will be capable of negotiating with development and conservation organizations for projects in their respective areas. Training provided by CARE-SUBIR and its partners will increase the capacity of young professionals and local parabiologists to manage natural resources and biodiversity both at the institutional and community levels. TNC-SUBIR will continue to strengthen the administrative and technical capability of FUNAN and FER in order to ensure that they can carry out their support role to INEFAN in the protection and management of the Condor Biosphere Reserve. Ecuadorian NGO partners will continue to work on long term sustainability and the identification of additional resources.

IR 2: Economically viable natural resource management (NRM) practices adopted.

Partner NGOs will continue with the planned development and/or improvement of NRM plans. The management plan for the RECA Y and its buffer zones and the updated Machalilla National Park management plans will be formally approved by INEFAN in FY 1998. A regional management plan for lowland, Chocó forest covering approximately 150,000 hectares in the buffer zone of the RECC will be in place by FY 2000. This will build on effective forestry management plans which will be completed with at least twenty participating Chachi and Afro-Ecuadorian communities. In addition, a natural resource management plan for the Comuna Rio Santiago-Cayapas (a secondary level organization covering 15,320 hectares in the Chocó region of RECC) will be completed.

In the Condor Biosphere Reserve, forty-percent of the population both within the ecological reserves/national parks and in their buffer zones will have made some progress toward economically viable management of their natural resources. Working with TNC-PIP and Arco Iris, residents of 500 hectares in the buffer zone of the Podocarpus National Park will adopt improved natural resource management methods.

In line with the RECC regional and community plans to be undertaken with CARE-SUBIR assistance, CARE-SUBIR and its Ecuadorian partners will establish a community managed timber production clearinghouse and promote and market project-facilitated timber and non-timber projects. This activity will include the training of two commercialization and marketing paratechnicians in each of twenty communities and the development of an incentive program for communities managing natural forests sustainably. Forest certification will be obtained for communities managing natural forests sustainably.

IR 3: Critical scientific and socio-economic information better incorporated into NRM plans and policies which affect biodiversity conservation.

To support the design and implementation of management plans in the RECC and the Huaorani Ethnic Territory, CARE-SUBIR and its partners will produce planimetric and land use maps to monitor habitat changes for planning purposes and will establish biodiversity monitoring programs. An experimental design methodology will be developed and executed to determine effects of related activities. CARE-SUBIR will also undertake a portfolio of eight economic and marketing studies to guide strategy development in the timber sector in Esmeraldas.

Scientific and socio-economic information developed by FUNAN with assistance from TNC-SUBIR will be incorporated into the development of the management plan for the Antisana Ecological Reserve (REA) and will be used to improve the content and implementation of the RECA management plan. Such research would include the study of vegetative cover, tourism in the Quijos Valley, status of endangered species such as the Andean condor, and the ecology of the montane rain forest. Management practices for the use of natural resources in the buffer zone will continue to be evaluated and improved. TNC-PIP and its partners will complete research on the effect of El Niño on vegetation and will continue studies on marine turtles, water quality, and coral reefs.

CDF will provide scientific and socio-economic information pertinent for the management of the Galápagos National Park, the Galápagos Marine Reserve, and the populated areas of the islands.

IR 4: Key policies and legal frameworks introduced and/or implemented to conserve biodiversity.

Following the model established previously by CARE-SUBIR, legal title for an additional eighty communities in the RECC buffer zones will be granted. Building on the analyses completed in FY 1997, the legal formation of two second level organizations in lowland RECC will be completed.

The RECA and REA, plus the Sumaco, Napo-Galeras, and Cotopaxi National Parks and their buffer zones will be united in a legally established Condor Bioserve that will cover about 900,000 ha. Also by FY 2000, TNC-SUBIR will have succeeded in putting in place the legal framework for the RECA endowment fund. An improved Mining Law and the Environmental

Regulations for Mining Activities in Podocarpus National Park will be approved and implemented, and the legal limits for colonization within the park will be established.

The Ministry of Environment, in consultation with key groups from Galápagos, will prepare the regulations necessary to implement the new Special Law. USAID/Ecuador has already assigned ESF local currency resources with the Ministry of Finance to assist the Ministry of Environment's effort to issue a set of regulations that will make possible the implementation of the new Galápagos Special Law.

3. SO 1 Performance Data Tables

OBJECTIVE: Biodiversity conserved in selected protected areas and their buffer zones.			
APPROVED: JANUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: Strategic Objective 1 - BIODIVERSITY CONSERVATION			
INDICATOR: BIO 1.0 (a) - Hectares of natural vegetation cover in and around selected protected areas conserved (rate of loss reduced).			
UNIT OF MEASURE: Change in percentage of coverage SOURCE: Satellite imagery/Aerial photos/thematic maps of RECC INDICATOR DESCRIPTION: Every three years (SOTL) COMMENTS: The assumption is that losses of vegetation will continue, but at a reduced rate in the areas selected for program activities. This indicator compares changes of vegetation cover between (1) buffer zones and reserve areas where partners are operating (selected areas) and (2) equivalent zones where there is no influence by program activities (control area). Therefore, since the Δ in the selected area (x%) is expected to be less than the Δ in the control area (y%), then $0 < x\%/y\% < 1$. Preliminary data was collected in FY 1994. Additional studies will be completed in FY 1997 in order to determine the actual baseline rate of change. Progress to Date: Aerial photography of the RECC has been contracted and will permit precise estimates of natural vegetation cover and will be used to establish the baseline in FY 1998.	YEAR	PLANNED	ACTUAL
	1997(B)	--	See "Progress to Date"
	2000	<1	
	2003(T)	<1	

OBJECTIVE: Biodiversity conserved in selected protected areas and their buffer zones.			
APPROVED: JANUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: Strategic Objective 1 - BIODIVERSITY CONSERVATION			
INDICATOR: BIO 1.0 (b) - Rate of loss of the abundance and distribution of key species in and around selected protected areas and their buffer zones.			
UNIT OF MEASURE: Percentage change in abundance and distribution SOURCE: Field Transect studies by CARE (RECC), TNC (RECA), and CDF (Galápagos) INDICATOR DESCRIPTION: Every three years (SOTL) COMMENTS: The assumption is that there will be a continuing negative impact on the abundance and distribution of species, but at a reduced rate in the areas selected for program activities. This indicator compares changes in key species between (1) buffer zones and reserve areas where partners are operating (selected areas) and (2) equivalent zones where there is no influence by program activities (control area). Therefore, since the Δ in the selected area (x%) is expected to be less than the Δ in the control area (y%), then $0 < x\%/y\% < 1$. Preliminary data was collected in FY 1994. Additional studies will be completed in FY 1997 in order to determine the actual baseline rate of change. Progress to Date: RECC - EcoCiencia has published a volume including 22 botanical, zoological, and applied studies. Lists of key species from these preliminary studies are being evaluated for inclusion as baseline indicators. RECA/REA - Only monitoring and evaluation of presence/absence of selected endangered species (condor and spectacled bear) will be conducted.	YEAR	PLANNED	ACTUAL
	1997(B)	--	See "Progress to Date"
	2000	<1	
	2003(T)	<1	
The proxy for this SO level indicator will consist of a qualitative analysis of the preliminary field work reports on key species to identify any significant patterns as the data is being collected. This information will be reported on a quarterly basis through routine partner-USAID reporting procedures.			

OBJECTIVE: Conserve biodiversity in selected protected areas and their buffer zones.				
APPROVED: JANUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador		
RESULT NAME: SO 1 IR 1 - Strengthened capacity of targeted NGOs and CSOs active in biodiversity conservation in selected protected areas and their buffer zones.				
INDICATOR: BIO 1.1 (a) - Increased financing of local partners by outside (non-USAID) sources (\$000).				
UNIT OF MEASURE: Thousands of dollars provided for conservation activities (CUMULATIVE)				
SOURCE: Partner annual reports				
INDICATOR DESCRIPTION: Annually (SOTL)				
COMMENTS:				
Thousands Dollars				
Yr/Area	JATUN SACHA/ ECOCIENCIA	FUNAN/ FER	ARCO IRIS	TOTAL
1997	1000	115	--	1115
1998	200	293	200	693
1999	0	369	240	609
2000	200	265	280	745
2001	0	250	0	250
2002	200	250	0	450
2003	0	0	0	0
Total	1600	1723	720	3862
RECC - Jatun Sacha \$548,746 (consisting of CARE/FISE \$48,160; Liz Claiborne \$34,747; GTZ \$52,919; Rutgers University \$18,450; unspecified \$294,470; PL-480 \$100,000) and Ecociencia \$339,760 (consisting of UNDP \$67,000; UNDP \$45,000; IBIS \$15,000; FLACSO \$30,000; Dutch Government \$20,760; MacArthur Foundation \$60,000; Jatun Sacha \$12,000; PL-480 \$90,000).				
RECA - FUNAN \$182,113 (consisting of PROBONA \$30,000; Philip Morris \$38,000; Barrington \$10,000; CARE/FISE \$24,413; GEF \$14,700; EMAAP-Q \$65,000) and FER \$117,466 (consisting of PL-480 \$67,000; EMAAP-Q \$46,500; HCJB Radio \$3,966).				
				YEAR
				PLANNED
				ACTUAL
				1997(B)
				1115
				1188
				1998
				1808
				1999
				2417
				2000
				3162
				2001
				3412
				2002
				3862
				2003(T)
				3862

OBJECTIVE: Conserve biodiversity in selected protected areas and their buffer zones.				
APPROVED: JANUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador		
RESULT NAME: SO 1 IR 1 - Strengthened capacity of targeted NGOs and CSOs active in biodiversity conservation in selected protected areas and their buffer zones.				
INDICATOR: BIO 1.1 (b) - Matrix of NGOs/CSOs adequately strengthened in their administrative and technical capability.				
UNIT OF MEASURE: Administrative and financial capability matrix				
SOURCE: Partner annual reports				
INDICATOR DESCRIPTION: Annually (SOTL)				
COMMENTS: Targets are derived from a matrix covering Jatun Sacha, Ecociencia, FUNAN, FER, Arco Iris with respect to the following twelve factors: Administrative (Personnel Manual, Operating Procedures Manual, Annual Work Plans, Timely Monitoring Reports, Active Board of Directors, Skills upgraded based on needs analysis); Technical (Skills upgraded based on needs analysis); and Financial (Timely financial reports, Accurate financial reports, Sustainability Plan in place, Overhead structure implemented, and skills upgraded based on needs analysis).				
				YEAR
				PLANNED
				ACTUAL
				1996(B)
				--
				7%
				1997
				62%
				47%
				1998(T)
				100%

OBJECTIVE: Conserve biodiversity in selected protected areas and their buffer zones.						COUNTRY/ORGANIZATION: USAID/Ecuador																																																																				
APPROVED: JANUARY/1998																																																																										
RESULT NAME: SO 1 IR 2 - Improved natural resource management (NRM) practices adopted, and providing economic benefits, in selected protected areas and their buffer zones.																																																																										
INDICATOR: BIO 1.2 (a) - Percentage of households in partner communities) in selected protected areas and their buffer zones adopting improved NRM practices.																																																																										
UNIT OF MEASURE: Percentage of families adopting conservation practices (CUMULATIVE).						YEAR	PLANNED	ACTUAL																																																																		
SOURCE: Field surveys						1996(B)	3.2%	3.2%																																																																		
INDICATOR DESCRIPTION: Quarterly (SOTL)						1997	6.0%	6.0%																																																																		
COMMENTS:						1998	12.7%																																																																			
<table border="1"> <thead> <tr> <th colspan="6">Target Number of Families</th> </tr> <tr> <th>Yr/Area</th> <th>RECC</th> <th>RECA/REA</th> <th>GMR*</th> <th>PIP</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>1996</td> <td>412</td> <td>192</td> <td>0</td> <td>46</td> <td>650</td> </tr> <tr> <td>1997</td> <td>300</td> <td>235</td> <td>0</td> <td>30</td> <td>565</td> </tr> <tr> <td>1998</td> <td>438</td> <td>292</td> <td>596</td> <td>40</td> <td>1366</td> </tr> <tr> <td>1999</td> <td>400</td> <td>330</td> <td>0</td> <td>130</td> <td>860</td> </tr> <tr> <td>2000</td> <td>450</td> <td>400</td> <td>0</td> <td>10</td> <td>860</td> </tr> <tr> <td>2001</td> <td>500</td> <td>450</td> <td>0</td> <td>0</td> <td>950</td> </tr> <tr> <td>2002</td> <td>500</td> <td>520</td> <td>0</td> <td>0</td> <td>1020</td> </tr> <tr> <td>2003</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Total</td> <td>3000</td> <td>2419</td> <td>596</td> <td>256</td> <td>6271</td> </tr> </tbody> </table>						Target Number of Families						Yr/Area	RECC	RECA/REA	GMR*	PIP	TOTAL	1996	412	192	0	46	650	1997	300	235	0	30	565	1998	438	292	596	40	1366	1999	400	330	0	130	860	2000	450	400	0	10	860	2001	500	450	0	0	950	2002	500	520	0	0	1020	2003	0	0	0	0	0	Total	3000	2419	596	256	6271	1999	17.0%	
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OBJECTIVE: Conserve biodiversity in selected protected areas and their buffer zones.																																																											
APPROVED: JANUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador																																																									
RESULT NAME: SO 1 IR 2 - Improved natural resource management (NRM) practices adopted, and providing economic benefits, in selected protected areas and their buffer zones.																																																											
INDICATOR: BIO 1.2 (b) - Hectares of land in selected protected areas and their buffer zones under implemented NRM plans (thousands).																																																											
UNIT OF MEASURE: Thousands of hectares (CUMULATIVE). Unit measurement purposively aggregates across kinds of areas and types of plans.		YEAR	PLANNED	ACTUAL																																																							
SOURCE: INEFAN, CARE, TNC		1996(B)	70	70																																																							
INDICATOR DESCRIPTION: Annually (SOTL)		1997	626	626																																																							
COMMENTS: Area for RECC region includes buffer zone and some portion of the Reserve. Effectiveness of management plans refers to standards adopted by PIP and ITTO.		1998	862																																																								
<table border="1"> <thead> <tr> <th colspan="5">Thousands of hectares</th> </tr> <tr> <th>Yr/Area</th> <th>RECC</th> <th>RECA/REA</th> <th>PIP</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr><td>1996</td><td>10</td><td>0</td><td>60</td><td>70</td></tr> <tr><td>1997</td><td>14</td><td>400</td><td>142</td><td>556</td></tr> <tr><td>1998</td><td>36</td><td>120</td><td>0</td><td>236</td></tr> <tr><td>1999</td><td>30</td><td>380</td><td>0</td><td>30</td></tr> <tr><td>2000</td><td>60</td><td>0</td><td>0</td><td>360</td></tr> <tr><td>2001</td><td>60</td><td>0</td><td>0</td><td>60</td></tr> <tr><td>2002</td><td>60</td><td>0</td><td>0</td><td>60</td></tr> <tr><td>2003</td><td>30</td><td>0</td><td>0</td><td>30</td></tr> <tr><td>Total</td><td>300</td><td>900</td><td>202</td><td>1402</td></tr> </tbody> </table>		Thousands of hectares					Yr/Area	RECC	RECA/REA	PIP	TOTAL	1996	10	0	60	70	1997	14	400	142	556	1998	36	120	0	236	1999	30	380	0	30	2000	60	0	0	360	2001	60	0	0	60	2002	60	0	0	60	2003	30	0	0	30	Total	300	900	202	1402	1999	892	
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		2001	1312																																																								
		2002	1372																																																								
In FY 1997, final drafts for RECA (400,000 ha) and Machalilla (142,000 ha) NRM Plans were developed and submitted to INEFAN. In RECC, NRM plans have been prepared for 14,000 ha in lower Esmeraldas and will be presented to INEFAN for approval this quarter. Pending formal approval, communities in all three target areas have initiated implementation of the plans with TA from USAID/Ecuador partners.		2003(T)	1402																																																								

OBJECTIVE: Conserve biodiversity in selected protected areas and their buffer zones.																																																																
APPROVED: JANUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador																																																														
RESULT NAME: SO 1 IR 3 - Critical scientific and socio-economic information better incorporated into NRM plans and policies which affect biodiversity conservation in selected protected areas and their buffer zones.																																																																
INDICATOR: BIO 1.3 (a) - Number of USAID-funded studies which create or alter key policies and NRM plans.																																																																
UNIT OF MEASURE: Number of studies (CUMULATIVE)		YEAR	PLANNED	ACTUAL																																																												
SOURCE: CARE, TNC, CDF		1997(B)	21	21																																																												
INDICATOR DESCRIPTION: Annually (SOTL)		1998	41																																																													
COMMENTS: National level publications are also encouraged for promotion and educational purposes. Initial steps will involve preparation and submission of research papers.		1999	49																																																													
<table border="1"> <thead> <tr> <th colspan="6">RECA/</th> </tr> <tr> <th>Yr/Area</th> <th>RECC</th> <th>REA</th> <th>GMR</th> <th>PIP</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr><td>1997</td><td>3</td><td>15</td><td>1</td><td>2</td><td>21</td></tr> <tr><td>1998</td><td>3</td><td>14</td><td>1</td><td>2</td><td>20</td></tr> <tr><td>1999</td><td>3</td><td>3</td><td>1</td><td>1</td><td>8</td></tr> <tr><td>2000</td><td>2</td><td>4</td><td>1</td><td>0</td><td>7</td></tr> <tr><td>2001</td><td>2</td><td>2</td><td>1</td><td>0</td><td>5</td></tr> <tr><td>2002</td><td>2</td><td>2</td><td>1</td><td>0</td><td>5</td></tr> <tr><td>2003</td><td>2</td><td>2</td><td>1</td><td>0</td><td>5</td></tr> <tr><td>Total</td><td>17</td><td>42</td><td>7</td><td>5</td><td>71</td></tr> </tbody> </table>		RECA/						Yr/Area	RECC	REA	GMR	PIP	TOTAL	1997	3	15	1	2	21	1998	3	14	1	2	20	1999	3	3	1	1	8	2000	2	4	1	0	7	2001	2	2	1	0	5	2002	2	2	1	0	5	2003	2	2	1	0	5	Total	17	42	7	5	71	2000	56	
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		2001	61																																																													
		2002	66																																																													
		2003(T)	71																																																													

OBJECTIVE: Conserve biodiversity in selected protected areas and their buffer zones.																							
APPROVED: JANUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador																					
RESULT NAME: SO 1 IR 4 - Key policies and legal frameworks introduced and/or implemented to conserve biodiversity in targeted protected areas and their buffer zones.																							
INDICATOR: BIO 1.4 (a) - Increased number of hectares under legal title in the buffer zones outside of selected protected areas.																							
UNIT OF MEASURE: Thousands of hectares under legal title (CUMULATIVE). SOURCE: INEFAN, CARE, TNC, FUNAN, FER, INDA records. INDICATOR DESCRIPTION: Annually (RPM) COMMENTS: Framework for community organizations, NGOs and local authorities to participate with GOE agencies in the administration of the RECC protected area: (a) Legal framework; (b) Mapped delimitation of at least two communities completed; (c) Regulatory framework; (d) Demarcation of the RECC completed where boundaries are adjacent to settled communities, by INEFAN, with community participation. <table border="1"> <thead> <tr> <th>Yr/Area</th> <th>RECC (thousands of hectares)</th> </tr> </thead> <tbody> <tr><td>1996</td><td>10</td></tr> <tr><td>1997</td><td>14</td></tr> <tr><td>1998</td><td>36</td></tr> <tr><td>1999</td><td>30</td></tr> <tr><td>2000</td><td>60</td></tr> <tr><td>2001</td><td>60</td></tr> <tr><td>2002</td><td>60</td></tr> <tr><td>2003</td><td>30</td></tr> <tr><td>Total</td><td>300</td></tr> </tbody> </table>	Yr/Area	RECC (thousands of hectares)	1996	10	1997	14	1998	36	1999	30	2000	60	2001	60	2002	60	2003	30	Total	300	YEAR	PLANNED	ACTUAL
	Yr/Area	RECC (thousands of hectares)																					
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	Total	300																					
	1996(B)	10	10																				
1997	24	24																					
1998	60																						
1999	90																						
2000	150																						
2001	210																						
2002	270																						
2003(T)	300																						

OBJECTIVE: Conserve biodiversity in selected protected areas and their buffer zones.																																																																							
APPROVED: JANUARY/1998			COUNTRY/ORGANIZATION: USAID/Ecuador																																																																				
RESULT NAME: SO 1 IR 4 - Key policies and legal frameworks introduced and/or implemented to conserve biodiversity in targeted protected areas and their buffer zones.																																																																							
INDICATOR: BIO 1.4 (b) - Key policies, legal frameworks, and enforcement mechanisms prepared, modified, and introduced at the appropriate government level to improve biodiversity conservation in targeted protected areas and their buffer zones.																																																																							
UNIT OF MEASURE: Policy documents submitted to executive, legislative or municipality authorities, as appropriate (CUMULATIVE) .																																																																							
SOURCE: Congressional records																																																																							
INDICATOR DESCRIPTION: Annually (SOTL)																																																																							
COMMENTS: Initial steps could involve undertaking studies and drafting legislation.																																																																							
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RECC: A list of policy documents is available in Mission SO 1 files.																																																																							
RECCAY: Natural Resources Management Plan submitted for INEFAN approval. GMR: The Special Law for Galápagos was approved in the first debate by Ecuadorian Congress. PIP: Resolution prohibiting mining activities within Podocarpus National Park.																																																																							
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SPECIAL OBJECTIVE: POLLUTION PREVENTION

Special Objective: Improved sustainable capacity of selected public and private institutions to prevent pollution.

Timeframe: FY 2000

Partners: Oikos, selected municipalities, CHF, Chambers of Commerce and Industry, Fundación Carvajal, CEDA, G/ENV/UP/EP3, citizen committees.

Indicators: (a) Number of industrial plants implementing cleaner production technologies in their production processes. (b) Number of municipalities adopting cleaner production policies and/or improved solid waste management practices.

IR 1: Expanded NGO technical assistance to local firms, universities, and municipalities on pollution prevention.

Timeframe: FY 2000

Partners: Oikos, EP3, Fundación Carvajal, CHF, Chambers of Commerce and Industry, CEDA, selected municipalities

Indicators: (a) Number of firms reached with environmental technology and related services. (b) Number of municipalities reached with technical assistance on environment related policy reform and urban planning at the municipal level. (c) Number of universities reached with information necessary to initiate cleaner production options through cooperative programs with firms.

IR 2: Increased dissemination of technical information on cleaner production technologies, international trade environmental concerns, and urban environmental management.

Timeframe: FY 2000

Partners: Oikos, Ministry of Education

Indicators: (a) Number of national entities consulting information sources on cleaner production and urban environmental management. (b) Number of elementary and high schools integrated into a national network for information exchange on environmental observation and measurement (GLOBE Program).

C. SpO 1: Pollution Prevention

1. SpO 1 Performance Analysis

USAID/Ecuador's Pollution Prevention Special Objective supports the US national interest of securing a sustainable global environment in order to protect the US and its citizens from the effects of international environmental degradation. This is identified with the fifth goal of the Mission Performance Plan.

During the reporting period performance towards targets under this SpO was good. All intermediate results were accomplished and two of the indicator targets were surpassed. Technical assistance under Global Bureau's EP3 was extended for some months. This will allow Oikos to continue applying the methodology and knowledge acquired to industrial pollution prevention activities, while at the same time moving into a new phase oriented towards policy dialogue for a cleaner production. Positive customer feedback on Oikos' work can be derived from the response of an additional fifteen tanneries which requested assistance on cleaner production from Oikos as a result of the work performed with a first group of tanneries in Ambato.

Oikos has also attracted the interest of other donors in its work -- a new contract with the IDB has been approved and Oikos will receive \$200,000 through the program with the Pichincha Provincial Council. The program will include environmental education and technical assistance on cleaner production to both municipalities and industrial firms in the area. Oikos will additionally receive \$20,000 from the GTZ for pollution prevention in the leather industry in Ambato.

SpO: Improved sustainable capacity of selected public and private institutions to prevent pollution.

Through the program, an increased interest has been observed from different Chambers of Industries in the country, both big and micro enterprises, and individuals ranging from university students to municipal and government officials. Internationally, Oikos provided assistance on pollution prevention to enterprises in Paraguay (one dairy industry and one bottling company), and was instrumental in the preparation of a proposal on the same subject for the Bolivia Environmental Summit.

During the reporting period seven additional firms (a new group of tanneries) entered in the EP3 Program bringing the total to thirty-eight. Additionally, fifteen of the sixteen textile enterprises which received assistance under the EP3 Program have incorporated at least one of the recommendations on cleaner production provided through the different environmental assessments performed. Two municipalities, Quito and Cuenca, received technical assistance on cleaner production. RUDO/SA's support also included specific activities in selected municipalities (Machala, Manta, El Coca, Lago Agrio, and El Chaco) to improve collection, recycling and disposition of solid waste. The solid waste management/garbage collection activities

implemented in Manta were proven quite successful when after three months of El Niño, no flooding affected an area usually flooded during a normal rainy season.

IR 1: Expanded NGO technical assistance to local firms, universities, and municipalities on pollution prevention.

Oikos reached fifty municipalities with technical assistance of different kinds on environment related policies and urban planning, through seminars on cleaner production and local environmental management, which were organized for the staff of small and medium sized municipalities. With RUDO/SA assistance, Oikos provided support for a citizens' urban environmental action committee in the city of Cuenca, which focuses in part on pollution prevention. RUDO/SA also manages a specific Environmental Initiatives of the Americas (EIA) activity in Ecuador which is working (through Fundación Carvajal/Colombia) with selected municipalities to improve environmental management of the human settlements in the Galápagos Islands.

For the first time, formal training on pollution prevention was included in the Escuela Politécnica Nacional's curriculum and the first group of nineteen trainees has completed the training program.

IR 2: Increased dissemination of technical information on cleaner production technologies, international trade environmental concerns, and urban environmental management.

The Oikos information center has increased the number of data bases available and at least fifty entities are consulting its information sources. Six new high schools entered into the GLOBE Program, making a total of fourteen affiliated schools now. The GLOBE Teachers' Guide originally published in English was translated into Spanish and it will be used across Latin America and other Spanish-speaking countries.

2. SpO 1 Expected Progress Through FY 2000 and Management Actions

SpO: Improved sustainable capacity of selected public and private institutions to prevent pollution.

The prognosis for achieving this SpO during the remaining time allotted is good. Oikos Corporation is an institutionally strong Ecuadorian NGO which has made good progress in developing mechanisms to ensure its financial sustainability and in ensuring its continued linkages to information networks that provide it with information on state of the art pollution prevention technology. It has developed strong ties with other Ecuadorian organizations, and is well respected for the work that it does. Based on the strengthening of selected municipalities, continued implementation of activities can be expected.

IR 1: Expanded NGO technical assistance to local firms, universities, and municipalities on pollution prevention.

The program is expected to build a sustainable capacity in Oikos to provide assistance to industrial firms and municipalities, and through the educational system, on cleaner production and environment related policies and urban management.

IR 2: Increased dissemination of technical information on cleaner production technologies, international trade environmental concerns, and urban environmental management.

Additional activities will be implemented with the assistance of RUDO/SA. These will include support to small municipalities in the Amazonian region and the creation of microenterprises for solid waste management and garbage collection.

3. SpO 1 Performance Data Tables

OBJECTIVE: Improved sustainable capacity of selected public and private institutions to prevent pollution.			
APPROVED: FEBRUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: Special Objective 0.1 - POLLUTION PREVENTION			
INDICATOR: POL 0.1 (a) - Number of industrial plants implementing cleaner production technologies in their production processes			
UNIT OF MEASURE: Number of firms (CUMULATIVE).	YEAR	PLANNED	ACTUAL
SOURCE: OIKOS, EP3, E2P3. Monthly updating of matrices; Progress reports; Case studies published by OIKOS INDICATOR DESCRIPTION: Quarterly (RPM) COMMENTS: Cleaner operations refer to standards recommended by E2P3. Firms under "Actual" performance include textile and tanneries plants participating in the program .	1995(B)	--	2
	1996	10	17
	1997	20	38
	1998	40	
	1999	80	
	2000(T)	100	

OBJECTIVE: Improved sustainable capacity of selected public and private institutions to prevent/control pollution.																																																																					
APPROVED: FEBRUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador																																																																			
RESULT NAME: Special Objective 0.1 - POLLUTION PREVENTION																																																																					
INDICATOR: POL 0.1(b) - Number of municipalities adopting cleaner production policies and/or improved solid waste management practices.																																																																					
UNIT OF MEASURE: Number of municipalities (CUMULATIVE).	YEAR	PLANNED	ACTUAL																																																																		
SOURCE: Municipalities, MIDUVI. Direct reports from selected municipalities. INDICATOR DESCRIPTION: Annually (RPM) COMMENTS: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Municipality</th> <th style="text-align: center;">CP Adopted</th> <th style="text-align: center;">Solid Waste Processes</th> </tr> </thead> <tbody> <tr> <td>Machala</td> <td style="text-align: center;">1998</td> <td style="text-align: center;">1996</td> </tr> <tr> <td>Manta</td> <td style="text-align: center;">1999</td> <td style="text-align: center;">1997</td> </tr> <tr> <td>Quito</td> <td style="text-align: center;">96-97</td> <td style="text-align: center;">1996</td> </tr> <tr> <td>Cuenca</td> <td style="text-align: center;">96-98</td> <td style="text-align: center;">1997</td> </tr> <tr> <td>Ambato</td> <td style="text-align: center;">1998</td> <td style="text-align: center;">2000</td> </tr> <tr> <td>Guayaquil</td> <td style="text-align: center;">1999</td> <td style="text-align: center;">--</td> </tr> <tr> <td>Ibarra</td> <td style="text-align: center;">--</td> <td style="text-align: center;">2000</td> </tr> <tr> <td>Piñas</td> <td style="text-align: center;">97-98</td> <td style="text-align: center;">--</td> </tr> <tr> <td>Portoviejo</td> <td style="text-align: center;">97-98</td> <td style="text-align: center;">--</td> </tr> <tr> <td>Mejía</td> <td style="text-align: center;">97-98</td> <td style="text-align: center;">--</td> </tr> <tr> <td>Otavalo</td> <td style="text-align: center;">97-98</td> <td style="text-align: center;">--</td> </tr> <tr> <td>Riobamba</td> <td style="text-align: center;">--</td> <td style="text-align: center;">2000</td> </tr> <tr> <td>Los Bancos</td> <td style="text-align: center;">1998</td> <td style="text-align: center;">2000</td> </tr> <tr> <td>Santo Dgo. de los Colorados</td> <td style="text-align: center;">1998</td> <td style="text-align: center;">--</td> </tr> <tr> <td>Puerto Quito</td> <td style="text-align: center;">--</td> <td style="text-align: center;">1998</td> </tr> <tr> <td>Pedro Vicente Maldonado</td> <td style="text-align: center;">--</td> <td style="text-align: center;">1998</td> </tr> <tr> <td>El Coca</td> <td style="text-align: center;">--</td> <td style="text-align: center;">1998</td> </tr> <tr> <td>Isla San Cristóbal</td> <td style="text-align: center;">--</td> <td style="text-align: center;">1998</td> </tr> <tr> <td>Isla Santa Cruz</td> <td style="text-align: center;">--</td> <td style="text-align: center;">1999</td> </tr> <tr> <td>Isla Isabela</td> <td style="text-align: center;">--</td> <td style="text-align: center;">1999</td> </tr> <tr> <td>Lago Agrio</td> <td style="text-align: center;">--</td> <td style="text-align: center;">1999</td> </tr> </tbody> </table>	Municipality	CP Adopted	Solid Waste Processes	Machala	1998	1996	Manta	1999	1997	Quito	96-97	1996	Cuenca	96-98	1997	Ambato	1998	2000	Guayaquil	1999	--	Ibarra	--	2000	Piñas	97-98	--	Portoviejo	97-98	--	Mejía	97-98	--	Otavalo	97-98	--	Riobamba	--	2000	Los Bancos	1998	2000	Santo Dgo. de los Colorados	1998	--	Puerto Quito	--	1998	Pedro Vicente Maldonado	--	1998	El Coca	--	1998	Isla San Cristóbal	--	1998	Isla Santa Cruz	--	1999	Isla Isabela	--	1999	Lago Agrio	--	1999			
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	1998	9																																																																			
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Progress to Date: Cleaner Production - Technical assistance has been provided to Quito and Cuenca Municipalities. Solid Waste Processes - Garbage collection microenterprises created in Manta and Machala are successfully working. Also, the Cuenca municipality received technical assistance under the Sustainable Cities Program.	2000(T)	21																																																																			

OBJECTIVE: Improved sustainable capacity of selected public and private institutions to prevent/control pollution.			
APPROVED: FEBRUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: SpO 0.1 IR 1 - Expanded NGO technical assistance to local firms, universities, and municipalities on pollution prevention.			
INDICATOR: POL 0.1.1 (a) - Number of firms reached with environmental technology and related services.			
UNIT OF MEASURE: Number of firms (CUMULATIVE) .	YEAR	PLANNED	ACTUAL
SOURCE: Oikos, Chambers of Commerce and Industry	1996(B)	--	80
INDICATOR DESCRIPTION: Quarterly (RPM)	1997	160	160
COMMENTS: Firms reached belong to the following sectors: food processing, textiles, metal plating, paintings, car assembly, tanneries, pharmaceutical products, tires, and palm oil.	1998	240	
	1999	350	
	2000(T)	400	

OBJECTIVE: Improved sustainable capacity of selected public and private institutions to prevent/control pollution.			
APPROVED: FEBRUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: SpO 0.1 IR 1 - Expanded NGO technical assistance to local firms, universities, and municipalities on pollution prevention.			
INDICATOR: POL 0.1.1 (b) - Number of municipalities reached with technical assistance on environment related policy reform and urban planning at the municipal level.			
UNIT OF MEASURE: Number of municipalities (CUMULATIVE) .	YEAR	PLANNED	ACTUAL
SOURCE: Oikos, direct reports from selected municipalities.	1996(B)	--	12
INDICATOR DESCRIPTION: Quarterly (RPM)	1997	50	50
COMMENTS: Municipalities reached include: Piñas, Quito, Ambato, Cuenca, Guayaquil, Quevedo, Tosagua, Santo Domingo de los Colorados, San Miguel de los Bancos, Puerto Quito, Pedro Vicente Maldonado, and Rumiñahui.	1998	100	
	1999	150	
	2000(T)	209	

OBJECTIVE: Improved sustainable capacity of selected public and private institutions to prevent/control pollution.			
APPROVED: FEBRUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: SpO 0.1 IR 1 - Expanded NGO technical assistance to local firms, universities, and municipalities on pollution prevention.			
INDICATOR: POL 0.1.1 (c) - Number of universities reached with information necessary to initiate cleaner production options through cooperative programs with firms.			
UNIT OF MEASURE: Number of universities (CUMULATIVE) .	YEAR	PLANNED	ACTUAL
SOURCE: Oikos, direct reports from selected universities	1996(B)	--	5
INDICATOR DESCRIPTION: Quarterly (RPM)	1997	8	8
COMMENTS: Universities reached are: ESPE, Universidad SEK, Universidad Central del Ecuador, Escuela Politécnica Nacional, and PUCE in Quito and Universidad Técnica de Loja and Politécnica de Chimborazo.	1998	18	
	1999	28	
	2000(T)	35	

OBJECTIVE: Improved sustainable capacity of selected public and private institutions to prevent/control pollution.			
APPROVED: FEBRUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: SpO 0.1 IR 2 - Increased dissemination of technical information on cleaner production technologies, international trade environmental concerns, and urban environmental management.			
INDICATOR: POL 0.1.2 (a) - Number of national entities consulting information sources on cleaner production and urban environmental management.			
UNIT OF MEASURE: Number of entities (CUMULATIVE).	YEAR	PLANNED	ACTUAL
SOURCE: Oikos	1996(B)	--	20
INDICATOR DESCRIPTION: Quarterly (RPM)	1997	50	50
COMMENTS: Entities consulting OIKOS information center include: universities, public agencies, NGOs, private firms, high schools and vocational schools and community organizations.	1998	100	
	1999	150	
	2000(T)	200	

OBJECTIVE: Improved sustainable capacity of selected public and private institutions to prevent/control pollution.			
APPROVED: FEBRUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: SpO 0.1 IR 2 - Increased dissemination of technical information on cleaner production technologies, international trade environmental concerns, and urban environmental management.			
INDICATOR: POL 0.1.2 (b) - Number of elementary and high schools integrated into a national network for information exchange on environmental observation and measurement.			
UNIT OF MEASURE: Number of schools (CUMULATIVE).	YEAR	PLANNED	ACTUAL
SOURCE: Oikos, Ministry of Education.	1996(B)	--	0
INDICATOR DESCRIPTION: Annually (RPM)	1997	6	13
COMMENTS: This indicator contributes specifically to Vice-President Gore's GLOBE program. High Schools participating in the program include: Colegio Americano, Henri Becquerel, Centro Educativo Integral, Manuela Cañizares, 24 de Mayo, and Einstein from Quito and Aleman Humboldt, Espíritu Santo, Liceo Naval, Colegio Cruz del Sur, Instituto Particular Abdon Calderon, and Americano from Guayaquil, Colegio Nacional Experimental Riobamba, Colegio Nacional Santo Domingo de los Colorados.	1998	20	
	1999	30	
	2000(T)	40	

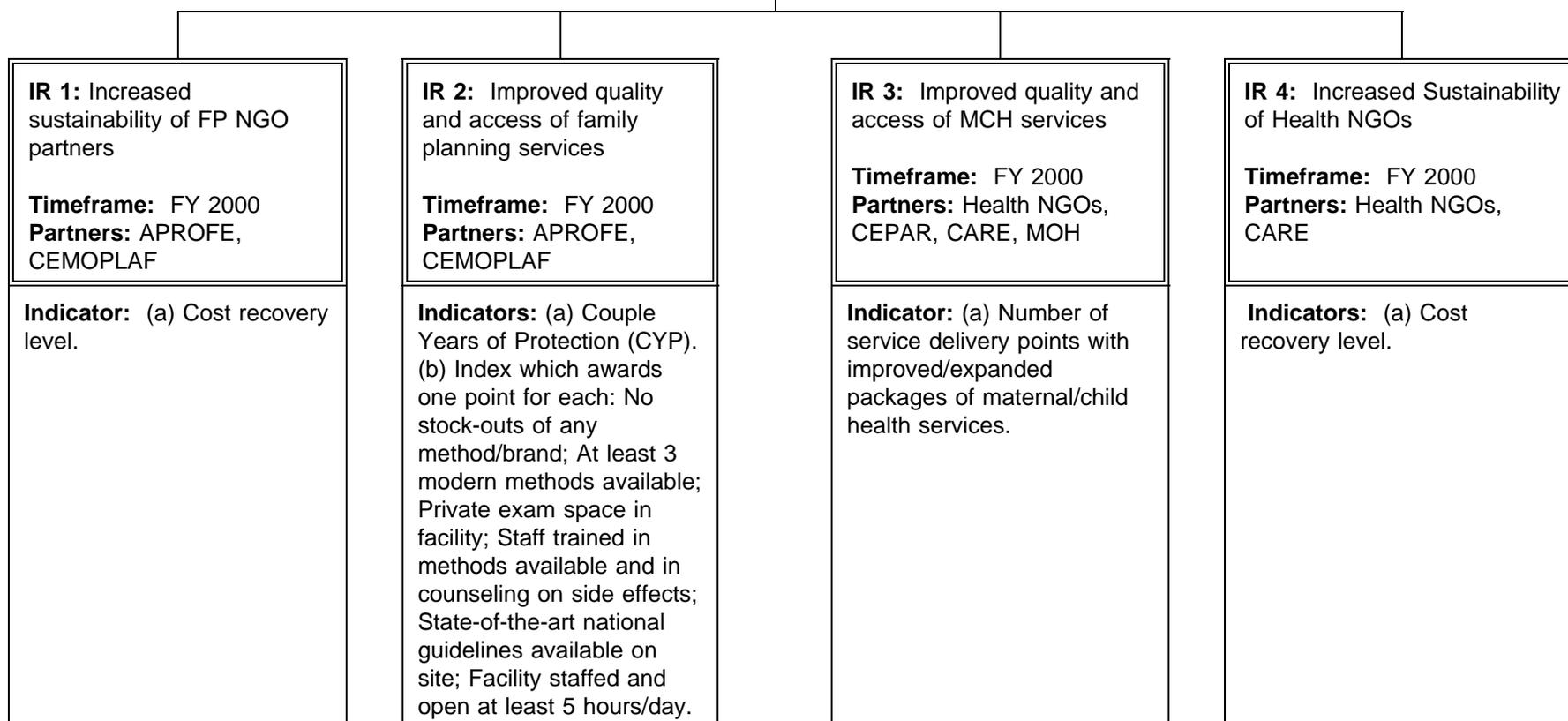
STRATEGIC OBJECTIVE - FAMILY PLANNING AND HEALTH

Strategic Objective: Increased Use of Sustainable Family Planning/Maternal Child Health services.

Timeframe: FY 2000

Partners: APROFE, CEMOPLAF, MOH, CARE, CEPAR, Health NGOs

Indicators: (a) Contraceptive prevalence rates. (b) Women and children 0-5 using improved/expanded MCH services.



D. SO 2: Family Planning and Health

1. SO 2 Performance Analysis

SO: Increased Use of Sustainable Family Planning/Maternal Child Health services.

USAID/Ecuador's FP/Health Strategic Objective supports the two US national interests of protecting human health and reducing the spread of infectious diseases and stabilizing world population. This is identified with the fifth goal of the Mission Performance Plan.

1997 was a difficult year for the health sector, with instability of the government causing a major negative impact. The Ministry of Health (MOH), our principal counterpart for health activities, had three Ministers of Health, four Director Generals and similar turnover at other key levels during the year. MOH funding was less than 2% of the GOE budget, the lowest in the past twenty years. During the latter part of the year much of the Ministry's attention was focused on the problems related to preventing or ameliorating disease outbreaks due to El Niño.

In spite of these difficulties, since most of our activities are implemented by our NGO partners, overall performance of the SO, as measured by the attached indicators was quite good, confirmed both by the data sources in the Performance Tables and the late 1997 mid-term evaluation of the Child Survival Project. Our principal NGO partners -- CEMOPLAF, APROFE, CARE and CEPAR -- continued to demonstrate significant success in achieving their goals. CEPAR was especially effective in developing a pilot decentralization activity at the local level, in strengthening the Health Commission of the National Congress, and in assisting the development of new roles for the MOH and new policies for the health sector. CARE continued the successful development of NGO and community demonstration projects focused on increasing access, and on innovative approaches to health care delivery and financing.

At the SO level in family planning, CEPAR's 1997 estimate for contraceptive prevalence is 60.7 %, above the target, but only verifiable through the 1999 ENDEMAIN survey. This past year was one of transition for the family planning (FP) activities, as one project was ending and a new program was being developed. The planning that accompanied this process was very useful in refocussing USAID/Ecuador's agreements with partners in order to more closely follow the closeout plans for this program. Our work now concentrates on two family planning NGOs, APROFE and CEMOPLAF. Even though the Mission has worked with these two organizations for three decades, our concern over this last year has been on how to prepare them for the phase-out of USAID/Ecuador's donations, and their long term sustainability. In health, all of the components (MOH, CARE/NGOs, CEPAR, and centrally funded projects QA, RPM, BASICS, PHR and OMNI) are either directly or indirectly contributing to the improvement or expansion of MCH services. CARE, QA, RPM, OMNI and BASICS are immediately strengthening/expanding both public and private services and are largely responsible for exceeding targets set for SO 2. CARE and centrally-funded projects -- especially the QA Project, BASICS, and RPM -- had a major impact on the 1997 results related to the SO indicator

"Number of visits by women and children 0-5 using improved/expanded MCH services" and far exceeded the target established for 1997.

The MOH, CEPAR, and PHR activities are focused on decentralization, local participation, strengthening local partnerships, and the reform of the health sector which will have an intermediate and long-term impact on the number of women and children using improved/expanded services. All of the activities of SO 2 are aimed at expanding access for both women and indigenous groups.

Donor coordination, which continues to be a high priority for USAID/Ecuador, had its ups and downs as donors tried to adjust to the constant changes in the government. Despite dormancy of the Interagency Health Commission (CIAR), the successful integration of the World Bank-funded projects (FASBASE and MODERSA) into the donor coordination process was a big plus. As the mid-term evaluation of the Child Survival Project noted, USAID/Ecuador has played a key role in both mobilizing and coordinating donor support for health care reform. The complete involvement of the World Bank (which is the largest financial supporter of the health sector) in our coordination effort is something USAID/Ecuador has worked hard for and it has already had a major impact on the success of the health reform effort.

Finally, USAID/Ecuador in line with the NPI, has made a major effort to expand relationships between the local NGOs we support (CEPAR, CEMOPLAF and APROFE) and US NGOs/universities/private companies such as PLAN International, Project HOPE, Harvard University, Johns Hopkins University, Abt Associates, and the Urban Research Corporation (URC). Local NGOs are developing contracts with US organizations as a means to expand their resource base. In addition, CARE/Ecuador, with financial and technical support from CARE/International, is strengthening approximately forty local NGOs through TA and training and developing innovative self-sustaining demonstration projects in ten local NGOs.

IR 1: Increased sustainability of FP NGO partners.

One of the pillars of the new population results package is the creation of sustainability funds by APROFE and CEMOPLAF. USAID funds a proportion of their operating costs, so each of them can deposit the income generated by the sale of its services into its own sustainability fund. In order to set this up, in FY 1997 the Mission negotiated with each NGO the development of the by-laws that will regulate the management of these funds and the use of the interest earned and capital. These funds will allow the NGOs to replace USAID donations after FY 2000, and based on projections, finance their operations for a minimum of fifteen additional years.

Although very sensitive to their mission and the social service they provide, APROFE and CEMOPLAF are very aware that if they do not achieve financial sustainability they might not be able to provide any services at all. In this spirit, they have established a system of cross subsidies in which one type of service subsidizes another. For example laboratory and sonograms often subsidize family planning, and a clinic in a large urban center subsidizes one that serves largely a rural population. This has proven to be a very successful approach, and in this fiscal

year APROFE has reached a sustainability rate¹ of 82% and CEMOPLAF 67%. CEMOPLAF surpassed their target of 63.4%, while APROFE was a little below target; however, this represents a 12.8% increase in their cost recovery level in one year.

A continuing challenge for our NGO partners remains how to balance need versus sustainability. The most under-served areas are in most cases the most unsustainable ones, since it is either very expensive to operate and/or the population cannot pay enough for the services to cover costs. The Mission is concerned that a segment of the population will not have access to these services. Nonetheless, since USAID/Washington has insisted that the last year of funding these activities will be FY 2000, the two NGOs will have to emphasize cost recovery from services delivered to those more able to pay, rather than expansion to under-served poor populations in order to maximize the long term overall sustainability of their operations.

IR 2: Improved quality and access of family planning services.

Both APROFE and CEMOPLAF completed staff training in counseling on side effects, thereby meeting the target of five Quality Index factors; however, there was a large shortfall in Couple Years of Protection (CYP) results. In retrospect, certain programming decisions by partner NGOs have been revisited, and it is now clear that the CYP target was overestimated. Furthermore, several FP clinic sites were badly affected by El Niño flooding, making client access difficult and having a negative impact on CYP results.

Several sub-IR activities contributing to access and quality were successfully completed this year. There were qualitative studies done, including focus groups, with women and men of reproductive age in both APROFE and CEMOPLAF in order to find out what the image of the FP centers was, measure quality of care, client satisfaction, knowledge and practices. For the first time men's knowledge, opinion and attitudes are being taken into account, which is essential for achieving future results, because even though it is mostly women who receive FP services, it is often the men who make the decisions.

Another important step towards achieving this result, has been the work that JHPIEGO has carried out with the Ministry of Health (MOH) in preparing the National Reproductive Health Guidelines, as these constitute the remaining Quality Index factor to be completed next year. This has been a very participatory process in which public sector, private sector, universities, and societies of doctors, nurses and nurse-midwives have participated. For the first time domestic violence is treated as an indicator in MOH norms and health problems. The Mission is hopeful that for the first time norms prepared by the MOH are actually used country wide, and introduced at the university level. The draft guidelines are being field tested and should be sent to print by

¹ The costs of donated contraceptives are taken into account in the sustainability rate/cost recovery indicator, as part of the whole USAID contribution. During the negotiations for the new results package there was much discussion and analysis of what path to take in terms of contraceptive donation phase-out. The final decision was to keep the donation of contraceptives at the same level until the "PACD" of the agreements.

March. The training will start immediately afterwards, for which the Mission and JHPIEGO will promote APROFE as a trainer.

A maternal mortality reduction initiative was launched during 1997, under which two separate but complementary activities are being carried out. The first was to actively participate in the National Maternal Mortality Reduction Plan led by the First Lady. USAID/Ecuador participation in this Plan consists of the communications campaign in which we are not only financing part of the mass media campaign but also providing technical assistance through JHU/PCS. The other activity is representing the LAC Bureau in the monitoring of the implementation of the Regional Initiative in Essential Obstetric Care for the reduction of maternal mortality. The committee to run this program involving URC/Quality Assurance Project, PAHO, the MOH and USAID was created and has started working. The committee has chosen a district in which to carry out the program and has contacted the local authorities and providers. The baseline study is planned for February 1998.

IR 3: Improved quality and access of MCH services.

CARE, the QA Project, BASICS, and RPM improved and/or expanded 137 service delivery points during the year, greatly exceeding the targets established for FY 1997. BASICS, through the implementation of Integrated Management of Childhood Illnesses (IMCI), was especially productive improving health services in eighty-two health centers and hospitals. RPM made an important contribution by strengthening local procurement and management of drugs, thus assuring availability of drugs in twenty MOH health centers and hospitals. CARE-APOLO strengthened/expanded nine NGO service delivery points in 1997, including three new demonstration projects. The QA Project strengthened twenty-six MOH service delivery points and developed Quality Improvement activities in three new health areas during the year, bringing the total number of health areas with QA programs to twenty-nine. CEPAR made a long-term contribution to improved quality and access by conducting thirty-five seminars/workshops on health reform topics for approximately 1,300 people of whom 35% were women.

"MCH & FAMILY PLANNING JOIN FORCES IN OTAVALO"

In Otavalo, USAID/Ecuador's family planning program with CEMOPLAF and the MCH program with CARE-APOLO are working together to develop a model child health program to complement the family planning activities. The new program provides child health care to approximately 14,000 children via the expanded CEMOPLAF clinic and two new rural clinics. The addition of child health services has both expanded demand for all CEMOPLAF services and helped to increase cost recovery from approximately 50% to 65% of operating costs. The project is leading the way among Ecuadorian NGOs in the implementation of IMCI, and has introduced an innovative coupon/incentive system to encourage mothers to utilize the clinics' preventive services. Perhaps more importantly with regard to impact is the opportunity to extend this new package of services to the entire CEMOPLAF network of twenty-two family planning centers.

IR 4: Increased Sustainability of Health NGOs.

Sustainability of USAID's health partner NGOs was greatly improved in 1997 through a variety of actions. Health NGOs CARE and CEPAR have entered into agreements with the World Bank projects MODERSA and FASBASE. CEPAR developed agreements with the British Council,

Harvard University and others, and embarked upon a long term strategic planning process which includes a comprehensive Sustainability Plan. Meanwhile, CARE has developed agreements with Holland and Canada which both substantially increase funding for subgrants of our joint project and provide additional long-term resources for CARE activities.

Results related to cost recovery of CARE-supported NGOs also exceeded targets except for the projects that were not implemented in time to begin recovering costs in 1997, and/or failure of MOH collaboration due to the instability noted above. Of the ten health NGOs targeted for improved cost recovery, six exceeded their target; one fell short of its target; and three projects were not implemented in time to begin cost-recovery activities. Of the four NGO activities (Pablo Jaramillo, CEMOPLAF-Otavalo, CEMOPLAF-Lago Agrio, and ASME-CX) targeted to increase cost recovery from 50% to 55%, they actually increased cost recovery to 71%, 65%, 63% and 72% respectively. Of the three NGO activities (Santa Elena, Chordeleg and Bolivar) targeted to increase from 25-30%, two actually increased to 67%, and 51%. The third, Bolivar, primarily for political reasons, was unable to implement their cost-recovery plan. With regard to the three NGO activities which were not implemented in time, CARE in collaboration with USAID/Ecuador was overly optimistic in its schedule for implementing the new demonstration projects. Part of the delay was due to the need for a much more extensive feasibility and planning phase for the projects, and part was due to the inability to enter into agreements with the MOH due to government instability and the apparent lack of authority of the interim government. This affected two demonstration projects/NGOs that the Mission expected to be functioning and recovering costs.

2. SO 2 Expected Progress Through FY 2000 and Management Actions

SO: Increased Use of Sustainable Family Planning/Maternal Child Health services.

Prognosis for achieving the objective by the end of FY 2000 has been seriously questioned by the recent CS Project Evaluation team. They state in their conclusions:

"Considering the fact that Phase 2 (of the project) represents a totally new approach to improving the quality, access, coverage, and sustainability of MCH and CS services, a six-year period (1995 to 2000) may not be sufficient to achieve the proposed results", and adds "...any extension of the CS project beyond September 2000 will add crucial maturation time to the innovative activities initiated in 1995."

While we remain optimistic that significant results can be achieved if the resource levels proposed in the FY 1999 Congressional Presentation are provided in a timely manner, recent decisions by USAID/Washington to cut Child Survival funds in FY 2000, and to reduce FY 1999 Population funds, raise new obstacles to achieving our objectives and impose significant new constraints. As stated in last year's R4, and fully concurred with by USAID/Washington Ecuador Technical Team, the Agency's decision to phaseout this SO in FY 2000 is not justified on programmatic or technical grounds. Current and projected declines in health and nutrition

statistics clearly indicate that the expected results and timeframe for achievement are not sufficient to address these realities, due to the arbitrary limitation of the FY 2000 closeout date. It is also important that the exact date for full closeout of activities under this SO be clarified with respect to planning activity expenditures. USAID/Ecuador needs twelve months from the date of final FY 2000 obligation in Health and Family Planning to complete expenditures in a manner conducive to good management and maximization of results, and an additional three to six months to fully close out the activities in terms of final accounting and reporting requirements.

To verify planned results, a 1999 DHS Survey will be conducted by CEPAR, with TA from the Centers for Disease Control. (And as described in the Mission's Strategic Plan, there will be a need for LAC sponsorship for an FY 2004 DHS to verify 1999-2003 results). In early 2000, we plan to analyze health sector trend data from the DHS and other sources, review our past child survival activities and accomplishments, re-evaluate other donors planned support, and make recommendations as to alternative ways in which USAID may continue to be involved in the sector beyond FY 2000 even as a Limited Scope Mission or Non-Presence Goal Area. At a minimum, there will be a Activity Design supplement required to justify and lay out the continuing CS activities with CARE, CEPAR and the MOH beyond the current "PACD" of May 1999. More importantly, we believe that continued activities through central projects, CS matching grants and/or NGO activities monitored by the Mission through 2003 closeout should be options for future consideration.

IR 1: Increased sustainability of FP NGO partners.

Together with our family planning partners, viable, well regulated sustainability funds have been created. These will enable the Mission to phaseout of population at the end of FY 2000, with the important caveats that USAID/Washington provide the requested larger OYB for FY 1999 and FY 2000, and the obligation in FY 2000 is made early in the FY. As discussed in the Comments section of Indicator Table FHP 2.1 (a), the Mission has revised the targets for percentage of cost recovery by APROFE and CEMOPLAF. The targets have been adjusted to match the new and more accurate financial projections carried out in conjunction with new FP Results package and after the submission of last year's R4. The Mission will also now report each NGO's percentage of cost recovery separately.

IR 2: Improved quality and access of family planning services.

In FY 1997, the Mission did not reach the CYP target and the Mission has concluded that these targets can not be reached in the out years. In the interval since these target were estimated during last year's Strategic Plan and R4, the following factors have changed: APROFE has reached a decision not to go ahead with the planned social marketing program; CEMOPLAF is likely to scale back its successful, but financially unsustainable, social marketing program; and El Niño has had a major negative impact on access to clinics in the coastal region. The short-fall experienced in FY 1997 can not be compensated for in subsequent years, since expansion of services will conflict with the desire to ensure long-term sustainability of the existing program.

The Mission is therefore proposing a reduction in CYP planned targets for the FYs 1998-2000. (See revised Table FHP 2.2 (a).)

IR 3: Improved quality and access of MCH services.

While this year's targets were met, accomplishment of planned results by FY 2000 depends upon realization of important assumptions regarding continued progress in major health reforms of the MOH, including overall governmental decentralization and modernization and efforts along these lines by the World Bank projects. Increased World Bank-USAID collaboration in this regard, National Assembly actions, MOH institutional reform efforts, and an increased role for CONAM in assisting the MOH in the reform process are all positive moves in this direction this year, which will need to be sustained after transition to the new administration in August 1998.

IR 4: Increased Sustainability of Health NGOs.

As noted in the recent mid-term evaluation of our child survival/health reform activities, greater MOH collaboration in implementing NGO-municipal models of decentralization is crucial to accomplishing our health reform objectives. While many of the CARE-APOLO demonstrations are focussed on improving the role of private sector and communities in their health financing and delivery, articulation with the MOH and municipalities is also a key to successful demonstration of effective decentralization models. Increasing the financial sustainability of the local NGOs participating in these models efforts is a particularly difficult challenge to accomplish by FY 2000, and will be unlikely to reach targets unless political support and collaboration from the MOH, municipalities and communities is maintained with minimal interruption over this period.

During FY 1998, intensified efforts to address sustainability of CEPAR and the CARE-APOLO efforts will be undertaken. Three-year strategies formally addressing sustainability are being developed as part of their strategic planning exercises. These strategies include dialogue with other donors such as World Bank and IDB for long term support, linkages with US NGOs, technical and financial support from the LearnLinks Project, training of staff, etc. Full-scale implementation of activities with FY 2000 funds for a full year after their obligation, not just until September 2000, could go far in helping to maximize sustainability of both the activities and the NGOs concerned.

3. SO 2 Performance Data Tables

OBJECTIVE: Increased use of sustainable family planning/maternal child health services.			
APPROVED: JULY/1997		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: Strategic Objective 2 - FP/HEALTH			
INDICATOR: FPH 2.0 (a) - Contraceptive Prevalence Rate			
UNIT OF MEASURE: Percentage of women in reproductive age (15 to 49 years) currently using a method of contraception SOURCE: ENDEMAIN (DHS) Survey 1994, CEPAR fax 110-98-DI dated 3/11/98 INDICATOR DESCRIPTION: Every 5 years - 1999 (SOTL) COMMENTS: This indicator will be verified independently every five years through a National Demographic Survey, with the next one planned for 1999. It should be noted that figures reflect all contraceptive methods, including modern and traditional. The target for the year 2000 was established based on current trends and contraceptive use profiles from the Ministry of Health, CONADE, and CEPAR. Achievement of the target will depend on strong participation by USAID/Ecuador partners, especially UNFPA, and a policy environment which allows for access to family planning methods by all women. The estimate for 1997 was calculated by CEPAR, who carries out the National Demographic Survey every five years.	YEAR	PLANNED	ACTUAL
	1994(B)	-	56.8
	1997	58.6	60.7 est.
	1998	59.1	
	1999	59.6	
	2000(T)	60.0	

OBJECTIVE: Increased use of sustainable family planning/maternal child health services.					
APPROVED: JULY/1997		COUNTRY/ORGANIZATION: USAID/Ecuador			
RESULT NAME: Strategic Objective 2 - FP/HEALTH					
INDICATOR: FPH 2.0 (b) - Women and children (0-5) using improved or expanded MCH services.					
UNIT OF MEASURE: Number (000s) of visits by women and children (PER YEAR). SOURCE: CARE-APOLO, QA, RPM and BASICS project reports of January 1998. INDICATOR DESCRIPTION: Annually (RPM-2) COMMENTS: This indicator focuses on efforts to expand access through the private sector and decentralization of services.	YEAR	PLANNED		ACTUAL	
		Chld.	Wom.	Chld.	Wom.
	1995(B)	0	0	0	0
	1997	35	100	116	107
	1998	70	187		
	1999	120	334		
2000(T)	170	434			

OBJECTIVE: Increased use of sustainable family planning/maternal child health services.						
APPROVED: JULY/1997		COUNTRY/ORGANIZATION: USAID/Ecuador				
RESULT NAME: SO 2 IR 1 - Increased cost recovery of FP NGO partners.						
INDICATOR: FPH 2.1 (a) - Cost recovery level.						
UNIT OF MEASURE: Percentage of total costs covered by NGO generated income. <hr/> SOURCE: APROFE and CEMOPLAF NGO statistics: APROFE fax 2/2/98 and CEMOPLAF letter CEM-049-ECU/98 1/29/98 INDICATOR DESCRIPTION: Annually (RPM-1) COMMENTS: Cost recovery, along with institutional maturity, is crucial to long term sustainability of the family planning organization. This indicator will be verified by NGO statistics and periodic audited financial information. The target is set without taking into account the sustainability funds, so even though the NGOs do not reach 100% sustainability, they will have these funds to draw upon at the end of the current agreements with USAID/E. The targets have been adjusted to match the detailed financial projections done prior to the development of the new results package, which were not ready for last years submission of the R4. The Mission is now reporting separately for each NGO, since they are such different institutions, with different management styles and financial status. The formula used to calculate the sustainability rate is total income generated divided by all expenditures. The value of the USAID donations in kind (contraceptives) was treated as part of the total USAID donation in dollars.	YEAR	PLANNED		ACTUAL		
			AP	CEM	AP	CEM
	1996(B)		--		69.2	66.5
	1997	86.7	63.4	82	67	
	1998	90.9	67.6			
	1999	94.1	72.2			
2000(T)	97.7	77.5				

OBJECTIVE: Increased use of for sustainable family planning/maternal child health services.			
APPROVED: JULY/1997		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: SO 2 IR 2 - Improved quality and access to family planning services.			
INDICATOR: FPH 2.2 (a) - Couple Years of Protection (CYP) provided by APROFE and CEMOPLAF.			
<p>UNIT OF MEASURE: Estimated protection provided by family planning services for a one year period, based upon volume & type of contraceptives distributed.</p> <p>SOURCE: Calculation from service statistics of APROFE and CEMOPLAF: APROFE fax 2/2/98 and CEMOPLAF letter CEM-049-ECU/98 1/29/98</p> <p>INDICATOR DESCRIPTION: Annually (RPM-1)</p> <p>COMMENTS: This indicator measures quality and access to family planning services. The public sector was not included in this indicator because USAID/Ecuador contribution to their program is small and more importantly there is no reliable data.</p> <p>The Mission has adjusted the targets to match the real production of APROFE and CEMOPLAF. The previous targets were overly optimistic and unrealistic. There are several reasons why this happened. First APROFE did not launch a social marketing program which was planned, and the Mission did not adjust the CYP target accordingly. Second, there has been a lower distribution of contraceptives in one of the NGOs, and even though scientific data on the reasons why is not available, there is reason to believe that the emphasis on sustainability has resulted in a lower number of new users and contraceptives distributed.</p> <p>During FY 1997 the CYP target was not met. The Mission feels that if the targets are left as they are, we will continue to fall short with this indicator through FY 2000. For this reason and with full collaboration from our partners the targets for FYs 1998-2000 were adjusted using the latest factors published by the Evaluation Project.</p>	YEAR	PLANNED	ACTUAL
	1994(B)	--	279,117
	1997	553,439	326,050
	1998	373,177	
	1999	428,825	
	2000(T)	494,654	

OBJECTIVE: Increased use of sustainable family planning/maternal child health services.			
APPROVED: JULY/1997		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: SO 2 IR 2 - Improved quality and access to family planning services.			
INDICATOR: FPH 2.2 (b) - Quality Index applied at 40 APROFE and CEMOPLAF clinics.			
<p>UNIT OF MEASURE: Index of six factors</p> <p>SOURCE: Direct observation by USAID Population Officer; APROFE fax 2/2/98 and CEMOPLAF letter CEM-049-ECU/98 1/29/98</p> <p>INDICATOR DESCRIPTION: Annually (SOTL)</p> <p>COMMENTS: The index awards one point for each of 6 factors: no stock-outs of any method/brand; at least three modern methods available; private exam space in facility; staff trained in methods available in counselling on side-effects; state-of-the-art national guidelines available on sites; facility staffed and open at least five hours/day. (*) Numbers in the table refer to number of factors of the index applied to all 40 clinics, i.e., in 1996 all 40 clinics were applying 4 of the 6 factors in the index.</p>	YEAR	PLANNED	ACTUAL
	1996(B)	--	4(*)
	1997	5	5
	1998	5	
	1999	6	
	2000(T)	6	

OBJECTIVE: Increased use of sustainable family planning/maternal child health services.			
APPROVED: JULY/1997		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: SO 2 IR 3 - Improved quality and access of MCH services.			
INDICATOR: FPH 2.3 (a) - Service delivery points (SDPs) with improved/expanded packages of MCH services.			
UNIT OF MEASURE: Number of SDPs improved/expanded (CUMULATIVE) SOURCE: Project reports from CARE,QA, BASICS and RPM January 1998 INDICATOR DESCRIPTION: Annually (RPM-2) COMMENTS: SDPs being assisted are mostly MOH sites, plus a few NGOs. Total number of MOH SDPs from hospitals to tiny health posts, is about 1650, with some 133 NGO health centers nationwide. While USAID/Ecuador activities cover only 7% of these SDPs, it should be emphasized that the focus of assistance is on providing sustainable models of improved services, rather than national coverage.	YEAR	PLANNED	ACTUAL
	1995(B)	3	3
	1997	58	140
	1998	93	
	1999	108	
	2000(T)	118	

OBJECTIVE: Increased use of sustainable family planning/maternal child health services.			
APPROVED: JULY/1997		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: SO 2 IR 4 - Increased sustainability of health NGOs			
INDICATOR: FPH 2.4 (a) - CARE-APOLO supported NGOs achieving specific degree of cost recovery.			
UNIT OF MEASURE: Number of NGOs recovering percentage of total budget SOURCE: CARE-APOLO activities report of January 1998 INDICATOR DESCRIPTION: Annually (SOTL) COMMENTS: The APOLO-supported NGOs cost recovery indicator is the income generated through provision of services by the NGOs, as a percentage of total operating costs (synonymous with "budget" if capital expenditures not included). * New demonstration projects not implemented. Part of the delay was due to the need for a much more extensive feasibility and planning phase for the projects, and part was due to the inability to enter into agreements with the MOH due to government instability and the apparent lack of authority of the interim government.	YEAR	PLANNED	ACTUAL
	1996(B)	--	4 NGOs/50% 3 NGOs/20% 3 NGOs/0%
	1997	4 NGOs/55% 3 NGOs/25% 3 NGOs/5%	4NGOs/68%Avg 3NGOs/39%Avg 3NGOs/0%*
	1998	4 NGOs/60% 3 NGOs/30% 3 NGOs/ 10%	
	1999	4 NGOs/70% 3 NGOs/40% 3 NGOs/20%	
	2000(T)	4 NGOs/80% 3 NGOs/50% 3 NGOs/30%	

STRATEGIC OBJECTIVE - CIVIL SOCIETY

Strategic Objective: Civil Society strengthened in the key democracy enhancing areas of justice and education. (See note, below.)
Timeframe: 2003
Partners: CLD, CIDES, CEPAM, Fundación Maria Guare, Corporación Mujer a Mujer, Foro de la Mujer Esmeraldas, Fundación Nuevos Horizontes, Fundación Ecuador, Fundación Alternativa, ProJusticia/World Bank, MOE, NEC, AED/RTI

Indicator: (a) Increased awareness about issues of concern to CSOs among prominent legislators, cabinet members, political leaders, mayors, and prominent civil society leaders. (b) Civil society providing input into key reforms either at its own initiative or at the request of the government.

IR 1: Selected CSOs promoting access to justice, with a focus on women and indigenous groups.
Timeframe: FY 2003
Partners: CLD, CEPAM, Fundación Maria Guare, Corporación Mujer a Mujer, Foro de la Mujer Esmeraldas, Fundación Nuevos Horizontes, CIDES.

Indicator: (a) Number of Comisaria cases attended per year. (b) Number of active ADR and legal services cases handled per year.

IR 2: Improved capability of selected CSOs to introduce and promote the implementation of key reforms in the justice sector.
Timeframe: FY 2003
Partners: CLD, CIDES, CEPAM

Indicator: (a) Key steps taken by CSOs to promote legislative and/or policy reform in the justice sector. (b) CSOs using mass media to express their views on key topics in justice.

IR 3: Improved capability of selected CSOs to introduce and promote the implementation of key reforms in the education sector.
Timeframe: FY 2003
Partners: CSOs, private citizens, and other groups are in the process of being identified. These could include Fundación Ecuador, Fundación Banco del Pichincha, and Fundación Leonidas Ortega

Indicator: (a) Key steps taken by CSOs to promote legislative and/or policy reform in the education sector. (b) CSOs using mass media to express their views on key topics in education.

Note: Other SO partners (SO 1: CARE, TNC, Jatun Sacha, Ecociencia, CEDENMA, FUNAN; SO 2: APROFE, CEMOPLAF, CEPAR, CARE; SpO 1: Oikos; SpO 3: FE, CLD) are also contributing to the SO, but within the specific sectoral frameworks provided by environmental issues, FP/health, and good governance.

E. SO 3: Civil Society Strengthening

1. SO 3 Performance Analysis

SO: Civil Society strengthened in the key democracy enhancing areas of justice and education.

SO 3 supports the US national interest of increasing foreign government adherence to democratic practices and respect for human rights. This is identified with the first goal of the Mission Performance Plan.

Overall progress toward achieving this SO and its three intermediate results met Mission expectations. Where possible, baselines for the new indicators of the refined SO and IRs were established for FY 1997; the remainder will be established in FY 1998.

USAID/Ecuador partner organizations active in the justice sector greatly increased their service base to a wider universe of individual beneficiaries, made initial efforts to obtain support from outside sources, promoted the formulation and enactment of important legislation, and demonstrated their ability to influence individual policy makers in pivotal legislative and/or policy actions. Important legislation, such as the Arbitration and Mediation Law, was passed and a new policy for the operations of *comisarias* (GOE legal offices for domestic violence) was approved. These same NGOs have actively participated in political processes such as the appointment of new judges and constitutional reform by preparing technical papers, disseminating information, and providing technical assistance to government officials, congressmen and women, judicial sector authorities and National Assembly members. In addition, USAID/Ecuador support to ProJusticia, the GOE Judicial Coordinating Unit, proved instrumental in the creation and structuring of World Bank and IDB financed NGO funds for judicial activities in the amounts of \$2.4 million (\$1.2 million for civil society strengthening and \$1.2 million for judicial workers) and \$400,000, respectively.

Principal justice sector NGO partners have made progress toward broadening their base of support from domestic sources as well as other donors. CLD renewed its agreements with several universities to provide logistical support to increase its presence in cities outside Quito and also signed agreements with the Chamber of Industries of Cuenca and Chamber of Commerce of Quito for the establishment of mediation centers. CEPAM has taken steps to modernize and restructure its financial and administrative systems. Operations manuals were completed and are being implemented. CIDES was contracted by OPS (a private company that provides legal services) to undertake research and consultancy activities financed by other donors, including the World Bank. CIDES also signed MOUs with two local universities to promote mediation activities and to find financial support from outside donors to implement such activities during the coming FYs. USAID/Ecuador's three justice sector partners have submitted bids for contracts under three of the four components of the World Bank's program managed by ProJusticia: women's defense, ADR, and judicial management.

With regard to NGO strengthening in the education sector, efforts were initiated to form coalitions of NGOs/CSOs around key issues leading to education reform. As a first step, a study was conducted to identify key stakeholders -- individuals, NGOs, and CSOs engaged in education policy reform. This process, in which over 300 NGOs/CSOs were identified, resulted in the development of a political map of the sector. Subsequently, through training workshops and seminars, information was exchanged with these individuals and groups regarding such important issues as accountability, decentralization, and participation. Through these two principal activities, important alliances have begun to be formed and the National Assembly is currently discussing these issues. These activities have also led to USAID/Ecuador leveraging of funding from the JICA and the World Bank to carry out consensus building on decentralization at the MOE and develop a school autonomy model experiment for the Galápagos Islands.

IR 1: Selected CSOs promoting access to justice, with a focus on women and indigenous groups.

During 1997, justice sector NGO partners achieved significant results towards improving their capacity and ability to provide and expand the use of legal and alternative dispute resolution (ADR) services to an increased number of clients. Established targets with respect to the number of cases initiated in *comisarias* were met. A total of 28,021 women victims of domestic violence accessed legal, psychological, and social services. CEPAM and four other NGOs provided women with training and legal services and improved physical conditions in five *comisarias* located in major cities of Ecuador.

"STARTING TO EFFECTIVELY CONFRONT DOMESTIC VIOLENCE"

During this last year, CEPAM, the NGO supported by USAID in providing legal and other services for battered women, has turned into the leading organization coordinating the efforts of governmental and non-governmental institutions for confronting domestic violence in Ecuador. This NGO, in conjunction with other organizations including the *Women and Family Comisarias*, the National Office for Women, NGOs located in various cities of the country, and other CSOs, is developing a series of strategies to address the complex problem of domestic violence, including educational and dissemination activities designed to prevent the problem, assistance to battered women and their families, creation of shelters, training of "natural" agents who intervene in cases of violence against women, and actions within the legal system.

As a result, with USAID/Ecuador support, during FY 1997 a total of 28,021 women victims of domestic violence received a just hearing and treatment of their cases and accessed decent legal, psychological, medical, and social work services when attending the Women and Family Comisarias; a total of 8,604 persons including lawyers, community based leaders, students, police members, health sector officials, indigenous communities, and other groups were exposed to information on the existence and application of the Anti-Violence in Family Law through the development of 204 workshops and seminars throughout the country; mass media such as the press and radio are now providing increased coverage of issues related to domestic violence; anti-violence self-help groups were established in several urban poor neighborhoods throughout the country; and violence statistics are being incorporated into GOE Gender Statistics. Finally, CEPAM applied for and was awarded a World Bank grant that will permit it to provide legal services beyond family violence.

These are all visible steps supported by USAID/Ecuador through these very active and effective CSOs to address, and at some future point reduce, the growth of the dramatic problem of domestic violence in Ecuador.

Through a series of workshops and seminars led by these same NGOs, justice sector officials and others were informed of practical applications of the Anti-Violence in Family Law (passed in November 1995) which seeks to reduce family violence. Simultaneously, these NGOs and the Comisarias have evaluated the applicability/practicality of this law and are planning to propose changes to improve its application. Additionally, these NGOs have initiated a public education campaign which seeks to lessen domestic violence through local radio programs, newspaper

articles, and the publication of violence statistics. They also have established anti-violence, self-help groups in poor, urban neighborhoods.

The use of mediation as a judicial process was effectively promoted by CIDES and CLD, thereby increasing access to justice by indigenous and urban poor groups. In fact, it was pilot activities of CIDES that prompted indigenous communities to formally request legal clinics -- of the type implemented on a pilot basis by CIDES -- to resolve problems within their communities. Established targets with respect to the number of active ADR and legal services cases addressed by these two NGOs and other NGO partners through mediation centers and legal clinics for indigenous groups were greatly exceeded. For the first time, CLD and Projusticia developed and are in the process of implementing a nationwide ADR network. This result can be attributed to the innovative training and permanent evaluation methodology used by both CIDES and CLD, as well as a coherent promotion strategy. Furthermore, their considerable expertise in ADR and established credibility with communities has permitted them to obtain the support of law firms and universities for the establishment and promotion of these services. CLD established two additional mediation centers in Guayaquil and Cuenca. At such time as implementing regulations for the recently approved Mediation and Arbitration Law are passed, further, significant increases in the use of mediation within the justice system are expected. These implementing regulations are currently being formulated by a select group of private and public organizations led by CLD.

Finally, CLD completed its justice and democracy index, an annual index which will measure changes in public perception of the justice sector and democracy in Ecuador. This tool will allow CLD and other CSOs to propose changes and plan strategically their interventions in the justice sector based on reliable, qualitative and quantitative information.

IR 2: Improved capability of selected CSOs to introduce and promote the implementation of key reforms in the justice sector.

Consensus building and the forming of strategic alliances among our principal judicial sector NGOs in the formulation, reform, and implementation of important legislation and policy reforms continue to produce concrete results. The new Penal Procedures Code developed and vetted widely among legal experts throughout Ecuador with support from CLD was presented to Congress in December 1997, with passage expected by April 1998. The Arbitration and Mediation Law, actively pushed by CLD and CIDES, was enacted in September 1997. These organizations are spearheading a select group of private and public organizations in the formulation of implementing regulations for this law, which are expected to be submitted to the President in March 1998. The implementing legislation for the recently established National Judicial Council was approved by Congress in January 1998 and it is expected to be approved by the Executive. This implementing legislation specifies how the National Judicial Council, which oversees the administration of the court system, will be organized and the extent of and limits of its authority. Finally, CLD and CIDES have provided and will continue to provide assistance to the justice commission of the National Assembly through April 1998, at which time the National Assembly will have completed its work to reform the Constitution.

As a result of a highly successful lobbying effort by CEPAM, operational policies governing women and family *comisarias* were approved. Moreover, President Alarcón signed a Decree for the establishment and financing of key staff and operating expenses for twenty-five new *comisarias* throughout the country. In 1998, CEPAM will continue exercising a leadership role in organizing civil society to more effectively pressure the GOE to mobilize the required funding and political support to fully implement this new decree. In the interim, it will continue searching for other means to achieve the long-term financial and institutional sustainability of women and family *comisarias* in Ecuador.

IR 3: Improved capability of selected CSOs to introduce and promote the implementation of key reforms in the education sector.

USAID/Ecuador's previous three years of assistance in the education sector, particularly research carried out through the Fundación Ecuador which produced studies on the Crisis in Education, Fe y Alegría and the teacher's union, served to focus on-going reform efforts of the GOE and generally raise public awareness of such issues as the lack of accountability and parent participation that negatively affect the quality of education in Ecuador. AED/RTI-led discussions with and among principal actors in the sector have shown impact. For example, the current Minister of Education convened the National Education Council twice during the last five months to discuss accountability and participation. The NEC recently articulated a new strategic objective for the Ministry of Education (MOE), which focuses on improving the quality of education. Accountability was included as an intermediate result toward achieving this strategic objective. Previously, a concept such as accountability would not have been considered as part of formal MOE policy.

AED/RTI activities also contributed to the formation of the first NGO coalition for education reform. Technical assistance provided by AED/RTI helped the coalition to focus on key problems in the education sector that required policy attention, i.e., accountability, decentralization, and participation.

An open forum led by the NEC with the participation of Education Minister Belli of Nicaragua was held to debate the political economy of replicating the Nicaraguan autonomous school model in Ecuador. This forum attracted representatives from a broad political spectrum and various groups, including parents, former ministers of education, representatives from Congress, NGOs, the business community, the Teachers Union, indigenous and women's groups. This event proved to be an important example of participatory democracy at work and has set the stage for organizing a coalition of key individuals and CSOs around the principles of accountability and participation. These CSOs have continued to meet ad-hoc in an effort to reach consensus on these and other issues affecting the quality of education in Ecuador and have expanded to include other CSOs, the MOE, the Pontifical Catholic University of Ecuador (PUCE) and the planning secretariat. A concrete result was a formal proposal for education reform that was presented to the National Assembly, established in December 1997 to reform the Ecuadorian Constitution. As a result of these ad-hoc CSO meetings, USAID/Ecuador partners took the initiative to reach a consensus that was formalized in a matrix incorporating major education sector issues with

respect to Constitutional reform as identified by the MOE, PUCE, the Planning Secretariat of CONADE and the private sector. The Director of Planning at the MOE, in turn, requested partner CSOs to use this matrix as a key document in making a presentation to the education working commission of the National Assembly. As a result, USAID/Ecuador believes that pursuing a common policy education reform agenda -- if done right -- is an ideal vehicle for building civil society constituencies (coalitions, strategic alliances, trust networks) among both organizations and individuals that will not only be effective for the reform effort but will, in many instances, reach out beyond to strengthen democracy.

"CONSENSUS BUILDING ON EDUCATION REFORM IS STRENGTHENING CSOs"

Motivated by the political turmoil that they had just overcome, the people of Ecuador voted to call a National Assembly soon after the interim Alarcón administration assumed office. The Assembly, made up of seventy representatives from eleven political parties, set out to reform Ecuador's constitution in order to better serve the people. USAID/Ecuador's partner NGOs, determined to improve the country's education system, seized the opportunity for reform at the constitutional level. They built a consensus around the principles of education reform which include accountability, decentralization, and parent participation, goals that USAID/Ecuador, along with AED/RTI, has worked toward over the last three years. They formed a group which consisted of representatives from USAID partner NGOs, the teachers' union, the Pontifical Catholic University of Ecuador, the private sector, and the Minister of Education. These individuals wrote a unified proposal for the National Assembly which emphasized these key principles. At this time the proposal is still under consideration by the National Assembly.

The Mission is enthusiastic about such a bold move on the part of this group for several reasons. First of all, the formation of this body positively reflects years of modest investments by USAID/Ecuador and its partner NGOs in order to build up a trust network amongst CSOs. Secondly, the coalition complies exactly with the Mission's SO 3 to strengthen civil society. Finally, it was this group of people who developed the most serious education reform proposal brought before the National Assembly, which gives much hope to those who see Ecuador's education system as being in dire need of change.

This sequence of events illustrates the effectiveness of CSOs when they join forces to achieve a common goal as opposed to the traditional fragmented approach that has hindered them for so long. Civil society is indeed "learning by doing" -- combatting one of Ecuador's most pressing development issues and strengthening itself in the process.

2. SO 3 Expected Progress Through FY 2000 and Management Actions

SO: Civil Society strengthened in the key democracy enhancing areas of justice and education.

The three intermediate results posited in support of this strategic objective have excellent prospects for being achieved within the medium to long term. First, the intermediate results can all be pursued independently of external socio-political factors, although full success at the SO level is dependent upon positive interaction between civil society and political leaders. Furthermore, the NGOs working in the justice sector targeted for assistance are all well known to the Mission. In some cases, they have been engaged in the specified activities for years and all that is required now is a sustained effort to systematize these activities. In the case of the less advanced NGOs, where new programs in self-sustainability are necessary, e.g., CIDES and CEPAM, design of the programs has been initiated by the SO 3 team in participation with the institutions themselves and with the prospective technical assistance provided under the Global Bureau's LearnLinks Program. NGOs will be working together to develop strategic alliances, and others will develop activities to share their positive experiences and approaches. Progress in the justice sector intermediate results will also be aided by the cooperation and assistance of more advanced NGOs, a process that will be enhanced by the possible establishment of USAID

and other donor NGO funds, now in the design stage. USAID/Ecuador will continue to support ProJusticia in developing its staff and define the criteria for the use and coordination of these NGO funds.

Work with education sector NGOs will be pursued on a different track. Civil society strengthening activities in education will focus on identifying a small group of highly respected individuals from diverse sectors of civil society (NGOs involved in education, representation from private enterprise, mass media, possibly from the Ministry of Education, the Congress, and leading political parties) who are deeply committed to education and who have ties to one or more civil society groups and helping these individuals to form an informal advisory/stakeholder group. With technical assistance from USAID/E and AED/RTI, this group will develop a strategic plan, which includes a clear consensus on the group's vision, including the key policy reforms that it would like to focus its efforts on over the coming years. This strategic plan will be accompanied by a concrete plan of action for the next year for influencing these policy reforms, which involves developing trust networks among civil society groups who will be actively involved in this effort.

Concrete support, through AED/RTI, to this group will focus on helping them to implement their work plan. This will include, as needed: (a) assisting the members of the advisory/stakeholder group to strengthen their conceptual and analytic understanding of the reform process; (b) providing them with training in the "how to's" of influencing policy reform, including how to build coalitions, strategic alliances and trust networks among diverse civil society groups; and, (c) assistance in carrying out analytical and other studies necessary to promote the policy reform agenda the group has selected. Support from LearnLinks may be sought complement the work of AED/RTI.

At the end of the first year of support (at about the same time as next year's R4 submission), the key partners in this endeavor, USAID/E, AED/RTI, and the informal advisory/stakeholder group, will reconvene to assess progress against targets, decide whether the approach of supporting this advisory/stakeholder group still makes sense, and whether the group should become formalized. If the response on the latter is positive, the group with AED/RTI assistance will develop a detailed plan of action for the remainder of the USAID/Ecuador Strategic Framework period. If it is not, and significant results have not been achieved in terms of the activities described above, principally in implementing the work plan and agreed upon strategy, USAID/E will, in close coordination with partners, determine the most appropriate course of action.

IR 1: Selected CSOs promoting access to justice, with a focus on women and indigenous groups.

The services rendered at five *comisarias* will be improved through the application of operative research and complimentary activities on services quality improvement to be completed in FY 1998. During FYs 1998-2000, CEPAM and its collaborating NGOs will continue to train GOE justice sector officials in the application of the Anti-Violence in Family Law, expand legal services to battered women, improve their internal technical capabilities, provide technical

assistance to selected new *comisarias*, improve the physical conditions of four new *comisarias*, undertake operative research on related violence issues, strengthen communication and promotion activities to prevent domestic violence, and generally to lobby on women's issues to achieve gender equality.

CIDES and CLD will expand the use of extra-judicial mediation techniques in FY 1998. In addition to providing these services through mediation centers and informal organizations, these NGOs will provide training and technical assistance to other organizations and community based groups on how to apply the Arbitration and Mediation Law and its corresponding implementing regulations. CIDES will also expand the services of its legal clinics for indigenous groups and by the end of FY 1999 will have designed a plan to institutionalize legal and ADR services within indigenous federations. By FY 2000, CIDES will have introduced the use of ADR in a new indigenous federation.

IR 2: Improved capability of selected CSOs to introduce and promote the implementation of key reforms in the justice sector.

CLD will continue during the following FYs to use its consensus building methodology for the formulation and approval of selected laws. CIDES and CEPAM will participate in this activity by working in selected laws (for example, the Mediation and Arbitration Law and its implementing regulations) which particularly affect disadvantaged groups including women and indigenous groups. It is expected that implementing regulations for the Arbitration and Mediation Law will be approved by the Presidency in FY 1998. A new Civil Procedures Code and a new administrative law should be introduced to Congress by the beginning of FY 1999. Reforms to the Penal Procedures code, facilitating a strengthened and more effective role of the Public Prosecutor, will be spearheaded by CLD during FY 1999.

By the end of FY 1998 CLD and CIDES will complete a series of dissemination and training activities for the legal community, universities, community based groups, NGOs, chambers of commerce and industry and others to promote the use and correct application of the Arbitration and Mediation Law. By the beginning of FY 1999 CLD will have completed the formulation of a feasibility plan for the implementation of the reformed Civil Procedures Code to be used in the legislative and executive discussions for the approval of the reforms proposed by CLD to this code. Implementation of the revised Penal Procedures code will be led by CLD during FYs 1999-2000.

By the end of FY 1998, an NGO fund to encourage strategic alliances among NGOs for influencing and promoting the achievement of policy and legislative reforms in the areas of justice will be designed. Beginning in FY 1999, the fund should be operative on a pilot basis.

IR 3: Improved capability of selected CSOs to introduce and promote the implementation of key reforms in the education sector.

Education sector NGOs will work to form strategic alliances to pursue policy reform activities with a wide array of CSOs and contacts with the MOE and the NEC. NGOs, together with key individuals and groups, will work independently as well as jointly, to raise awareness in an attempt to put education reform on equal footing with the other major social and economic issues facing Ecuador. Assuming that the National Assembly modifies the Constitution to incorporate such important principles as decentralization, accountability and participation, key individuals, groups, CSOs and NGOs will work independently and jointly with parents, educators, the MOE and the NEC, among others, through strategic alliances on agreed-upon reforms and advocacy efforts with the new GOE administration coming into office in August 1998.

USAID and its partners will closely coordinate these activities with the IDB and the World Bank, possibly through regular (quarterly) donor meetings, particularly in the formulation and drafting of proposals that will permit partner NGOs to leverage additional funding for justice and education sector reform, as well as their own financial and institutional strengthening.

3. SO 3 Performance Data Tables

OBJECTIVE: Civil society strengthened in the key democracy enhancing areas of justice and education.			
APPROVED: FEBRUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: Strategic Objective 3 - CIVIL SOCIETY			
INDICATOR: DEM 3.0 (a) - Increased awareness about issues of concern to CSOs among prominent legislators, cabinet members, political leaders, mayors, and prominent civil society leaders.			
UNIT OF MEASURE: Percentage of survey interviews demonstrating increased awareness SOURCE: CSO surveys by Market INDICATOR DESCRIPTION: Annually (SOTL) COMMENTS: "Increased awareness" is defined as changing the point of view of individuals on specific issues. Individuals will be contacted/lobbied by USAID/Ecuador partners through seminars, conferences, media, publications, etc. Their perception of the importance of the problems of the justice and education sectors will have been greatly affected, and they will have accessed better, more useful information. This information is being obtained by a survey of such individuals with respect to their interactions with NGOs/CSOs in the areas of access to justice, education policy, and legislative reform linked to justice or education. USAID/Ecuador has entered into a contract with a local organization to establish a baseline in 1998 that will permit the establishment of annual targets; initial findings should be available in April.	YEAR	PLANNED	ACTUAL
	1998(B)	Establish baseline	
	1999	Positive change	
	2000	Positive change	
	2001	Positive change	
	2002	Positive change	
	2003(T)	Positive change	

OBJECTIVE: Civil society strengthened in the key democracy enhancing areas of justice and education.			
APPROVED: FEBRUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: Strategic Objective 3 - CIVIL SOCIETY			
INDICATOR: DEM 3.0 (b) - Civil society providing input into key reforms either at its own initiative or at the request of the government.			
UNIT OF MEASURE: Percentage increase in "input" actions over previous year SOURCE: Routine reports by partner CSOs: CLD, CIDES, CEPAM, FE, FBP, FLO, Education Consultative Group INDICATOR DESCRIPTION: Annually (SOTL) COMMENTS: "Input" covers a broad spectrum of interaction between civil society and the government. It includes, but is not limited to, CSOs/individuals contacting/lobbying government officials, CSOs/individuals providing analyses to government, CSOs/individuals acting as "expert witnesses", CSOs/individuals presenting draft texts for specific laws/decrees, government soliciting input from CSOs/individuals. This indicator will be tracked using a monitoring matrix of these types of actions by each partner. This is a new indicator developed as a result of the guidance provided in line with STATE 33523 Paragraph 4.	YEAR	PLANNED	ACTUAL
	1997(B)	Establish baseline	
	1998	>30%	
	1999	>40%	
	2000	>30%	
	2001	>20%	
	2002	>20%	
2003(T)	>10%		

OBJECTIVE: Civil society strengthened in the key democracy enhancing areas of justice and education.			
APPROVED: FEBRUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: IR 1 - Selected CSOs promoting access to justice, with a focus on women and indigenous groups.			
INDICATOR: DEM 3.1 (a) - Number of Comisaria cases attended per year.			
UNIT OF MEASURE: Number of cases (PER YEAR). SOURCE: Comisarias data base system, NGO progress reports INDICATOR DESCRIPTION: Annually (RPM) COMMENTS: An indicator of increased number of clients served by Comisarias is appropriate during this period because of the under-reporting of domestic violence cases. At some future point, not yet determined, increased prevention efforts will begin to reduce the growth of domestic violence cases.	YEAR	PLANNED	ACTUAL
	1996(B)	--	25,600
	1997	26,750	28,021
	1998	28,900	
	1999	30,000	
	2000	33,000	
	2001	36,000	
	2002	37,000	
	2003(T)	38,000	

OBJECTIVE: Civil society strengthened in the key democracy enhancing areas of justice and education.																																																									
APPROVED: FEBRUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador																																																							
RESULT NAME: IR 1 - CSOs promoting access to justice, with a focus on women and indigenous.																																																									
INDICATOR: DEM 3.1 (b) - Number of active ADR and legal services cases handled per year.																																																									
UNIT OF MEASURE: Number of cases (PER YEAR). SOURCE: CIDES and CLD progress and evaluation reports INDICATOR DESCRIPTION: Annually (RPM) COMMENTS: By 1999, 65 CIDES community based mediators will be trained to provide effective community ADR and other legal services. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>YEAR</th> <th>A</th> <th>B</th> <th>C</th> <th>D</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>1996</td> <td style="text-align: center;">4</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">4</td> </tr> <tr> <td>1997</td> <td style="text-align: center;">76</td> <td style="text-align: center;">36</td> <td style="text-align: center;">54</td> <td style="text-align: center;">39</td> <td style="text-align: center;">205</td> </tr> <tr> <td>1998</td> <td style="text-align: center;">108</td> <td style="text-align: center;">60</td> <td style="text-align: center;">96</td> <td style="text-align: center;">96</td> <td style="text-align: center;">360</td> </tr> <tr> <td>1999</td> <td style="text-align: center;">130</td> <td style="text-align: center;">72</td> <td style="text-align: center;">138</td> <td style="text-align: center;">192</td> <td style="text-align: center;">532</td> </tr> <tr> <td>2000</td> <td style="text-align: center;">180</td> <td style="text-align: center;">85</td> <td style="text-align: center;">125</td> <td style="text-align: center;">264</td> <td style="text-align: center;">654</td> </tr> <tr> <td>2001</td> <td style="text-align: center;">180</td> <td style="text-align: center;">100</td> <td style="text-align: center;">150</td> <td style="text-align: center;">336</td> <td style="text-align: center;">766</td> </tr> <tr> <td>2002</td> <td style="text-align: center;">200</td> <td style="text-align: center;">120</td> <td style="text-align: center;">160</td> <td style="text-align: center;">408</td> <td style="text-align: center;">888</td> </tr> <tr> <td>2003</td> <td style="text-align: center;">250</td> <td style="text-align: center;">135</td> <td style="text-align: center;">170</td> <td style="text-align: center;">480</td> <td style="text-align: center;">1,035</td> </tr> </tbody> </table> <p>TYPE A - FAMILY MEDIATION (CIDES): The beneficiaries are expected to range from 4 to 8 persons per case. TYPE B - SECTORIAL MEDIATION (CIDES): The beneficiaries are expected to range from 3 to 6 persons per case. TYPE C - COMMUNITY MEDIATION (CIDES): The beneficiaries are expected to range from 10 to 1000 persons per case. TYPE D - Commercial Mediation (CLD): The beneficiaries are expected to range from 15 to 20 persons per case.</p>	YEAR	A	B	C	D	TOTAL	1996	4	0	0	0	4	1997	76	36	54	39	205	1998	108	60	96	96	360	1999	130	72	138	192	532	2000	180	85	125	264	654	2001	180	100	150	336	766	2002	200	120	160	408	888	2003	250	135	170	480	1,035	YEAR	PLANNED	ACTUAL
	YEAR	A	B	C	D	TOTAL																																																			
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OBJECTIVE: Civil society strengthened in the key democracy enhancing areas of justice and education.			
APPROVED: FEBRUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: IR 2 - Improved capability of selected CSOs to introduce and promote the implementation of key reforms in the justice sector.			
INDICATOR: DEM 3.2 (a) - Key steps taken by CSOs to promote legislative and/or policy reform in the justice sector.			
UNIT OF MEASURE: Number of planned actions completed SOURCE: Partner reports. INDICATOR DESCRIPTION: Semi-annually (SOTL) COMMENTS: The targets for this indicator are derived from a matrix that tracks such steps such as: the development of a drafting/approval plan; collection of relevant information and input about the issue; the formulation of policy position papers; drafting of working documents; the promotion of consensus and support among relevant private and public sectors; the development of draft laws or regulations; the wide-spread discussion of the draft law; coalition building and networking; preparation for presentation of draft laws to Congress; feasibility studies of implementation approaches; and the development of an implementation plan. It is expected that the following reform actions will become the focus of these actions: Criminal Procedures Code; Mediation & Arbitration Law; Law on Indigenous Peoples; Policy on Comisarias.	YEAR	PLANNED	ACTUAL
	1996(B)	--	0
	1997	22	22
	1998	44	
	1999	68	
	2000	84	
	2001	93	
	2002	98	
	2003(T)	102	

OBJECTIVE: Civil society strengthened in the key democracy enhancing areas of justice and education.			
APPROVED: FEBRUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: IR 2 - Improved capability of selected CSOs to introduce and promote the implementation of key reforms in the justice sector.			
INDICATOR: DEM 3.2 (b) - CSOs using mass media to express their views on key topics in justice.			
UNIT OF MEASURE: Number of articles/interviews in newspapers or on radio/television. SOURCE: Routine reports by partner CSOs: CLD, CIDES, CEPAM INDICATOR DESCRIPTION: Annually (SOTL) COMMENTS: This is a new indicator developed as a result of the guidance provided in line with STATE 33523 Paragraph 4. Targets will be established after collection of baseline data in FY 1998.	YEAR	PLANNED	ACTUAL
	1998(B)	Establish baseline	
	1999	TBD	
	2000	TBD	
	2001	TBD	
	2002	TBD	
	2003(T)	TBD	

OBJECTIVE: Civil society strengthened in the key democracy enhancing areas of justice and education. APPROVED: FEBRUARY/1998 COUNTRY/ORGANIZATION: USAID/Ecuador			
RESULT NAME: IR 3 - Improved capability of selected CSOs to introduce and promote the implementation of key reforms in the education sector.			
INDICATOR: DEM 3.3 (a) - Key steps taken by CSOs to promote legislative and/or policy reform in the education sector.			
UNIT OF MEASURE: Number of planned actions completed SOURCE: Partner reports. INDICATOR DESCRIPTION: Semi-annually (SOTL) COMMENTS: The targets for this indicator are derived from a matrix that tracks such steps such as: the development of a drafting/approval strategy; analytical studies, coalition and network building, the development of policy position papers; the preparation for contacts with GOE officials; mobilization of interested groups and/or popular support; drafting of regulations; and the development of an implementation strategy. Following the strategic planning actions discussed in the SO 3 narrative, Mission believes that one or more of the following reforms will become the focus of these actions: Ministerial Regulations for decentralization; Ministerial Regulations for accountability; Sections of Education Law governing the NEC, the role of parents in the management of schools, and the participation of the private sector in the delivery of public education.	YEAR	PLANNED	ACTUAL
	1996(B)	--	0
	1997	4	4
	1998	16	
	1999	42	
	2000	48	
	2001	54	
	2002	69	
	2003(T)	78	

OBJECTIVE: Civil society strengthened in the key democracy enhancing areas of justice and education. APPROVED: FEBRUARY/1998 COUNTRY/ORGANIZATION: USAID/Ecuador			
RESULT NAME: IR 3 - Improved capability of selected CSOs to introduce and promote the implementation of key reforms in the education sector.			
INDICATOR: DEM 3.3 (b) - CSOs using mass media to express their views on key topics in education.			
UNIT OF MEASURE: Number of articles/interviews in newspapers or on radio/television. SOURCE: Routine reports by partner CSOs: Fundación Ecuador, Education Consultative Group INDICATOR DESCRIPTION: Annually (SOTL) COMMENTS: This is a new indicator developed as a result of the guidance provided in line with STATE 33523 Paragraph 4. Targets will be established after collection of baseline data in FY 1998.	YEAR	PLANNED	ACTUAL
	1998(B)	Establish baseline	
	1999	TBD	
	2000	TBD	
	2001	TBD	
	2002	TBD	
	2003(T)	TBD	

SPECIAL OBJECTIVE - GOVERNANCE

Special Objective: Improved transparency and governance in target governmental institutions.

Timeframe: FY 1999

Partners: CONAM, Ministry of Finance, Fiscalía de la Nación, OPDAT, Fundación Ecuador, CLD, other NGOs/CSOs.

Indicator: (a) Increased citizen confidence in political processes of the Government. (b) Increased citizen confidence in administrative processes of the Government. (c) Increased number of anti-corruption cases brought to trial.

IR 1: GOE efforts to modernize the MOF advanced.

Timeframe: FY 1999

Partners CONAM, MOF, FE, IBRD, IDB

Indicators: (a) Reforms implemented in key government offices and entities (complemented by a qualitative assessment of the quality of the implementation)

IR 2: Strengthened capacity of public prosecutors to investigate and prosecute corruption cases in target governmental institutions.

Timeframe: FY 1999

Partners: Fiscalía de la Nación, CLD, OPDAT

Indicators: (a) Special "anti-corruption" unit created in Prosecutor General's office, followed by implementation as measured by the number of investigators assigned to the unit.

F. SpO 3: Good Governance

1. SpO 3 Performance Analysis

SpO: Improved transparency and governance in target governmental institutions.

USAID/Ecuador's Good Governance Special Objective supports the US national interest of increasing foreign government adherence to democratic practices and respect for human rights. This is identified with the first goal of the Mission Performance Plan.

SpO 3 is a two-year activity, ending in FY 1999, and was designed as an emergency program with sufficient flexibility to meet specific demands to improve governance in Ecuador and reduce corruption in specific functions of key GOE agencies. Activities seek to increase citizen confidence in key offices within the Ministry of Finance (MOF), particularly its customs and tax sub-secretariats and the Prosecutor General's Office. Legislative reforms in the areas of tax, customs, and the criminal code will also be sought. (The criminal procedures code will be drafted and implemented under SO 3.) GOE interests are to reduce corruption and improve management, thereby increasing revenue collection.

Considerable progress has been achieved to meet planned results in less than twelve months of planning and implementation. New legislation was approved creating a semi-autonomous internal revenue service. Similarly, a bill has been submitted to the National Congress to reform customs. Civil-military dialogue, initiated in February 1996, with the American University (AU) and PUCE has yielded a series of seminars funded by Global Bureau on key development issues related to economic growth, national security, and education, among others. Indeed, the National Assembly is now considering and debating publicly an amendment to limit the role of the armed forces in the economy.

It is expected that greater efficiency through improved management and the implementation of adequate systems of checks and balances will influence public confidence and support for wider state modernization efforts. Baseline measurements of these were established in FY 1997, but may be modified in accordance with recent USAID/Washington comments regarding our SpO 3 framework and indicators.

IR 1: GOE efforts to modernize the MOF advanced.

Activities under IR 1 are presently implemented through a Cooperative Agreement with Fundación Ecuador (FE) working in close collaboration with the State Modernization Council (CONAM) and the MOF. Regular meetings are held with our partners to discuss implementation strategies and how to make the best use of scarce resources, using these to leverage other resources where possible. The activity's rolling design has permitted USAID to take advantage of windows of opportunity and customer feedback has been crucial to successes achieved to date. The activity is supported by complimentary activities of other donors, most notably the World Bank and the IDB.

The GOE has taken important steps to modernize the customs service and tax administration. CONAM, in coordination with the MOF, has developed new legislation that seeks to improve transparency and reduce corruption in these two key areas.

In the area of tax reform, USAID assistance has supported CONAM-led efforts initiated in April 1997, under the World Bank's MOSTA Project, to restructure the tax administration. Following a review of draft legislation by a USAID-financed consultant, this legislation was submitted by the President to the National Congress as an emergency bill in November 1997. The law, approved by Congress and published in the Official Register on December 2, 1998, creates a new, semi-autonomous internal revenue service -- *Servicio Nacional de Rentas Internas (SRI)* -- replacing the previous *Dirección General de Rentas* housed within the MOF. Since its passage, USAID/Ecuador, in coordination with the World Bank, has partially financed a mass media campaign (television and radio spots) organized by CONAM to educate the public on the benefits of the recently formed SRI.

CONAM also seeks to reorganize and free from political influence the customs service, historically viewed as being highly corrupt, particularly being used for political favors. Problems of corruption in the customs service were highlighted during the Bucaram administration, most notably when the President's oldest son threw a party to celebrate his first \$1.0 million -- acquired through his "management" of the Customs Service. If approved, new legislation proposed by CONAM would create a new, autonomous customs corporation. This corporation would be governed by three public and three private sector representatives in an attempt to make it more transparent and efficient. The proposed legislation was sent by CONAM to the President, who submitted the bill to Congress in December 1997, for its review and approval. It is expected that this bill will be passed by the current Congress before its term ends in July 1998 (the new Congress elect will assume duties in August 1998). Mission believes that the recent GOE decision to turn management of the customs service over to the Ecuadorian armed forces presents an opportunity not only for prompt passage of this legislation, but for its full implementation under the new GOE administration that will take office in August.

"COMMUNICATIONS TECHNOLOGY SAVES PRIVATIZATION EFFORT"

On August 31, 1997, the *Movimiento Popular Democrático (MPD)*, presented a petition to the Constitutional Tribunal, demanding that the sale of thirty-five percent of the shares of the national, state-owned telephone company, EMETEL, be declared unconstitutional. This action would have blocked this pivotal privatization effort of the state modernization council (CONAM). Fundación Ecuador, a principal USAID partner under the Good Governance Special Objective, moved swiftly in search of information that it could use to counter the MPD's petition. As part of its search, Fundación Ecuador's Executive Director (who was in Washington, D.C. at the time on consultation) made use of the INTERNET and obtained a comparative matrix and data on other Latin American country telephone company privatizations, and related legislative information. The matrix and legislative and other data were sent from our nation's capital by Fundación Ecuador via facsimile the same day Constitutional Tribunal deliberations were in progress. CONAM, in turn, provided direct legal counsel in defense of the EMETEL privatization. As a result of the efforts of both USAID partners, and in particular critical information obtained via the INTERNET, on November 10, 1997, the Constitutional Tribunal dismissed the MPD's petition, thus permitting this important privatization to proceed.

IR 2: Strengthened capacity of public prosecutors to investigate and prosecute corruption cases in target governmental institutions.

USAID/Ecuador is interested in supporting the Office of the Prosecutor General in search of more effective ways to combat public and private corruption. The approved constitutional reforms of 1995 gave the Prosecutor General increased authority to prosecute cases, but this new function has not been put into practice, mainly because the penal and criminal procedures codes need to be revised and staff trained.

It was decided that the first tranche of FY 1997 funding in the amount of \$300,000 for SpO 3 (Congressional Notification was approved in the amount of \$1.7 million over the three-year life of the SpO) would be used to finance activities contemplated under IR 1. Since that time, a USAID/Washington has informed Mission that an additional \$1.0 million will be made available to this SpO in FY 1998. However, at this writing, a joint Embassy-USAID decision has been made to reserve \$500,000 for possible border activities in view of the likely signing of a peace accord between Ecuador and Peru. Thus, while steps have been taken to initiate an assessment of the Prosecutor's Office under the centrally funded Rule of Law Project through a PASA with OPDAT, assistance in this critical area will be subject to the availability of funds and the Country Team's final decision on the uses of these funds. If the decision is made to use these funds for the purposes outlined below, USAID/Ecuador expects to sign an agreement/contract in the fourth quarter of FY 1998 for technical assistance to support the Office of the Prosecutor General.

2. SpO 3 Expected Progress Through FY 2000 and Management Actions

SpO: Improved transparency and governance in target governmental institutions.

The most significant constraint to the full implementation of this special objective continues to be the availability of funding. A number of potentially high impact activities have been identified that, individually, could easily absorb existing funds, including the \$1.0 million Mission expects to receive this year. Further complicating implementation are the very positive prospects for reaching a peace accord with Peru as early as May 1998. As mentioned above, in view of the likelihood of such an accord, the Country Team has requested that we hold in reserve as much as \$500,000 of our total planned \$1.0 million FY 1998 OYB for this activity for assistance that will be needed on and around the Ecuador/Peru border. This would greatly reduce our ability to adequately respond to planned anti-corruption and modernization activities. It is likely that Mission will request substantial, additional funding for the peace process.

IR 1: GOE efforts to modernize the MOF advanced.

Mission will continue to provide support to modernize the tax and customs administrations and patents and trademarks offices of the MOF. Principal vehicles for assistance will include technical assistance and training to key government entities and offices, as well as a permanent dialogue led by such prominent institutions as CONAM and the Fundación Ecuador. The media will continue to be an important tool for educating the public on the benefits and need to

modernize the state and reduce corruption. Mission also plans to support on-going efforts of CONAM and the World Bank to streamline the functions of the MOF by transferring budgeting responsibilities of the MOF to the various ministries and municipalities. USAID/Ecuador assistance would consist principally of technical assistance and computer hardware and software (developed by CONAM) to implement a new, computerized, state-of-the-art budgeting and accounting system in at least three municipalities. Mission will also support the efforts of CONAM, Fundación Ecuador, Causa Comun, the Anti-corruption Commission, and possibly a local chapter of Poder Ciudadano by providing technical assistance and training, principally through seminars, conferences and other, similar events.

IR 2: Strengthened capacity of public prosecutors to investigate and prosecute corruption cases in target governmental institutions

The planned assessment to be carried out by the Department of Justice experts (in collaboration with Latin American prosecutors experienced in fighting white collar crime and corruption) will determine the feasibility and prioritization of assistance options for the Ecuadorian Prosecutor General's Office. Preliminary discussions by with the Prosecutor General, followed by his trip to Washington to discuss his interests with the Department of Justice point to good prospects for the Mission contributing significant support to the strengthening of the prosecutor's capacity to address white collar crime and official corruption in Ecuador. Assistance options could include system wide training in basic investigation and prosecution skills, the possible establishment of a prosecutor training academy, or the creation of a special anti-corruption strike force. If the latter option is deemed feasible, assistance will provide joint training of investigative police and prosecutors in both basic skills and in very specialized areas such as forensic auditing, the latter in cooperation and conjunction with pertinent institutions such as the Superintendency of Banks, the Controller General's office, and the Anti-Corruption Commission. Finally, depending on the level of resources received, USAID/Ecuador will also finance the revision of the criminal code to provide a strengthened legal basis for fighting white collar crime and corruption. If possible, modification of the organizational laws of the Public Ministry (Prosecutors) and the Police will also be revised to accommodate and institutionalize the creation and functioning of the pilot strike force; and the regulations governing the Superintendency of Banks and the Customs will also be revised.

The program will be developed and implemented under the direction of the Department of Justice's Office of Prosecutorial Development And Training (OPDAT), which has experience in managing similar programs in Colombia, Bolivia and most recently underway, in Venezuela.

3. SpO 3 Performance Data Tables

OBJECTIVE: Improved transparency and governance in target governmental institutions.			
APPROVED: FEBRUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: Special Objective 0.3 - GOOD GOVERNANCE			
INDICATOR: GOV 0.3 (a) - Increased citizen confidence in political processes of government.			
UNIT MEASURE: Upward trend	YEAR	PLANNED	ACTUAL
SOURCE: CLD/Monitor Survey			
INDICATOR DESCRIPTION: Annually (RPM-1)	1997(B)	--	46 %
COMMENTS: The CLD and Monitor opinion survey was completed in April 1997. Question No. 4 measures confidence in Congress was utilized. Only 46 % of respondents answered positively to this question. This is a proxy indicator in which we assume that improvements each year can at least be partially attributed to USAID/Ecuador's program.	1998	upward trend	
	1999(T)	upward trend	

OBJECTIVE: Improved transparency and governance in target governmental institutions.			
APPROVED: FEBRUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: Special Objective 0.3 - GOOD GOVERNANCE			
INDICATOR: GOV 0.3 (b) - Increased citizen confidence in administrative processes of government.			
UNIT MEASURE: Upward trend	YEAR	PLANNED	ACTUAL
SOURCE: CLD/Monitor Survey			
INDICATOR DESCRIPTION: Annually (RPM-1)	1997(B)	--	50 %
COMMENTS: The CLD and Monitor opinion survey was completed in April 1997. Question No. 45 measures citizen's perceptions about their degree of control over acts of government was utilized. Only 50 % of respondents answered that they believe that they can have a "regular" control over acts of government. This is a proxy indicator in which we assume that improvements each year can at least be partially attributed to USAID/Ecuador's program.	1998	upward trend	
	1999(T)	upward trend	

OBJECTIVE: Improved transparency and governance in target governmental institutions.			
APPROVED: FEBRUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: Special Objective 0.3 - GOOD GOVERNANCE			
INDICATOR: GOV 0.3.0 (c) - Increased number of anti-corruption cases brought to trial.			
UNIT MEASURE: Number of cases	YEAR	PLANNED	ACTUAL
SOURCE: CLD Progress Reports			
INDICATOR DESCRIPTION: Quarterly (RPM-2)	1997(B)	--	8
COMMENTS: Increased number of white collar crime prosecuted and brought to trial will be determined by a baseline study.	1998	10	
	1999(T)	12	

OBJECTIVE: Improved transparency and governance in target governmental institutions.			
APPROVED: FEBRUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: SpO 0.3 IR 1 - GOE efforts to modernize the MOF advanced.			
INDICATOR: GOV 0.3.1 (a) - Reforms implemented in key government offices and entities.			
UNIT MEASURE: N/A SOURCE: Meetings with CONAM and MOF INDICATOR DESCRIPTION: Quarterly (RPM-1) COMMENTS: Since support to this activity is expected to be completed in FY 1999, this indicator will be accompanied at that time by a qualitative analysis undertaken by CONAM and/or external advisors of the impact of the reforms.	YEAR	PLANNED	ACTUAL
	1997(B)	--	None
	1998	* Consensus reached between the MOF and CONAM on customs and tax reforms. * Specifics of reforms identified and agreed to.	
	1999(T)	* Reforms implemented.	

OBJECTIVE: Improved transparency and governance in target governmental institutions.			
APPROVED: FEBRUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: SpO 0.3 IR 2 - Strengthened capacity of public prosecutors to investigate and prosecute corruption cases in target governmental institutions.			
INDICATOR: GOV 0.3.2 (a) - Special "anti-corruption" unit created in Prosecutor General's office.			
UNIT MEASURE: Specific steps completed. SOURCE: CLD Progress Reports INDICATOR DESCRIPTION: Quarterly (RPM-2) COMMENTS: It is expected that the following law reforms will be instrumental in achieving this IR: the Criminal Code and Criminal Procedural Code (1998) and the Code of the Organizational Law for the Fiscalia (1999)	YEAR	PLANNED	ACTUAL
	1997(B)	--	None
	1998	Pilot Unit organized	
	1999(T)	Pilot Unit in full operation as measured by the number of investigators.	

SPECIAL OBJECTIVE - MICROENTERPRISE

Special Objective: Increased access to financial services by micro-entrepreneurs, with emphasis on women

Timeframe: FY 1999

Partners: Seed Capital, CARE, Accion International, Fundación Alternativa, Project Hope, CRS, FINCA, Banco Solidario, and other commercial banks and financial institutions.

Indicator: (a) Increase in the number of micro-entrepreneur borrowers assisted by USAID partner organizations, disaggregated by gender.

IR 1: New, licensed, for profit, financial institution serving the needs of microentrepreneurs.

Timeframe: FY 1999

Partners: Seed Capital, Accion International, Banco Solidario, CARE

Indicators: (a) Increased equity investment by other donors and private investors. (b) Increase in percentage of loan portfolio comprised of microentrepreneur loans.

IR 2: Upgraded microcredit delivery systems of selected financial institutions and NGOs.

Timeframe: FY 1999

Partners: CARE, Accion International, Banco Solidario, Seed Capital, Fundación Alternativa

Indicators: (a) Improved quality of financial services provided by financial institutions and NGOs assisted.

IR 3: Strengthened institutions implementing village banking programs.

Timeframe: FY 1999

Partners: Project Hope, CRS, FINCA

Indicators: (a) Increased number of village banks. (b) Percentage of program administrative costs covered by non-USAID resources.

G. SpO 2: Microenterprise

1. Performance Analysis

SpO: Increased access to financial services by micro-entrepreneurs, with emphasis on women.

USAID/Ecuador's Microenterprise Special Objective supports the US national interest of promoting broad-based economic growth in development and transitional economies. This contributes to the Third Goal of the MPP.

After September 1998, this special objective will be the only remaining economic growth activity previously being implemented under the Mission's former SO 1, Broad-Based, Sustainable Economic Growth. As a special objective, implementation remains strong. USAID/Ecuador-Prime Fund equity investments made through Seed Capital Development Fund (SCDF) and CARE in Banco Solidario, the first fully private bank established for the purpose of serving Ecuador's microenterprise sector, permitted Banco Solidario to meet its \$18.0 million capitalization requirement ahead of schedule. As of September 1997, its microcredit portfolio had grown to 8,300 active clients. Through the CARE Cooperative Agreement, a guarantee fund will be established with CorpoMicro, a local guarantee corporation, to support the microcredit activities of four of its affiliate and other NGOs. Technical assistance to Corpomicro and these same NGOs has helped to strengthen their portfolios, to develop strategic plans and upgrade their management information systems. Village banking activities have continued to experience significant growth. Our partners, Catholic Relief Services (CRS), Project HOPE and Foundation for International Community Assistance (FINCA), opened 115 new banks in FY 1997, and on average have achieved roughly 65% financial self-sufficiency. Finally, in line with the objective of expanding access, USAID/Ecuador is encouraging interested commercial banks to provide high quality financial services to this sector. In terms of policy, the Fundación Ecuador, with external technical assistance, developed a policy framework that will help guide private sector and, more importantly, public sector-led initiatives in micro, small, and medium enterprise development. Among other things, this framework -- the result of several meetings between and among key private sector institutions and the Ministry of Trade and Commerce -- addresses the importance of providing credit at market rates and otherwise not creating distortions in the marketplace. It was widely disseminated as part of a new, draft industrialization law that, if passed, would serve to improve the investment climate in Ecuador and help it to meet the challenges of a global economy.

IR 1: New, licensed, for profit, financial institutions serving the needs of microentrepreneurs.

Equity investments totalling \$1.9 million were made by SCDF (\$1.2 million) and by CARE (\$700,000) in Banco Solidario. This investment served to leverage an additional \$3.5 million in equity by other donors, including the Corporación Andina de Fomento (\$500,000), Profund (\$2.0 million) and Accion International (\$1.0 million). The difference, or approximately \$11.5

million, constitutes local, direct investment, clearly illustrating local commitment to and confidence in this bank. As a result, Banco Solidario met its capitalization requirement of \$18.0 million in December 1997, seven months in advance of the deadline imposed by the Superintendency of Banks. Banco Solidario also has improved significantly its delivery of financial services to microentrepreneurs, opening five new branches in suburban Quito and in smaller cities across the country, and has initiated a savings program that in only three months of operation has attracted \$120,000 in savings from its microentrepreneur clients. At the end of FY 1997, it had a total of 8,341 borrowers, against a planned target of 8,800, or 94 percent. External technical assistance in the areas of institutional analysis, microcredit methodology and management information system have been provided by Accion International through the centrally funded Matching Grant Project. This TA, as well as on-going assistance from SCDF, CARE, and Profund is geared toward keeping the bank focussed in view of its rapid growth and significant liquidity resulting from its unusually large capital requirement.

"BEACHED LOAN SHARKS!"

A socio-economic study of Banco Solidario microlending activities was carried out in August-November 1997. The purpose of the study was to research the social impact of financial services provided by Banco Solidario to microentrepreneurs. One of the persons interviewed, a forty-three year old woman and member of a solidarity group receiving credit, related the following testimony: "I have been working with different *chulqueros* (loan sharks) for about sixteen years. I am very happy with Banco Solidario because it provides good and fast service. I convinced my colleagues (*compañeros de ventas en el mercado*) to approach Banco Solidario and refuse the money offered by the *chulqueros*. You cannot imagine how much they (*chulqueros*) take from us. The other day I told a *chulquero* passing by my stall in the market: 'I do not need your money any more; I have a loan with a bank.' I pray to God that Banco Solidario does not fold. How could I possibly return to and request a loan from the *chulqueros*?"

IR 2: Upgraded microcredit delivery systems of selected financial institutions and NGOs.

Technical assistance through a contract with Coopers & Lybrand was provided to CorpoMicro and four of its affiliate NGOs -- INSOTEC, CORFEC, Autoempleo, and Eugenio Espejo. This technical assistance has focussed primarily on upgrading the management and information systems of these institutions and develop strategic plans for each one. As of September 1997, and based on the technical recommendations of Coopers and Lybrand consultants, INSOTEC and CORFEC had significantly reduced their loan delinquency rates, from 28 and 23 to 21 and 13.5, respectively. Autoempleo and Eugenio Espejo will initiate similar actions in FY 1998. Similarly, an assessment of the information systems of these four NGOs was conducted in December 1997, and a plan for improving these will be developed and partially implemented in FY 1998.

Members of the SpO 2 core team conducted an analysis of the formal banking system, identifying some five commercial banks interested in microenterprise lending. A contract was let with Accion International in September 1997 to educate these banks on microenterprise best practices. If USAID/Ecuador is successful in achieving entry of at least one formal bank into the sector, it will have significantly improved access to credit by microentrepreneurs and initiated fundamental changes in the attitude of the formal, commercial banks toward microentrepreneurs, who they have traditionally shunned.

A small grant in the amount of \$100,000 was provided to Fundación Alternativa as start up capital for its training center, which will provide training to the staff's of financial institutions engaged in and/or interested in microcredit, including commercial banks, NGOs, and credit unions.

IR 3: Strengthened institutions implementing village banking programs.

Through FY 1997, 115 village banks were established, exceeding the planned target of 110, and benefitting 3,105 poor women against a target of 2,856, or 105%. Significant progress was made toward achieving financial self-sustainability by these three US PVOs. Their targets for FY 1997 were exceeded and the planned target of 100% self-sustainability by FY 2000 appears realistic. To help ensure their prospects for achieving financial self-sufficiency, USAID/Ecuador has helped these organizations to identify new sources of local financing, primarily through our principal microenterprise partner, Banco Solidario, as well as to other donors like Citizens Energy and CODESPA (proposals are in process).

"PREMATURE PHASE OUT?"

When USAID was invited by FINCA to attend the inauguration of the Atuntaqui village bank, the first, fully indigenous village bank in the Imbabura province, the president of the Fundación Runna YuYay approached a USAID/Ecuador employee and said: "We have gotten to know your institution for the first time today and you announced in your speech that USAID will phase out its support for microenterprise development in Ecuador in September 1999. We really need your help for a longer period of time to open more banks in our communities and improve the welfare of our very poor people."

2. SpO 2 Expected Progress Through FY 1999 and Management Actions

Through FY 1999, USAID/Ecuador will continue to provide technical assistance to Banco Solidario, CorpoMicro, INSOTEC, CORFEC, Autoempleo, and Eugenio Espejo for the purpose of increasing and improving the quality and delivery of financial services to microentrepreneurs. Support to village banking will continue with a view toward achieving a network NGOs with sustainable anti-poverty lending programs. The Mission will continue to look for ways to engage the formal, commercial banking sector in microlending, possibly working in conjunction with G/EG's Credit and Investment Office and its Micro and Small Enterprise Development Program (MSED), which utilizes direct loan and guarantee authority to promote sustainable micro and small business development. A feasibility study for the establishment of an off-shore Single Purpose Corporation that would help to securitize microenterprise loan portfolios will be completed in FY 1998. Under the CARE Cooperative Agreement, a guarantee fund will be established and/or expanded through a trust fund managed and operated by CorpoMicro. USAID may also consider a grant to CorpoMicro for equity that it would place with a financial institution that would permit it to leverage additional funding in support of its guarantee function. Support may also be provide to CorpoMicro through the Fundación Ecuador to foster the formation of private, financial funds, by allowing NGOs and others to capture savings and use these to support their on-going microenterprise programs. If successful, as similar programs in Bolivia have been, the UNDP had indicated its interest in providing substantial support in this important area. Additional support may also be provided to Fundación Alternativa for its microenterprise training

center. Based on results obtained over the past eighteen months of implementation, USAID/Ecuador estimates that it will achieve its goal of 50,000 microentrepreneurs annually by FY 2000.

While impressive results have been achieved in only eighteen months of implementation, this program is not ready for graduation in FY 1999. Our flagship, Banco Solidario, was only established in August 1996, and requires continued, strong technical assistance to ensure that it will remain a going concern well after USAID/Ecuador assistance ends. It is for this reason that our current Cooperative Agreements with CARE and Seed Capital Development Fund, signed in September 1996 (prior to USAID/Washington decisions regarding close-out of these activities) have termination dates of September 30, 2001, and September 15, 2001, respectively. Likewise, CRS, FINCA, and Project Hope-led village banking programs, which too are less than eighteen months old and are not large enough at this juncture to be self-sustaining, require additional financial support for administration and credit.

Based on recent discussions with USAID/Washington regarding the close-out of this SpO, the Mission has learned that in many non-presence countries, USAID activities have continued, in some cases at even higher levels of assistance. Therefore, USAID/Ecuador recommends that its direct support for these microenterprise activities be phased out in FY 1999 per the terms of our management contract, but that USAID/Washington continue to provide funding and management oversight for those nascent activities, i.e., Banco Solidario and village banking, beyond this date. We propose that the Global Bureau, which has provided extensive financial support in the past through the PRIME Fund -- \$1.5 million in FY 1996 and \$260,000 in FY 1997 -- assume future management responsibility for these investments. Global Bureau's management of World Council of Credit Union (WOCCU) activities under the Ecuador Micro Enterprise Initiative Project (PCE-0406-A-5041-00) serves as a clear precedent for transferring management to the Global Bureau. Minimally, USAID assistance should continue through FY 2000, utilizing funds obligated in FY 1999, but preferably through FY 2001, thereby coinciding with planned activity completion dates and ensuring adequate, long-term institutional growth and financial self-sustainability of these institutions and programs.

3. SpO 2 Performance Data Tables

OBJECTIVE: Special Objective - Increased access to financial services to microentrepreneurs, with emphasis on women																																	
APPROVED: JULY/1997		COUNTRY/ORGANIZATION: USAID/Ecuador																															
RESULT NAME: Special Objective SpO 0.2																																	
INDICATOR: MAS 0.2 (a) - Increase in the number of microentrepreneurs assisted by USAID partner organizations, disaggregated by gender.																																	
UNIT OF MEASURE: Number of borrowers (000s) (PER YEAR) SOURCE: Banco Solidario (Monthly Report), CRS, FINCA, Project Hope (Quarterly Reports), CARE (Quarterly Reports) INDICATOR DESCRIPTION: Quarterly (RPM-2) COMMENTS: Number of Borrowers (000,0)	YEAR	PLANNED M // F	ACTUAL M // F																														
	1996(B)	--	1.3/1.0																														
	1997	4.6/7.2	4.2/7.2																														
	1998	7.1/12.1																															
	1999	9.9/20.5																															
	2000(T)	12.4/31.2																															
<table border="1"> <thead> <tr> <th></th> <th>1997</th> <th>1998</th> <th>1999</th> <th>2000</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Banco Solidario</td> <td>8.8</td> <td>13.0</td> <td>18.2</td> <td>26.0</td> <td>66.0</td> </tr> <tr> <td>CRS/FINCA/Hope</td> <td>2.8</td> <td>5.1</td> <td>11.0</td> <td>16.1</td> <td>35.0</td> </tr> <tr> <td>CARE</td> <td>0.2</td> <td>1.1</td> <td>1.2</td> <td>1.5</td> <td>4.0</td> </tr> <tr> <td>Total</td> <td>11.8</td> <td>19.2</td> <td>30.4</td> <td>43.6</td> <td>105.0</td> </tr> </tbody> </table> <p>The planned figures were adjusted to show fiscal year data, replacing calendar year figures reported in last Strategic Plan.</p>					1997	1998	1999	2000	Total	Banco Solidario	8.8	13.0	18.2	26.0	66.0	CRS/FINCA/Hope	2.8	5.1	11.0	16.1	35.0	CARE	0.2	1.1	1.2	1.5	4.0	Total	11.8	19.2	30.4	43.6	105.0
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OBJECTIVE: Special Objective - Increased access to financial services to microentrepreneurs, with emphasis on women			
APPROVED: JULY/1997		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: SpO 0.2 IR 1 - New, licensed, for profit, financial institution serving the needs of microentrepreneurs.			
INDICATOR: MAS 0.2.1 (a) - Increased equity investment by other donors and private investors.			
UNIT OF MEASURE: \$ 000 (CUMULATIVE) SOURCE: Banco Solidario. Board of Directors Report - Dec 97 INDICATOR DESCRIPTION: Quarterly (RPM-2) COMMENTS: In December 1997 (FY 1998), Banco Solidario reached capitalization requirement of \$18 million, seven months in advance to Superintendency of Banks' due date.	YEAR	PLANNED	ACTUAL
	1996(B)	3,500	6,000
	1997	13,200	12,000
	1998(T)	18,000	

OBJECTIVE: Special Objective - Increased access to financial services to microentrepreneurs, with emphasis on women			
APPROVED: JULY/1997		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: SpO 0.2 IR 1 - New, licensed, for profit, financial institution serving the needs of microentrepreneurs.			
INDICATOR: MAS 0.2.1 (b) - Increase in percentage of loan portfolio comprised of microentrepreneur loans.			
UNIT OF MEASURE: Percentage SOURCE: Figures provided by Banco Solidario. Jan 26, 1998 INDICATOR DESCRIPTION: Quarterly (RPM-2) COMMENTS: Due to capitalization achieved in Dec.97 the percentage of microenterprise loan portfolio is maintained in 1997.	YEAR	PLANNED	ACTUAL
	1996(B)	--	19%
	1997	16%	16%
	1998	19%	
	1999	21%	
	2000(T)	22%	

OBJECTIVE: Special Objective - Increased access to financial services to microentrepreneurs, with emphasis on women			
APPROVED: JULY/1997		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: SpO 0.2 IR 2 - Upgraded microcredit delivery systems of, and improved quality of financial services provided by, selected financial institutions and NGOs.			
INDICATOR: MAS 0.2.2 (a) - Improved quality of financial services provided by financial institutions and NGOs assisted.			
UNIT OF MEASURE: Quality matrix	YEAR	PLANNED	ACTUAL
SOURCE: Partner annual reports	1996(B)	--	--
INDICATOR DESCRIPTION: Annually (SOTL)	1997	50%	100%
COMMENTS: Targets are derived from a matrix covering Banco Solidario, Project HOPE, CRS and FINCA, with respect to the following factors: a) number of days for credit approval, b) late payments as percent of microcredit portfolio, c) growth in microcredit portfolio.	1998	80%	
	1999	90%	
	2000(T)	100%	

OBJECTIVE: Special Objective - Increased access to financial services to microentrepreneurs, with emphasis on women			
APPROVED: JULY/1997		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: SpO 0.2 IR 3 - Strengthened institutions implementing village banking programs.			
INDICATOR: MAS 0.2.3 (a) - Increased number of village banks			
UNIT OF MEASURE: Number of banks (CUMULATIVE)	YEAR	PLANNED	ACTUAL
SOURCE: CRS, FINCA, Project Hope Annual Reports	1996(B)	--	80
INDICATOR DESCRIPTION: Quarterly (RPM-2)	1997	200	195
COMMENTS:	1998	425	
	1999	762	
	2000(T)	920	

OBJECTIVE: Special Objective - Increased access to financial services to microentrepreneurs, with emphasis on women			
APPROVED: JULY/1997		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: SpO 0.2 IR 3 - Strengthened institutions implementing village banking programs.			
INDICATOR: MAS 0.2.3 (b) - Percentage of program administration costs covered by non-USAID resources.			
UNIT OF MEASURE: Percent (Average of 3 institutions)	YEAR	PLANNED	ACTUAL
SOURCE: CRS, FINCA, Project Hope Quarterly Reports	1996(B)	--	45%
INDICATOR DESCRIPTION: Quarterly (RPM-2)	1997	60%	65%
COMMENTS:	1998	75%	
	1999	90%	
	2000(T)	100%	

H. Disaster Preparedness

FY 1997 brought increasing temperatures to the ocean currents off the western coast of South America and dire predictions by scientists of the worst El Niño phenomenon of the century. Faced with this possibility, the international donor community initiated discussions with the GOE to identify specific disaster preparedness and mitigation activities, to be followed if necessary by disaster relief. The GOE established an "El Niño Emergency Recovery Program" fund with joint financing totalling approximately \$231.0 million from the IDB (\$105.0 million), CAF (\$25.0 million), IBRD (\$80.0 million), and GOE counterpart (\$21.0 million). USAID/Ecuador, identifying the need for managerial and technical skills to effectively use this fund, mobilized \$350,000 ESF local currency to operationalize the Unidad Coordinadora established by the GOE to oversee the fund. Other actors in the donor community, including other bilateral donors and a number of PVOs/NGOs, have made available to the GOE an additional sum of approximately \$15.0 million in commodity and/or cash contributions.

USAID/Ecuador has managed to directly assist in the relief efforts by re-programming limited amounts of its existing resources in response to specific needs. Under the bilateral grant agreement with the MOH, \$179,000 was granted to PAHO for the procurement of medical supplies on behalf of the MOH for use with flood victims. Under the PL-480 local currency program, a \$221,000 grant was approved for the purchase and distribution of certified rice seed to small farmers whose fields are damaged by flood waters. A \$7,500 SDAA grant was made to El Comercio newspaper to purchase chlorine for potable water, in conjunction with the newspapers public health campaign informing affected populations how to purify their drinking water. USAID/Ecuador staff is also working directly with the MOH to distribute donated medical supplies brought in by US MLGRP to areas hit by the flooding.

In Ecuador, the 1997/98 El Niño is a virtual "here today, gone tomorrow" phenomenon which hits quickly and often forcefully, but then moves on. Towns have been flooded temporarily and damage has occurred to roads and bridges. The periodic flooding has caused short-term evacuations and a variety of health problems, including the need for a reliable supply of safe drinking water and appropriate medicines. Large tracts of low-lying land are under water, and small farmers have lost their crops and therefore their principal means of livelihood. The rains have also affected the flowering of plants and pets and disease have increased markedly, reducing yields and production. Fishing grounds have been disrupted by the abnormal temperatures and currents, impacting negatively on coastal incomes. The following table estimates the extent of the agricultural losses directly attributable to El Niño.

ESTIMATED VALUE OF LOSSES IN THE AGRICULTURAL SECTOR⁶
(Millions of USD)

Commodity	Producer Loss	Foreign Exchange Loss	Consumer Loss
Rice	68	77	40
Yellow Corn	11	43	43
Sugarcane	188	84	8
Soybeans	--	181	--
Banana	36	36	--
Coffee	51	51	--
Cacao	52	52	--
TOTAL LOSS	406	524	91

The \$400 million producer loss represents 16% of the agricultural GDP and 2.7% of the national GDP. Sixteen per cent of the agricultural GDP is equivalent to the increase in the agricultural GDP registered between 1993-1995. The producer losses due to El Niño represent a setback of two years of strong growth in the agricultural sector. In terms of the national economy, the growth from 1996 to 1997 was 3.3%. The losses to the agricultural sector practically offset that growth.

The \$500 million negative effect on foreign exchange is equivalent to 10% of the total value of exports in 1997. That is approximately equivalent to two consecutive years of 5% growth in exports. The loss is approximately equivalent to five months of banana exports. The value of the loss is more than four times the total value of flower exports in 1997.

The increased cost to consumers of \$91 million represents a tax of \$8.00 per capita on the Ecuadorian population. Obviously rice, sugar, and chicken are not the only components of the family food basket.

In short, the economic effect of El Niño is a major disaster for the agricultural sector, costing the sector approximately two years of strong growth. The effects are also a tragedy for the hundreds of thousands of farm families and laborers who depend on the sector for their livelihood. The reduction in sector income means a reduction in their family income and their ability to provide for their families. It is an economic disaster for the sector and the country, and a tragedy for the rural agricultural population.

I. Global Bureau Assistance

As the Mission closes out of SOs/SpOs and/or discontinues specific activities because OYB and staff reductions make it impossible to continue implementation, it is expected that Global Bureau activities will continue. This is viewed positively by the Mission, as our NGO-focused portfolio moves into a "non-presence" status, and longer-term relationships and linkages are developed between national NGOs and US PVOs, and between them and the Global Bureau.

For many years the Global Bureau Office of Urban Programs' Regional Urban Development Office (RUDO/SA) provided full project management assistance for all housing programs in Ecuador. These programs were until last year an integral part of the Mission's former "Sustainable Economic Growth" SO. However, following explicit instructions from the LAC Bureau to close out activities under this SO (with the exception of microenterprise) by the end of FY 1998, "Sustainable Economic Growth" was eliminated from the Mission's Strategic Plan.

During FY 1997, all Mission funded grant activities for Housing Sector reform were completed. Nevertheless, precredit reform Housing Guaranty (HG) authorizations remained in force. Of the original \$35.0 million total authorization, only \$10.0 million was borrowed by the GOE. This has been fully utilized for eligible housing finance, fully disbursed from the escrow account, and all interest earnings accumulated under this program placed in a local currency account jointly managed by the Minister of Housing and the Minister of Finance. RUDO/SA continues to oversee this local currency account to fulfill the conditions of the original project implementation agreement.

Of the remaining \$25.0 million HG authorization, \$15.0 million was deauthorized by the Assistant Administrator of LAC in September 1997 and the GOE, acting through the Mortgage Securitization Corporation (CTH) that was created by this project, was given until March 31, 1998 to borrow the remaining \$10.0 million. Due to the requirement to meet at least a 30% risk (subsidy) rating for the borrowing, it has now been determined that the CTH will not be proceeding to borrow these funds. The remaining authorization will therefore be deauthorized by this March 31, 1998 date. This will effectively terminate USAID activities in the housing sector as related to the "Sustainable Economic Growth" SO. Nevertheless, as the Mission closes out of specific activities, it is expected that the Global Bureau will continue, independent of Mission decisions, to pursue their own specific objectives on a regional basis that will continue support to Ecuador's institutions in the specific goal areas as approved for Global Programs. These can be expected to include support to the Federación Industrial de Construcción de América, International Union of Local Authorities (IULA), and the Interamerican Housing Union (UNIAPRAVI), among others.

Another area where the Global Bureau through RUDO/SA continues to directly assist Ecuador falls within USAID/Ecuador's SpO 1 "Improved sustainable capacity of selected public and private institution to prevent pollution." RUDO/SA officers are a part of the Mission's SpO team and RUDO/SA, through its own program budget for achieving their own strategic objectives, has

funded activities that directly contribute to achieving results under this special objectives. A discussion of this contribution is incorporated into the SpO narrative in Section II.C above.

RUDO/SA staff also assist USAID/Ecuador in managing an ESF local currency funded activity which supports the Association of Women Municipal Mayors of Ecuador. This activity is improving local governance and therefore is linked to the Agency's democracy goal area.

RUDO also manages the Missions disaster preparedness, mitigation and response activities. A summary recent activities in this area is included in Section II.H above.

J. Environmental Compliance

During FY 1998, the Mission is in the process of designing additional activities under two of the Mission's SOs: Child Survival (SO 2) and Civil Society (SO 3). In the case of SO 2, the current design document goes through 1999, so this amendment will outline the plan of action for the final year of activities. In the case of SO 3, the design document will supplement the existing design by adding details regarding planned activities in the education sector and the NGO fund. It is expected that the IEEs for these two sets of additional activities will be in line with the IEEs for the predecessor activities: i.e., a categorical exclusion. The following table lays out the status of the Threshold Decision for each of the activities under each Strategic Objective.

STATUS OF 22 CFR 216 MEASURES -- USAID/ECUADOR

	ACTIVITY DESIGN DOCUMENT	THRESHOLD DECISION	PACD
SO 1 Biodiversity Conservation	Environmental Support Program (ESP) (518-0126)	Negative, Positive, Categorical Exclusion 1/	09-30-03
SpO 1 Pollution Prevention	Environmental Education & Technology Transfer (518-0117)	Categorical Exclusion	06-30-00
SO 2 FP/Health	Family Planning (518-0128)	Categorical Exclusion	09-30-00
	Child Survival & Health (518-0071)	Categorical Exclusion	04-30-99
	AMEND CS	TBD - Categorical Exclusion	09-30-00
SO 3 Civil Society	Rule of Law/ Democracy Support (518-0120)	Categorical Exclusion	09-30-00
	AMENDMENT ROL/DS	TBD - Categorical Exclusion	09-30-03
	Policy Dialogue Support (518-0089)	Categorical Exclusion	09-30-98
SpO 3 Governance	Good Governance (518-0127)	Categorical Exclusion	09-30-99
SpO 2 Microenterprise	Microenterprise Assistance and Strengthening (518-0121)	Categorical Exclusion	12-31-00
Activities that Contribute Across SOs/SpOs	Special Development Activity Authority (518-0004)	2/	N/A
	Food Aid Local Currency (Section 416 B, Food for Progress, PL-480 Title II)	2/	N/A
	ESF Local Currency	2/	N/A
	National Shelter Delivery System (518-0076)	Categorical Exclusion	06-30-98

- 1/ The Environmental Assessment for the activities to be implemented by CARE will be sent to the Bureau Environmental Officer for approval during the first week of March 1998. Recommended mitigation measures are being included in implementation of activities.
- 2/ No Initial Environmental Examination prepared.

1. World Bank Poverty Report. 1995.
2. Encuesta de Empleo, Subempleo, y Desempleo. Instituto de Estadística y Censos, Quito, November 1997.
3. UN ECLAC. Preliminary Overview of the Economy of Latin America and the Caribbean 1997. Santiago. January 1998.
4. Meeting between USAID staff and Central Bank technical staff on March 13, 1998.
5. Most of the GOE targets are taken from the Agenda for Development - 1993-1996 of the Duran-Ballen administration because the Bucaram administration did not formulate a development plan. The other targets that refer to "Combatting Corruption" have been taken from documents of the interim GOE administration of President Alarcón. No GOE administration has had explicit targets that refer to family planning.
6. "Economic Consequences of El Niño on the Agricultural Sector." Ministry of Agriculture. March 1998.

PART III: STATUS OF THE MANAGEMENT CONTRACT

- **TIMELY FUNDING** - Ecuador's SOs/SpOs have each been given specific dates for close out, some more immediate than others. The Strategic Plan for FY 1998-2002 identified specific results that the Mission expects to achieve and requested the level of funding deemed necessary to achieve those results. Unlike other missions' programs that may be able to postpone the achievement of specific results if funding is delayed to a subsequent year, USAID/Ecuador no longer has that luxury. Needed funding must be provided early in each respective fiscal year, at the level requested, otherwise we will find ourselves at the designated close out date with unachieved objectives and unexpended funds.

- **FP SUSTAINABILITY FUND** - The close out of this SO by the end of FY 2000 will curtail the period of support planned by the Mission. To compensate, the Mission analyzed the feasibility of establishing various mechanisms for ensuring continued financing for USAID/Ecuador partner NGOs and identified "Sustainability Funds" as the most viable option given the funding assumptions available in FY 1997. Unfortunately, although this option ensures the continued functioning of the NGOs, it does not necessarily allow them to expand services to populations with the greatest unmet need - the urban poor and rural indigenous groups. Having been provided with the planned FYs 1998-2000 OYB, the Mission reanalyzed the feasibility of the planned "Sustainability Funds" for the two FP NGO partners. Despite initial fears that the planned shifts in funding levels would seriously cripple the program, by adjusting the planned investment options to accommodate additional funding in the later years and less in the initial year of funding, the Mission was able to assure itself that the "Sustainability Funds" were still viable for a minimum number of years. However, the concern expressed above about the importance of the timely provision of adequate levels of OYB is especially critical here. These "Sustainability Funds" are not "endowment funds", but rather the accumulation of the partner's own program income. This type of mechanism therefore requires a sufficient period of time following the obligation of USAID funds to allow the partner organization to implement its program and generate program income. A delayed obligation of funds in FY 2000 will require implementation of activities beyond the end of FY 2000.

- **HEALTH BEYOND FY 2000** - USAID/Ecuador is being asked to eliminate its health activities by the end of FY 2000 at a critical time for the health sector in Ecuador. Key health indicators in Ecuador are deteriorating. For example, a 1995 UNICEF evaluation of the National Plan of Action for Children found that for sixteen indicators analyzed, several showed deterioration: maternal and infant mortality rates, immunization coverage, institutional deliveries of babies, and coverage of water and sanitation. A 1994 nutrition survey by the National Statistics and Census Office (INEC) found that the percentage of population with malnutrition had increased from the 1986 survey, with as many as 80% of 0-2 year olds showing some degree of malnutrition. Government financing for public health has been greatly reduced, including counterpart funds for World Bank loans. Other

donors in the health sector are scaling back their health activities. The \$100 million World Bank project which is the primary support for the Ministry of Health continues to be paralyzed by bureaucratic in-fighting and policy conflicts. USAID/Ecuador's direct contributions to health reform, expanded access to health services, and demonstration projects (plus its indirect contribution through leveraging other donor support) are critical and viewed as very effective. Given these trends, USAID/Ecuador will monitor developments closely and may revisit the necessity to support MCH/CS activities beyond FY 2000.

CIVIL SOCIETY AND GOVERNANCE RF REFINEMENTS - STATE 98-33523 and STATE 98-27152 approved the revised results frameworks submitted by USAID/Ecuador in response to STATE 97-136587. However, guidance from USAID/Washington called for additional refinements to the RFs for Civil Society (SO 3) and Good Governance (SpO 3). Mission has since received suggestions from G/DG. In addition, an assessment was recently carried out by a team of consultants contracted by the Mission to examine the appropriateness of the Mission's Civil Society SO in the light of emerging new priorities, new actors, and other donor plans in the justice and education sectors. On the basis of this assessment and the suggested refinements in indicators from G/DG, the Mission has prepared a refined version of the Civil Society RF, which has been incorporated into this R4. Annex A provides a narrative elaboration of this RF. The existing Rule of Law/Democratic Support Activity Design Document is now being amended to include the design of the revised Civil Society support activities in justice and education. In addition, the Good Governance SpO RF for Good Governance has also been refined after a review of G/DG's comments and is also included in this R4.

DEMOCRACY USPSC - In FY 1997, USAID/Ecuador was assigned an additional USPSC position to be filled by an individual with experience and background in the justice sector. The position was approved for Ecuador on the condition that 50% of the individual's time would be in support of USAID/Colombia's AOJ program. After only six months, it became abundantly clear to all involved that the USAID/Ecuador democracy program demands the full time of the USPSC advisor. At this time, USAID/Ecuador strongly recommends that the existing position in USAID/Ecuador be fully dedicated to implementing the democracy program here in Ecuador. Given the high profile of USAID/Ecuador's Democracy objectives (SO 3 and SpO 3) and their importance in terms of USG foreign policy interests, technical management of these objectives demands and deserves considerably more than the current half-time USPSC position. Furthermore, SO 3 is one of only two SOs that will be implemented after FY 2000 in view of the inherent weakness of democracy in Ecuador as demonstrated by the events of last February and most recently with the attempted "coup" of the National Assembly, where some sought to postpone upcoming elections to serve their own political party interests. Mission would appreciate USAID/Washington's full consideration of this request.

TRANSFER OF CONTROLLER FUNCTION - A February 1998 Action Memorandum

approved by the Assistant Administrator for Latin America and the Caribbean identified the following decisions: that USAID/Ecuador retain a Controller and that controller operations remain in Quito until USAID/Ecuador becomes a limited mission, currently planned for the end of FY 2000, at which time the accounting station for both USAID/Ecuador and RUDO/SA would be transferred to Lima. If the USAID/Colombia program were extended beyond FY 2000, the accounting station for USAID/Colombia would be transferred from Quito to Lima at the end of FY 1999. The Action Memorandum also called for a discussion in the R4 for a joint USAID/Ecuador-USAID/Peru strategy for putting together a transfer plan. The Strategy is as follows: The new USAID/Ecuador Controller will arrive at post in the summer of 1998. Following her arrival, she will complete an analysis of staff needs, and develop an initial schedule laying out the detailed steps of the two stage transition: Colombia and Ecuador/RUDO. Via E-mail and telephone, the USAID/Ecuador Controller will obtain input from the USAID/Peru Controller and the USAID/Colombia Representative in order to finalize a transition plan acceptable to the three missions and RUDO/SA.

PART IV: RESOURCE REQUEST

A. Financial Plan

Following an in-depth analysis of the Ecuador Country Worksheet prepared by LAC/DPB for FYs 1998-2000, Mission concurs with the target levels for Environment and Population, provided that requested Environment funding levels for the out years are met. The levels for Microenterprise are acceptable, provided that the remaining planned amount of \$500,000 is made available through the Global Bureau's PRIME Fund mechanism. While accepting FY 2000 as the final year of funding for Child Survival activities, Mission views the target level for that final year (\$550,000 as opposed to the \$1.0 million requested) as insufficient -- a minimum of \$940,000 (an additional \$390,000) is needed to put in place the necessary Global Bureau Field Support to ensure a successful Mission phase-out from this SO. For Democracy, the funding levels for FYs 1998 and 2000 are acceptable at \$1.5 million each. However, not only is the FY 1999 level of \$1.0 million below the Mission's requested level of \$1.13 million, a recently completed review of the implementation plan for the SO has identified \$1.5 million as the bare minimum for FY 1999. Funding at the target level would require a cut in planned technical assistance and a resultant reduction in planned results. Mission therefore requests LAC to reconsider the target FY 1999 Democracy funding level.

Tables I.a, I.b, and I.c (presented below in Section E. "Resource Tables") lay out USAID/Ecuador's budget request by SO/SpO for FYs 1998, 1999, and 2000 respectively.

B. Prioritization of Objectives

Since the establishment of strategic planning as the Agency's tool to develop program objectives and plan for expected results, USAID/Ecuador has taken steps to consolidate its development assistance agenda and reduce the number of management units in order to improve the Mission's strategic focus and respond to new program and OE budget realities within the Agency. These steps have resulted in a highly integrated and interrelated approach for helping Ecuador achieve sustainable development. For example, activities under SO 3 and SpO 3, aimed at strengthening Ecuador's civil society and achieving greater transparency in government, are critical to ensure the type of governability that is required in order to achieve the increased levels of social and economic development that the Mission and its local partners pursue under SO 2 (Health and Family Planning), SO 1 (Biodiversity Conservation) and SpO 2 (Microenterprise Development). In a similar fashion, activities with NGOs for family planning and maternal/child health (SO 2), are critical to reduce population pressures on the environment (SO 1 and SpO 1) and to provision of greater economic opportunities for the poor.

The Ecuador program is not a resource intensive program. Rather, it is constructed around the fact that USAID/Ecuador has sufficient credibility, and therefore a strong "seat at the table" to influence, through our partners, key policy changes in the legal, regulatory, institutional, and resource allocation areas to improve the environment for sustainable development. Accordingly, modest investments, as those contemplated in the Budget Request Tables, in technical assistance,

institution building, and policy dialogue have already played a significant role in achieving substantive structural reforms as a basis for improved performance in the economic, social, democratic, and environmental sectors.

However, the Mission does recognize that funding levels below those contemplated in FY 1999 and FY 2000 would force additional threshold decisions regarding the strategic objective composition of its development assistance program. Consequently, USAID/Ecuador, in the context of the Strategic Plan for the period FY 1998 to FY 2002, has already agreed to eliminate its Sustainable Economic Growth SO at the end of FY 1998, and the additional elimination of all its special objectives by the end of FY 2000.

In light of the interrelation, linkages, and cohesiveness that exist among the Mission's six SOs and SpOs, it continues to be difficult and unfair to the nature of USAID/Ecuador's development assistance efforts to establish a priority ranking of SOs. In addition, differing sets of criteria would be used to establish any ranking, with differing results, depending on whether the required perspective identifies short-term or longer-term priorities. However, in order to comply with Agency requirements, USAID/Ecuador presents the following ranking for its three ongoing SOs and the three SpOs:

<u>Rank</u>	<u>Abbreviated SO Title</u>
1st	SO 3: Strengthening Civil Society
2nd	SO 1: Biodiversity Conservation
3rd	SO 2: Family Planning and Health
4th	SpO 2: Microenterprise Development
5th	SpO 3: Good Governance
6th	SpO 1: Pollution Prevention

SO 3 "Strengthening Civil Society" has been ranked first in strategic importance because it is a US Government priority in Ecuador and is the most important objective in the MPP, particularly in light of the political events which led, in February 1997, to Congressional action to depose President Bucaram after six months in Office and appoint Fabián Alarcón as Interim President through August 10, 1998. These events proved that Ecuador continues to be a fragile democracy and that a lot remains to be done to strengthen democratic institutions and civil society in order to preserve democratic process and Constitutional order in the country.

SO 1 "Biodiversity Conservation" has been ranked second in strategic priority. While Ecuador contains numerous habitats of globally and regionally outstanding biological value -- the southernmost extension of the lowland Chocó-Darien forests, the mountain forests of the

northwestern Andes, the Galápagos National Park (the second largest marine reserve in the world), and more than 12 million hectares of Amazon forest -- its environment is seriously threatened because of high population density and the extreme poverty of rural populations that tap natural resources in an uncontrolled and indiscriminate way. Accordingly, it is evident that rational management of natural resources and an improved conservation of biodiversity will have a critical impact on Ecuador's prospects for achieving sustainable development in the long term. Further, this SO will also play a crucial role with indigenous communities within protected areas and their buffer zones in providing such groups with first-time economic opportunities.

SO 2 "Health and Family Planning" has been ranked third in strategic priority, mainly because the Mission's Management Contract with USAID/Washington calls for the termination of this SO at the end of FY 2000, unless the deteriorating trend in health indicators were to continue and indicate the need for continued assistance. However, it is the Mission's assessment that the family planning component of this SO is the single most important activity in the entire portfolio, and certainly the highest priority during this Action Plan period as USAID/Ecuador moves to accelerate the sustainability and financial self-sufficiency of family planning NGO partners. The Mission will devote the bulk of development assistance resources and level of effort during FYs 1998, 1999, and 2000 to this SO. USAID/Ecuador remains the key donor supporting family planning, which, in spite of the dramatic results achieved in contraceptive prevalence and reducing population growth, still requires significant levels of Mission investment in order to assure the sustainability of family planning partner NGOs. The sustainability of these NGOs is essential to assure significant improvements in the quality of and the access to family planning services over the longer term, and to protect significant investments made by USAID/Ecuador in the past in this sector.

SpO 2 "Microenterprise Development" has been ranked fourth in strategic priority because of budgetary constraints. As stated in the Strategic Plan, the Mission believes that Ecuador is yet far from achieving sustainable levels of economic development and an active participation by the lower income segments of the population in the economic development process. This SpO has already been instrumental in increasing economic opportunities and access to credit by microentrepreneurs and thus has broadened the participation and benefit of the poor and disadvantaged in and from the economy. However, given severe limitations in unrestricted growth funding and the specific Agency guidance received, the Mission will terminate funding under this SpO at the end of FY 1999.

SpO 3 "Good Governance" is ranked fifth in strategic priority because it contemplates a limited effort, through FY 1999, using a small ESF financing, designed to reduce corruption in specific areas of government, bring about a greater citizen participation in and understanding of political reforms anticipated during the interim government, and promote consensus for modernization of the State measures, including such aspects as Intellectual Property Rights (IPR).

SpO 1 "Pollution Prevention" is ranked sixth in strategic priority in light of the fact that portfolio consolidation requirements call for strategic choices and threshold decisions. In addition, some significant progress has already been achieved in efforts by the public and private

sectors to adopt and implement cleaner industrial production technologies, as evidenced in the performance analysis discussion under SpO 1, above. Progress has also been achieved by selected municipalities in the use of improved solid waste management practices, which include the participation of low income microentrepreneurs in areas such as garbage collection. The remaining financial support to the SpO will ensure to a large extent a smooth landing, as partner organizations begin to stand on their own.

The Mission has already achieved significant progress in all strategic objectives. The rather modest investments proposed in this R4, particularly at the reduced funding levels included in the Budget Tables, are critical in enabling the Mission to work principally with its NGO partners towards sustainable social and economic development that will benefit especially the poor majority, as well as the country as a whole. In addition, the funding levels requested and justified in this presentation will continue to be central in playing a catalytic role in attracting larger resource inflows from the donor community, i.e., the World Bank and the IDB. These donor resources are also essential for the achievement of the results outlined above for each of the Mission's strategic and special objectives.

The allocation of resources among SOs and SpOs is consistent with the Strategic Plan and priorities established for the period FY 1998 through FY 2002. As noted above, the only exception is SO 2, Family Planning and Health, that, while ranked third in priority, will receive the largest portion of resources and level of effort during this Action Plan Period (FY 1998 through FY 2000), because of the critical strategic importance of achieving sustainability and financial self sufficiency of USAID/Ecuador's family planning NGO partners.

In terms of performance the Mission's SOs and SpOs are ranked as follows:

1st	SO 2:	Family Planning and Health
2nd	SpO 1:	Pollution Prevention
3rd	SpO 2:	Microenterprise Development
4th	SO 1:	Biodiversity Conservation
5th	SO 3:	Strengthening Civil Society
6th	SpO 3:	Good Governance

While this ranking seems to portray a discrepancy between performance, strategic priorities and resource allocations, particularly with regards to the "democracy" objectives -- SO 3 and SpO 3 - - it should be established that SO 3 remains a critical element of the Mission's strategy, the MPP, and US interests in Ecuador. The low performance ranking is attributable to the fact that SO 3 is shifting its original emphasis on the supply side of AOJ, as other donors move into the sector through USAID/Ecuador's catalytic role, and is moving towards the strengthening of civil society

as the engine to promote demand-driven reforms to strengthen Ecuador's democratic process. In this vein, USAID/Ecuador is beginning to test new approaches and methodologies aimed at capitalizing on the growing ability of the country's civil society organizations to promote change, demand a more responsive and accountable government, provide needed services to poverty groups, and inform and mobilize a disenchanted electorate in ways that effectively pressure for needed reforms by the political class.

C. Linkage with Centrally Funded Mechanisms

The Mission anticipates the following services and support from Global Bureau contracts and cooperative agreements.

1. Strategic Objective 1 - Environment

- G/ENV: Conservation of Biological Diversity (936-5554) for assessment of SO 1.

2. Strategic Objective 2 - FP/Health

- G/PHN: Central Contraceptive Procurement (936-3057) to buy and send the commodities to Ecuador.
- G/PHN: JHP/IEGO (936-3069) for TA to develop national guidance for reproductive health.
- G/PHN: Initiatives in NFP and Breastfeeding (936-3088) for TA on fertility awareness training and services.
- G/PHN: Family Planning Logistics Management (Centers for Disease Control - CDC) (936-3038). TA for the 1999 National Health and Demographic Survey, ENDEMAIN, a critical survey for measuring SO Results.
- G/PHN: JHU/PCS (936-3052) for information, education and communication for the maternal mortality initiative.
- G/PHN: Quality Assurance (936-5992) to improve the quality of care in approximately 50 health areas and selected hospitals, and contribute to the modernization of the Ministry of Health.
- G/PHN: Partnerships for Health Reform (936-5974) for studies, research and technical assistance leading to reform the health sector.
- G/PHN: Rational Pharmaceutical Management (936-5974) for training in pharmaceutical management and strengthening drug supply network.

- G/PHN: Basic Support for Institutionalizing Child Survival (BASICS) (936-6006) for technical assistance and training in the IMCI.
- G/PHN: Opportunities for Micronutrient Interventions (OMNI) (936-5122) for technical assistance in improving nutrition and micronutrient deficiencies.

Table II (presented below in Section E. "Resource Tables") lays out the Mission's Field Support requirements by Fiscal Year and identifies the estimated funding requirements.

In addition to the Global Bureau projects receiving Mission funds for field support, the LAC Bureau is providing complementary support to the Mission program through the Regional Health Priorities Project (598-0825), especially in the areas of maternal mortality reduction, health sector reform and integrated management of childhood illness. USAID/Ecuador maintains technical dialogue and linkages with the Bureau on the Summit of the Americas Health Initiatives.

Also, the LAC Bureau provides support to the Mission program through the Regional Environmental Support Project (598-0780), especially on environmental matters. This technical assistance is provided by the Regional Environmental Advisor currently stationed in USAID/Ecuador.

D. Workforce and O.E.

1. Operating Expenses

Earlier this FY, we were notified by USAID/Washington that our OE budget would be further reduced in FY 1998, and that for planning purposes an additional \$291,000 would be eliminated from our planned FY 1999 request. These reductions, plus the decision to straight line the OE budget, will put even more restrictions on Mission operations and services provided. Most salient, we have had to accelerate the reduction of FSN staff, including very senior personnel, who have been instrumental to USAID/Ecuador for decades. In addition, we have designed a five year balanced procurement plan, but each year we find it necessary to make advanced procurements for the out years because we know that our "approved" OE will be slashed. We have had to drastically reduce travel, both operational and program site visits. Training courses and travel funded by the Mission have been all but eliminated, which will reduce the ability of Mission staff to stay on top of changing technology and required Agency specialized training requirements. In FY 1998 USAID/Ecuador received \$2,800,000 for OE which was a decrease of \$197,100 from our actual FY 1997 OE obligation. Table III (presented below in Section E. "Resource Tables") lays out the Mission's target and request OE levels for FYs 98-00.

2. Workforce

During FY 1997 we eliminated ten positions: one USDH, seven OE funded FSNs, and 2 Program funded FSNs. In FY 1998 we will eliminate eleven more, with an additional nineteen to be eliminated in FY 1999 and FY 2000. This amounts to a 41% cut in staff since FY 1997 while

the planned program level remains more or less constant: \$12.4 million in FY 1997 compared with \$12.1 million in FY 2000. The FY 1999 cuts are a direct response to the unanticipated \$291,000 additional cut to our FY 1999 OE request. Included in this number are valued staff members, including senior FSNs, whose contributions are still needed, and whose positions would not have been eliminated until after Mission transition to limited status at the end of FY 2000. In addition, if we are to "live" within this more restrictive budget in FY 1999 and FY 2000, maintaining minimal quality services will be very difficult indeed because the majority of those positions cut and scheduled for elimination are in the Executive Office of the Mission. Involuntary severance payments and out-placement training/services for those employees affected by the RIF have and will continue to place additional burdens on our scarce OE resources. While we understand that USAID/Washington mandated staff ceilings will not be imposed after FY 1998 for positions other than USDH, the OE budget will be stretched very thin and if cut to the bone, as planned under the target OE scenario, services and resources required to support Mission SOs/SpO and other Mission requirements will not be available. Table IV (presented below in Section E. "Resource Tables") lays out the Mission's target and request workforce levels for FYs 98-01.

3. Other Factors Affecting the Budget

The FSN salary increases, inflation and devaluation, utilities rate hikes and ICASS costs have had a major impact. In FY 1997 one of the most costly impacts on Mission OE was the FSN wage and benefits increases. The combination of a complicated local compensation plan and wage surveys, (i.e., full, spot-check salary change) and two GOE salary increase decrees resulted in an overall increase of 35% in US dollars. We expect that this trend will continue into FY 1999 and FY 2000.

Other increases of note during this FY have been significant increases in residential and office utilities, electricity 80% and water 30%. Other factors affecting our OE, and operations have been increases in the price of gasoline of 40% and telephone rates of 30%. These increases can be expected to rise in FYs 1999 and 2000 with the planned privatization of Ecuadorian utilities and phone companies and the continued efforts by the GOE to utilize gasoline and petroleum increases to reduce the fiscal deficit.

While the GOE has tried to reduce currency devaluation and inflation significantly in 1997, the projected inflation rate will probably be 40% with the sucre depreciating against the dollar at a slightly lower pace, around 35%.

Finally, this is an election year and no one can predict what changes will be made by the incoming government. Although election promises will most likely be made to control inflation and the slide of the sucre, we do not anticipate any significant positive changes.

4. ICASS

A major ICASS issue that could have a negative impact on Mission OE levels is the budget level

established by the ICASS service center in Washington. The US Mission's original FY 1998 budget request of \$2,609,989 contained what post determined actual ICASS costs would be without taking into consideration projected exchange rate gains; however, the ICASS service center provided a target budget of \$1,800,000 based on what it believes costs will be. As a result, cuts of more than \$809,989 from the already tight ICASS budget were required. In addition, the post experienced unanticipated electricity rate hikes of more than 80% and an FSN salary increase of more than 50% which were not calculated into the US Mission's original FY 1998 ICASS budget request. The US Mission is presenting a reclama to the ICASS service center justifying the continuing need for funding at the higher level.

For FYs 1999 and 2000 we can make the following ICASS assumptions: we will not be allowed to retain our exchange rate gains, there will be an FSN wage and benefit increase in sucres of approximately 50% each year, inflation will be 40%, and the sucre will continue to devalue at approximately 28%. Given our FY 1998 ICASS budget experience, Mission anticipates continuing budgetary problems in meeting our required ICASS needs.

While we are very much involved in the ICASS process at the council and working group level we have not yet become a service provider. However, it is anticipated that during FY 1998 the Embassy may request that USAID provide warehouse space to house Embassy and other agencies' non expendable property (NXP) and supplies. Because Ecuador is a LQA, full shipment post, the quantity of NXP that will be stored will not be substantial, nor will it require more than 15% of USAID staff time to manage the property and warehouse operation as a service provider. One FTE may be billed to ICASS if we become a service provider.

E. Resource Tables

These tables can be found on the following pages:

- I Program Resources Request
- II Global Field Support
- III OE Resources Request
- IV Workforce Schedule

INSERT PROGRAM BUDGET TABLES I.a, I.b, and I.c here.
F:\R4\123\PF-25518.WK4

INSERT FS BUDGET TABLE II here.
F:\R4\123\FS-25518.WK4

INSERT UPDATED TABLE III FOR OE BUDGET
F:\R4\123\OE-25518.WK4

INSERT UPDATED TABLE IV FOR WORKFORCE
F:\R4\123\WF-25518.WK4

TABLE I - Program Funding

USAID FY 2000 BUDGET REQUEST BY PROGRAM/COUNTRY

03-Sep-98

12:15 PM

Country/Program: Ecuador
 Scenario: Base Level

S.O. #, Title	Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 99	Estimated Total	FY 2000										Est. Expend. FY 00	Est. Total Cost life of SO	Future Cost (POST 2000)	Year of Final Oblig.	
					Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G					
SO1 Biodiversity conserved in selected protected areas and their buffer zones																			
	Bilateral		1,049	3,050										3,050		3,274	21,336	7,026	2003
	Field Spt			50										50					
	Total		1,049	3,100	0	0	0	0	0	0	0	0	0	3,100	0			7,026	
SO2 Increased use of sustainable family planning/maternal child health services																			
	Bilateral		1,262	6,837				6,300	537							8,099	37,176	0	2000
	Field Spt			900				500	400										
	Total		1,262	7,737	0	0	6,800	937	0	0	0	0	0	0	0			0	
SO3 Civil Society strengthened in the key democracy enhancing areas of justice and education																			
	Bilateral		1,174	1,500									1,500		1,677	11,466	2,960	2003	
	Field Spt			0															
	Total		1,174	1,500	0	0	0	0	0	0	0	0	1,500	0			2,960		
SpO1 Pollution Prevention																			
	Bilateral		294	200									200		494	2,296	0	2000	
	Field Spt			0															
	Total		294	200	0	0	0	0	0	0	0	0	200	0			0		
	Bilateral			0														0	
	Field Spt			0														0	
	Total		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Bilateral			0														0	
	Field Spt			0														0	
	Total		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Bilateral			0														0	
	Field Spt			0														0	
	Total		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Bilateral			0														0	
	Field Spt			0														0	
	Total		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Total Bilateral		3,779	11,587	0	0	6,300	537	0	0	0	0	3,250	1,500					
	Total Field Support		0	950	0	0	500	400	0	0	0	0	50	0					
	TOTAL PROGRAM		3,779	12,537	0	0	6,800	937	0	0	0	3,300	1,500				9,986		

Econ Growth	0
[Of which Microenterp.]	0
HCD	0
PHN	7,737
Environment	3,300
[Of which Biodiversity]	3,100
Democracy	1,500
Humanitarian	0

Econ Growth	0
[Of which Microenterprise]	0
HCD	0
PHN	0
Environment	0
[Of which Biodiversity]	0
Democracy/Border	0
Humanitarian	0

FY 2001 Target Program Level	6,500
FY 2002 Target Program Level	6,500
FY 2003 Target Program Level	3,500

TABLE I - Program Funding

USAID FY 1998 BUDGET REQUEST BY PROGRAM/COUNTRY

03-Sep-98
12:15 PM

Country/Program: Ecuador
Scenario: Base Level

S.O. #, Title	FY 1998																Future Cost (POST 1998)	Year of Final Oblig.
	Approp. Acct	Bilateral/Field Support	Est. SO Pipeline End of FY 97	Estimated Total	Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G	Est. Expend. FY 98	Est. Total Cost life of SO		
SO1 Biodiversity conserved in selected protected areas and their buffer zones																		
	Bilateral		1,214	2,425									2,425		3,460	21,336	14,425	2003
	Field Spt		0	0									0					
	Total		1,214	2,425	0	0	0	0	0	0	0	0	2,425	0			14,425	
SO2 Increased use of sustainable family planning/maternal child health services																		
	Bilateral		5,952	3,476				3,108	343						7,367	37,176	7,737	2000
	Field Spt		0	1,012				380	557									
	Total		5,952	4,488	0	0	3,488	900	0	100	0	0	0	0			7,737	
SO3 Civil Society strengthened in the key democracy enhancing areas of justice and education																		
	Bilateral		1,147	1,500										1,500	1,375	11,466	6,660	2003
	Field Spt		0	0													0	
	Total		1,147	1,500	0	0	0	0	0	0	0	0	0	1,500			6,660	
SpO1 Pollution Prevention																		
	Bilateral		494	175									175		300	2,296	200	2000
	Field Spt		0	0														
	Total		494	175	0	0	0	0	0	0	0	0	175	0			200	
SpO2 Increased access to financial services by microentrepreneurs, with emphasis on women																		
	Bilateral		1,263	1,000											1,966	5,394	0	1999
	Field Spt		0	0														
	Total		1,263	1,000	0	0	0	0	0	0	0	0	0	0			0	
SpO3 Improved transparency and governance in target governmental institutions																		
	Bilateral		300	1,000										1,000	700	2,500	0	1999
	Field Spt		0	0														
	Total		300	1,000	0	0	0	0	0	0	0	0	0	1,000			0	
	Bilateral		0	0														
	Field Spt		0	0														
	Total		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Bilateral		0	0														
	Field Spt		0	0														
	Total		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Bilateral			10,370	9,576	0		1,000	3,108	343				2,600	2,500				
Total Field Support			0	1,012	0		0	380	557				0	0				
TOTAL PROGRAM			10,370	10,588	0	0	1,000	3,488	900	0	100	0	2,600	2,500			29,022	

FY 1998 Request Sector Totals -- DA	
Econ Growth	1,000
[Of which Microenterp.]	1,000
HCD	0
PHN	4,488
Environment	2,600
[Of which Biodiversity]	2,425
Democracy	1,500
Humanitarian	0

FY 1998 Request Sector Totals -- ESF	
Econ Growth	0
[Of which Microenterprise]	0
HCD	0
PHN	0
Environment	0
[Of which Biodiversity]	0
Democracy/Border	1,000
Humanitarian	0

FY 2001 Target Program Level 6,500
 FY 2002 Target Program Level 5,500
 FY 2003 Target Program Level 3,500

NOTE: SO2 FY98 Estimated Total Obligations include \$788,000 FY97 funds obligated in FY98

TABLE II - Field Support

GLOBAL FIELD SUPPORT

Objective Name	Field Support: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)					
				FY 1998		FY 1999		FY 2000	
				Obligated by:		Obligated by:		Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau
Environment	936-5554 Conservation of Biological Diversity	Medium	FY88-00	---	0	---	0	---	50
FP&Health	936-3057 Central Contraceptive Procurement	High	on going	---	100	---	500	---	500
FP&Health	936-3069 Training in Reproductive Health (JHPIEGO)	High	FY93-98	---	200	---	50	---	0
FP&Health	936-3088 Initiatives in Natural FP and Breastfeeding	Low	FY91-02	---	10	---	0	---	0
FP&Health	936-3038 Family Planning Logistics Management (CDC)	High	FY95-00	---	70	---	70	---	0
FP&Health	936-5992 Quality Assurance II Project	High	FY96-02	---	200	---	150	---	150
FP&Health	936-5974.13 Partnership for Health Reform	High	FY95-00	---	75	---	100	---	100
FP&Health	936-5974.08 Rational Pharmaceutical Management	Medium-High	FY92-99	---	67	---	100	---	0
FP&Health	936-6006 Basic Support for Institutionalizing Ch.Surv. (BASICS)	High	FY93-98	---	200	---	150	---	150
FP&Health	936-3052 Population Communication Services.(JHU/PCS)	Low	FY95-00	---	40	---	0	---	0
FP&Health	936-5122 Opportunities for Micronutrient Interventions (OMNI)	Medium	FY92-98	---	50	---	0	---	0
GRAND TOTAL.....					1,012		1,120		950

* For Priorities use high, medium-high, medium, medium-low, low

TABLE III.a - Operating Expenses

Org. Title: USAID/ECUADOR Org. No: 518 OC	Overseas Mission Budgets														
	FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
Org. Title: USAID/ECUADOR Org. No: 518 OC	Overseas Mission Budgets														
	FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total

TABLE III.a - Operating Expenses

Org. Title: USAID/ECUADOR Org. No: 518 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total												
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNE	173		173	136		136	136		136	149.6		149.6	149.6		149.6
	Subtotal OC 11.1	173	0	173	136	0	136	136	0	136	149.6	0	149.6	149.6	0	149.6
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNE	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 11.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH			0			0			0			0			0
11.5	FNDH	2		2	2		2	2		2	2		2	2		2
	Subtotal OC 11.5	2	0	2	2	0	2	2	0	2	2	0	2	2	0	2
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries	114.1		114.1	136		136	136		136	140		140	140		140
11.8	FN PSC Salaries	1156		1156	987.3		987.3	1183.3		1183.3	1031.9		1031.9	1247.9		1247.9
11.8	IPA/Details-In/PASAs/RSSAs Salaries	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 11.8	1270.1	0	1270.1	1123.3	0	1123.3	1319.3	0	1319.3	1171.9	0	1171.9	1387.9	0	1387.9
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances	76.6		76.6	82.7		82.7	82.7		82.7	92.4		92.4	92.4		92.4
12.1	Cost of Living Allowances	0		0	0		0	0		0	0		0	0		0
12.1	Home Service Transfer Allowances	0		0	0		0	0		0	0		0	0		0
12.1	Quarters Allowances	129.5		129.5	130.9		130.9	130.9		130.9	105.4		105.4	105.4		105.4
12.1	Other Misc. USDH Benefits	11.5		11.5	17.5		17.5	17.5		17.5	16.2		16.2	16.2		16.2
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to the FSN Separation Fund - FNDH	6		6	6		6	6		6	6.5		6.5	6.5		6.5
12.1	Other FNDH Benefits	22.4		22.4	24.6		24.6	24.6		24.6	27.1		27.1	27.1		27.1
12.1	US PSC Benefits	0		0	0		0	0		0	0		0	0		0
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to the FSN Separation Fund - FN PSC	19		19	17		17	17		17	16		16	16		16
12.1	Other FN PSC Benefits	32		32	35.2		35.2	35.2		35.2	38.7		38.7	38.7		38.7
12.1	IPA/Detail-In/PASA/RSSA Benefits	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 12.1	297	0	297	313.9	0	313.9	313.9	0	313.9	302.3	0	302.3	302.3	0	302.3
13	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13	Severance Payments for FNDH	0		0	0		0	0		0	0		0	0		0
13	Other Benefits for Former Personnel - FNDH	0		0	0		0	0		0	0		0	0		0
13	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13	Severance Payments for FN PSCs	112		112	44.6		44.6	44.6		44.6	112.1		112.1	112.1		112.1
13	Other Benefits for Former Personnel - FN PSCs			0	0		0	0		0	0		0	0		0

TABLE III.a - Operating Expenses

Org. Title: USAID/ECUADOR Org. No: 518 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total												
Subtotal OC 13.0		112	0	112	44.6	0	44.6	44.6	0	44.6	112.1	0	112.1	112.1	0	112.1
21	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21	Training Travel	25.8		25.8	20		20	20		20	15		15	15		15
21	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21	Post Assignment Travel - to field	3		3	4.5		4.5	4.5		4.5	2		2	2		2
21	Assignment to Washington Travel	0		0	5.3		5.3	5.3		5.3	4		4	4		4
21	Home Leave Travel	11.4		11.4	12.4		12.4	12.4		12.4	6.2		6.2	6.2		6.2
21	R & R Travel	9		9	13		13	13		13	14		14	14		14
21	Education Travel	8.8		8.8	2.5		2.5	2.5		2.5	2.5		2.5	2.5		2.5
21	Evacuation Travel	6		6	6		6	6		6	6		6	6		6
21	Retirement Travel	0		0	0		0	0		0	0		0	0		0
21	Pre-Employment Invitational Travel	0		0	0		0	0		0	0		0	0		0
21	Other Mandatory/Statutory Travel	0		0	0		0	0		0	0		0	0		0
21	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21	Site Visits - Headquarters Personnel	2.5		2.5	3		3	3		3	3		3	3		3
21	Site Visits - Mission Personnel	54.1		54.1	45		45	55		55	40		40	50		50
21	Conferences/Seminars/Meetings/Retreats	7.8		7.8	7		7	7		7	7		7	7		7
21	Assessment Travel	0		0	0		0	0		0	0		0	0		0
21	Impact Evaluation Travel	0		0	0		0	0		0	0		0	0		0
21	Disaster Travel (to respond to specific disasters)	0		0	0		0	0		0	0		0	0		0
21	Recruitment Travel	0		0	0		0	0		0	0		0	0		0
21	Other Operational Travel	0		0	0		0	0		0	0		0	0		0
Subtotal OC 21.0		128.4	0	128.4	118.7	0	118.7	128.7	0	128.7	99.7	0	99.7	109.7	0	109.7
22	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22	Post assignment freight	11		11	58		58	58		58	33		33	33		33
22	Home Leave Freight	6.5		6.5	7		7	7		7	3.5		3.5	3.5		3.5
22	Retirement Freight	0		0	0		0	0		0	0		0	0		0
22	Transportation/Freight for Office Furniture/Equip.	6		6	3		3	8		8	0.5		0.5	3		3
22	Transportation/Freight for Res. Furniture/Equip.	0		0	0		0	0		0	0		0	0		0
Subtotal OC 22.0		23.5	0	23.5	68	0	68	73	0	73	37	0	37	39.5	0	39.5
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space	329.9		329.9	336.6		336.6	336.6		336.6	367.9		367.9	367.9		367.9
23.2	Rental Payments to Others - Warehouse Space	16		16	16.5		16.5	16.5		16.5	17		17	17		17
23.2	Rental Payments to Others - Residences	0		0	0		0	0		0	0		0	0		0
Subtotal OC 23.2		345.9	0	345.9	353.1	0	353.1	353.1	0	353.1	384.9	0	384.9	384.9	0	384.9
23.3	Communications, utilities, and miscellaneous charge	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities	25		25	27.5		27.5	27.5		27.5	30.5		30.5	30.5		30.5
23.3	Residential Utilities	5		5	7		7	7		7	7		7	7		7
23.3	Telephone Costs	60		60	40		40	38.2		38.2	45		45	45		45
23.3	ADP Software Leases	0		0	0		0	0		0	0		0	0		0

TABLE III.a - Operating Expenses

Org. Title: USAID/ECUADOR Org. No: 518 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total												
23.3	ADP Hardware Lease	0		0	0	0	0	0	0	0	0	0	0	0	0	
23.3	Commercial Time Sharing	0		0	0	0	0	0	0	0	0	0	0	0	0	
23.3	Postal Fees (Other than APO Mail)	1		1	1	1	1	1	1	1	1	1	1	1	1	
23.3	Other Mail Service Costs	1		1	1	1	1	1	1	1	1	1	1	1	1	
23.3	Courier Services	7		7	7	7	7	7	7	7	7	7	7	7	7	
	Subtotal OC 23.3	99	0	99	83.5	0	83.5	81.7	0	81.7	91.5	0	91.5	91.5	0	91.5
24	Printing and Reproduction	0		0	0	0	0	0	0	0	0	0	0	0	0	
	Subtotal OC 24.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations	2		2	2	2	2	2	2	2	2	2	2	2	2	
25.1	Management & Professional Support Services	5.1		5.1	5	5	5	5	5	5	5	5	5	5	5	
25.1	Engineering & Technical Services	0		0	0	0	0	0	0	0	0	0	0	0	0	
	Subtotal OC 25.1	7.1	0	7.1	7	0	7	7	0	7	7	0	7	7	0	7
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards	81		81	89.7		89.7	89.7		89.7	103.1		103.1	103.1		103.1
25.2	Residential Security Guard Services	0		0	0		0	0		0	0		0	0		0
25.2	Official Residential Expenses	0		0	0		0	0		0	0		0	0		0
25.2	Representation Allowances	1		1	1		1	1		1	1		1	1		1
25.2	Non-Federal Audits	0		0	0		0	0		0	0		0	0		0
25.2	Grievances/Investigations	0		0	0		0	0		0	0		0	0		0
25.2	Insurance and Vehicle Registration Fees	1.2		1.2	1.4		1.4	1.4		1.4	1.4		1.4	1.4		1.4
25.2	Vehicle Rental	0		0	0		0	0		0	0		0	0		0
25.2	Manpower Contracts	20		20	22		22	22		22	24.2		24.2	24.2		24.2
25.2	Records Declassification & Other Records Service	0		0	0		0	0		0	0		0	0		0
25.2	Recruiting activities	0		0	0		0	0		0	0		0	0		0
25.2	Penalty Interest Payments	0.3		0.3	0.3		0.3	0.3		0.3	0.3		0.3	0.3		0.3
25.2	Other Miscellaneous Services	45.5		45.5	46		46	46		46	41		41	41		41
25.2	Staff training contracts	10		10	10		10	16		16	10		10	16		16
25.2	ADP related contracts	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 25.2	159	0	159	170.4	0	170.4	176.4	0	176.4	181	0	181	187	0	187
25.3	Purchase of goods and services from Government ac	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS	100		100	90		90	90		90	90		90	90		90
25.3	All Other Services from Other Gov't. accounts	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 25.3	100	0	100	90	0	90	90	0	90	90	0	90	90	0	90
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance	1		1	1		1	5		5	1		1	1		1
25.4	Residential Building Maintenance	2		2	2		2	2		2	5		5	5		5
	Subtotal OC 25.4	3	0	3	3	0	3	7	0	7	6	0	6	6	0	6

TABLE III.a - Operating Expenses

Org. Title: USAID/ECUADOR Org. No: 518 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total												
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs	4		4	5		5	10		10	5		5	5		5
25.7	Storage Services	0		0	0		0	0		0	0		0	0		0
25.7	Office Furniture/Equip. Repair and Maintenance	5		5	5		5	10		10	5		5	5		5
25.7	Vehicle Repair and Maintenance	4		4	5		5	5		5	5		5	5		5
25.7	Residential Furniture/Equip. Repair and Maintenance	6		6	2		2	10		10	5		5	5		5
	Subtotal OC 25.7	19	0	19	17	0	17	35	0	35	20	0	20	20	0	20
25.8	Subsistence and support of persons (by contract or grant)	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 25.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	Supplies and materials	35		35	38.2		38.2	40		40	40		40	40		40
	Subtotal OC 26.0	35	0	35	38.2	0	38.2	40	0	40	40	0	40	40	0	40
31	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31	Purchase of Residential Furniture/Equip.	0		0	0		0	2.3		2.3	0		0	0		0
31	Purchase of Office Furniture/Equip.	5		5	0		0	15		15	0		0	0		0
31	Purchase of Vehicles	0		0	0		0	0		0	0		0	0		0
31	Purchase of Printing/Graphics Equipment	0		0	0		0	0		0	0		0	0		0
31	ADP Hardware purchases	21		21	21.3		21.3	41		41	5		5	30		30
	Subtotal OC 31.0	26	0	26	21.3	0	21.3	58.3	0	58.3	5	0	5	30	0	30
32	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32	Purchase of Land & Buildings (& construction of buildings)	0		0	0		0	0		0	0		0	0		0
32	Purchase of fixed equipment for buildings	0		0	0		0	0		0	0		0	0		0
32	Building Renovations/Alterations - Office	0		0	0		0	0		0	0		0	0		0
32	Building Renovations/Alterations - Residential	0		0	0		0	15		15	0		0	0		0
	Subtotal OC 32.0	0	0	0	0	0	0	15	0	15	0	0	0	0	0	0
42	Claims and indemnities	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 42.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BUDGET		2800	0	2800	2590	0	2590	2881	0	2881	2700	0	2700	2959.5	0	2959.5
Dollars Used for Local Currency Purchases		<u>1667</u>			<u>1416</u>			<u>1416</u>			<u>1536</u>			<u>1536</u>		
Exchange Rate Used in Computations		<u>4500</u>			<u>4500</u>			<u>4500</u>			<u>4500</u>			<u>4500</u>		

TABLE III.b - Cost of Controller Operations

Org. Title: USAID/ECUADOR Org. No: 518 OC	Overseas Mission Budgets														
	FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
Org. Title: USAID/ECUADOR Org. No: 518 OC	Overseas Mission Budgets														
	FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total

TABLE III.b - Cost of Controller Operations

Org. Title: USAID/ECUADOR Org. No: 518 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total												
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNE	15.4		15.4	16.9		16.9	16.9		16.9	18.6		18.6	18.6		18.6
	Subtotal OC 11.1	15.4	0	15.4	16.9	0	16.9	16.9	0	16.9	18.6	0	18.6	18.6	0	18.6
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNE	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 11.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH	0		0	0		0	0		0	0		0	0		0
11.5	FNDH	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 11.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries	114.1		114.1	136		136	136		136	140		140	140		140
11.8	FN PSC Salaries	280.4		280.4	288.5		288.5	308.5		308.5	314.3		314.3	339.3		339.3
11.8	IPA/Details-In/PASAs/RSSAs Salaries	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 11.8	394.5	0	394.5	424.5	0	424.5	444.5	0	444.5	454.3	0	454.3	479.3	0	479.3
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances	1		1	14		14	14		14	14		14	14		14
12.1	Cost of Living Allowances	0		0	0		0	0		0	0		0	0		0
12.1	Home Service Transfer Allowances	0		0	0		0	0		0	0		0	0		0
12.1	Quarters Allowances	21		21	25.5		25.5	25.5		25.5	22		22	22		22
12.1	Other Misc. USDH Benefits			0	4.7		4.7	4.7		4.7	0		0	0		0
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to the FSN Separation Fund - FNDH	0.3		0.3	0.4		0.4	0.4		0.4	0.4		0.4	0.4		0.4
12.1	Other FNDH Benefits	0		0	0		0	0		0	0		0	0		0
12.1	US PSC Benefits	0		0	0		0	0		0	0		0	0		0
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to the FSN Separation Fund - FN PSC	5.8		5.8	6		6	6		6	6.5		6.5	6.5		6.5
12.1	Other FN PSC Benefits	0		0	0		0	0		0	0		0	0		0
12.1	IPA/Detail-In/PASA/RSSA Benefits	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 12.1	28.1	0	28.1	50.6	0	50.6	50.6	0	50.6	42.9	0	42.9	42.9	0	42.9
13	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13	Severance Payments for FNDH	0		0	0		0	0		0	0		0	0		0
13	Other Benefits for Former Personnel - FNDH	0		0	0		0	0		0	0		0	0		0
13	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13	Severance Payments for FN PSCs	12.2		12.2	0		0	0		0	18.1		18.1	18.1		18.1
13	Other Benefits for Former Personnel - FN PSCs	0		0	0		0	0		0	0		0	0		0

TABLE III.b - Cost of Controller Operations

Org. Title: USAID/ECUADOR Org. No: 518 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
Subtotal OC 13.0		12.2	0	12.2	0	0	0	0	0	18.1	0	18.1	18.1	0	18.1	
21	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21	Training Travel	11		11	8.5		8.5	8.5		8.5	0		0		0	
21	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21	Post Assignment Travel - to field	3		3	0		0	0		0	0		0		0	
21	Assignment to Washington Travel	0		0	3		3	3		3	0		0		0	
21	Home Leave Travel	0		0	0		0	0		6.2		6.2	6.2		6.2	
21	R & R Travel	1		1	3		3	3		3	0		0		0	
21	Education Travel	2.5		2.5	0		0	0		0	0		0		0	
21	Evacuation Travel	0		0	0		0	0		0	0		0		0	
21	Retirement Travel	0		0	0		0	0		0	0		0		0	
21	Pre-Employment Invitational Travel	0		0	0		0	0		0	0		0		0	
21	Other Mandatory/Statutory Travel	0		0	0		0	0		0	0		0		0	
21	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21	Site Visits - Headquarters Personnel	0		0	0		0	0		0	0		0		0	
21	Site Visits - Mission Personnel	2.8		2.8	2.5		2.5	2.5		2.5	2		2		2	
21	Conferences/Seminars/Meetings/Retreats	2		2	4.5		4.5	4.5		4.5	2.5		2.5		2.5	
21	Assessment Travel	0		0	0		0	0		0	0		0		0	
21	Impact Evaluation Travel	0		0	0		0	0		0	0		0		0	
21	Disaster Travel (to respond to specific disasters)	0		0	0		0	0		0	0		0		0	
21	Recruitment Travel	0		0	0		0	0		0	0		0		0	
21	Other Operational Travel	0		0	0		0	0		0	0		0		0	
Subtotal OC 21.0		22.3	0	22.3	21.5	0	21.5	21.5	0	21.5	10.7	0	10.7	10.7	0	10.7
22	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22	Post assignment freight	11		11	18		18	18		18	0		0		0	
22	Home Leave Freight	0		0	0		0	0		0	0		0		0	
22	Retirement Freight	0		0	0		0	0		0	0		0		0	
22	Transportation/Freight for Office Furniture/Equip.	0		0	0		0	0		0	0		0		0	
22	Transportation/Freight for Res. Furniture/Equip.	0		0	0		0	0		0	0		0		0	
Subtotal OC 22.0		11	0	11	18	0	18	18	0	18	0	0	0	0	0	0
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space	48.6		48.6	50		50	50		50	51.4		51.4	51.4		51.4
23.2	Rental Payments to Others - Warehouse Space	0		0	0		0	0		0	0		0		0	
23.2	Rental Payments to Others - Residences	0		0	0		0	0		0	0		0		0	
Subtotal OC 23.2		48.6	0	48.6	50	0	50	50	0	50	51.4	0	51.4	51.4	0	51.4
23.3	Communications, utilities, and miscellaneous charge	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities	4		4	4		4	4		4	4		4		4	
23.3	Residential Utilities	0		0	0		0	0		0	0		0		0	
23.3	Telephone Costs	7.2		7.2	9		9	9		9	9		9		9	
23.3	ADP Software Leases	0		0	0		0	0		0	0		0		0	

TABLE III.b - Cost of Controller Operations

Org. Title: USAID/ECUADOR Org. No: 518 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
23.3	ADP Hardware Lease	0		0	0	0	0	0	0	0	0	0	0	0	0	
23.3	Commercial Time Sharing	0		0	0	0	0	0	0	0	0	0	0	0	0	
23.3	Postal Fees (Other than APO Mail)	0.1		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
23.3	Other Mail Service Costs	0.1		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
23.3	Courier Services	0.5		0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	
	Subtotal OC 23.3	11.9	0	11.9	13.7	0	13.7	13.7	0	13.7	13.7	0	13.7	13.7	0	13.7
24	Printing and Reproduction	0		0	0	0	0	0	0	0	0	0	0	0	0	
	Subtotal OC 24.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations	0		0	0	0	0	0	0	0	0	0	0	0	0	
25.1	Management & Professional Support Services	0		0	0	0	0	0	0	0	0	0	0	0	0	
25.1	Engineering & Technical Services	0		0	0	0	0	0	0	0	0	0	0	0	0	
	Subtotal OC 25.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards	12.6		12.6	28.3		28.3	28.3		28.3	33.9		33.9	33.9		33.9
25.2	Residential Security Guard Services	0		0	0		0	0		0	0		0	0		0
25.2	Official Residential Expenses	0		0	0		0	0		0	0		0	0		0
25.2	Representation Allowances	0		0	0		0	0		0	0		0	0		0
25.2	Non-Federal Audits	0		0	0		0	0		0	0		0	0		0
25.2	Grievances/Investigations	0		0	0		0	0		0	0		0	0		0
25.2	Insurance and Vehicle Registration Fees	0		0	0		0	0		0	0		0	0		0
25.2	Vehicle Rental	0		0	0		0	0		0	0		0	0		0
25.2	Manpower Contracts	2		2	2.2		2.2	2.2		2.2	2.4		2.4	2.4		2.4
25.2	Records Declassification & Other Records Service	0		0	0		0	0		0	0		0	0		0
25.2	Recruiting activities	0		0	0		0	0		0	0		0	0		0
25.2	Penalty Interest Payments	0		0	0		0	0		0	0		0	0		0
25.2	Other Miscellaneous Services	5		5	5		5	5		5	5		5	5		5
25.2	Staff training contracts	0		0	0		0	0		0	0		0	0		0
25.2	ADP related contracts	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 25.2	19.6	0	19.6	35.5	0	35.5	35.5	0	35.5	41.3	0	41.3	41.3	0	41.3
25.3	Purchase of goods and services from Government ac	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS	0		0	0		0	0		0	0		0	0		0
25.3	All Other Services from Other Gov't. accounts	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 25.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance	0.5		0.5	0.5		0.5	0.5		0.5	0.5		0.5	0.5		0.5
25.4	Residential Building Maintenance	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 25.4	0.5	0	0.5	0.5	0	0.5	0.5	0	0.5	0.5	0	0.5	0.5	0	0.5

TABLE III.b - Cost of Controller Operations

Org. Title: USAID/ECUADOR Org. No: 518 OC		Overseas Mission Budgets														
		FY 1998			FY 1999 Target			FY 1999 Request			FY 2000 Target			FY 2000 Request		
		Dollars	TF	Total												
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs	1.5		1.5	1.5		1.5	1.5		1.5	1.5		1.5	1.5		1.5
25.7	Storage Services	0		0	0		0	0		0	0		0	0		0
25.7	Office Furniture/Equip. Repair and Maintenance	0		0	0		0	0		0	0		0	0		0
25.7	Vehicle Repair and Maintenance	0		0	0		0	0		0	0		0	0		0
25.7	Residential Furniture/Equip. Repair and Maintenance	0.5		0.5	0.8		0.8	0.8		0.8	0.9		0.9	0.9		0.9
	Subtotal OC 25.7	2	0	2	2.3	0	2.3	2.3	0	2.3	2.4	0	2.4	2.4	0	2.4
25.8	Subsistence and support of persons (by contract or Gov't.)			0			0			0			0			0
	Subtotal OC 25.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	Supplies and materials	6		6	7		7	7		7	7		7	7		7
	Subtotal OC 26.0	6	0	6	7	0	7	7	0	7	7	0	7	7	0	7
31	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31	Purchase of Residential Furniture/Equip.	0		0	0		0	0		0	0		0	0		0
31	Purchase of Office Furniture/Equip.	0		0	0		0	0		0	0		0	0		0
31	Purchase of Vehicles	0		0	0		0	0		0	0		0	0		0
31	Purchase of Printing/Graphics Equipment	0		0	0		0	0		0	0		0	0		0
31	ADP Hardware purchases	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 31.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32	Purchase of Land & Buildings (& construction of buildings)	0		0	0		0	0		0	0		0	0		0
32	Purchase of fixed equipment for buildings	0		0	0		0	0		0	0		0	0		0
32	Building Renovations/Alterations - Office	0		0	0		0	0		0	0		0	0		0
32	Building Renovations/Alterations - Residential	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 32.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42	Claims and indemnities	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 42.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BUDGET		572.1	0	572.1	640.5	0	640.5	660.5	0	660.5	660.9	0	660.9	685.9	0	685.9
Dollars Used for Local Currency Purchases		<u>332.6</u>			<u>333</u>			<u>333</u>			<u>378.4</u>			<u>378.4</u>		
Exchange Rate Used in Computations		<u>4500</u>			<u>4500</u>			<u>4500</u>			<u>4500</u>			<u>4500</u>		

TABLE III.c - TRUST FUNDS & FSN SEPARATION FUND

Orgno.: USAID/ECUADOR
 Org. Title: 518

Foreign National Voluntary Separation Account

Action	FY 98			FY 99			FY 00		
	OE	Program	Total	OE	Program	Total	OE	Program	Total
Deposits	25.0	14.0	39.0	23.0	15.4	38.4	22.5	13.0	35.5
Withdrawals	27.0	26.5	53.5	7.8	0.0	7.8	17.9	17.4	35.3

Unfunded Liability (if any)
 at the end of each FY.

Local Currency Trust Funds - Regular (\$000s)

	FY 98	FY 99	FY 00
Balance Start of Year	0.0	0.0	0.0
Obligations	0.0	0.0	0.0
Deposits	0.0	0.0	0.0
Balance End of Year	0.0	0.0	0.0

Exchange Rate(s) Used

Trust Funds in Dollar Equivalents, not in Local Country Equivalents

Local Currency Trust Funds - Real Property (\$000s)

	FY 98	FY 99	FY 00
Balance Start of Year	0.0	0.0	0.0
Obligations	0.0	0.0	0.0
Deposits	0.0	0.0	0.0
Balance End of Year	0.0	0.0	0.0

Trust Funds in Dollar Equivalents, not in Local Country Equivalents

TABLE IV - Workforce

Org. USAID/Ecuador FY 1998 On-Board Estimate	SO/SpO Staff						Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff	
	SO 1	SO 2	SO 3	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other			
U.S. Direct Hire	1	1	0.5	0	0	0.5	0	3	1	1	1	0	0	1	4	7
Other U.S. Citizens: 1/ OE Internationally Recruited	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	1
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Program	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	1
FSN/TCN Direct Hire: OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	1	1	2	0	0	0	4	4
FSN/TCN Non-Direct Hire: OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	3	2	2.5	0	0	2.5	0	10	0	8	23	1	0	3	35	45
Program	3	5	2.5	0	0.5	2.5	2	15.5	0	0	0	0	0	0.5	0.5	16
Total Staff Levels	7	8	6.5	0	0.5	5.5	2	29.5	2	11	26	1	0	4.5	44.5	74
TAACS	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	1
Fellows	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

1/ Excluding TAACS and Fellows

TABLE IV - Workforce

Org. USAID/Ecuador FY 1999 Target On-Board Estimate	SO/SpO Staff						Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	1	0.5	0.5	0	0	0	2	1	1	1	0	0	1	4	6
Other U.S. Citizens: 1/ OE Internationally Recruited	0	0	0	0	0	0	0	0	1	0	0	0	0	1	1
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Program	0	0	1	0	0	0	1	0	0	0	0	0	0	0	1
FSN/TCN Direct Hire: OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	1	1	2	0	0	0	4	4
FSN/TCN Non-Direct Hire: OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	3	2	2.5	0	0	1.5	0	9	8	19	1	0	2	30	39
Program	3	5	3	0	0.5	2	2	15.5	0	0	0	0	0.5	0.5	16
Total Staff Levels	7	7.5	7	0	0.5	3.5	2	27.5	2	11	22	1	0	3.5	67
TAACS	0	1	0	0	0	0	0	1	0	0	0	0	0	0	1
Fellows	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

1/ Excluding TAACS and Fellows

Org. USAID/Ecuador FY 1999 Request On-Board Estimate	SO/SpO Staff						Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	1	0.5	0.5	0	0	0	2	1	1	1	0	0	1	4	6
Other U.S. Citizens: 1/ OE Internationally Recruited	0	0	0	0	0	0	0	0	1	0	0	0	0	1	1
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Program	0	0	1	0	0	0	1	0	0	0	0	0	0	0	1
FSN/TCN Direct Hire: OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	1	1	2	0	0	0	4	4
FSN/TCN Non-Direct Hire: OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	3	2	2.5	0	0	1.5	0	9	9	20	1	0	3	33	42
Program	3	5	3	0	0.5	2	2	15.5	0	0	0	0	0.5	0.5	16
Total Staff Levels	7	7.5	7	0	0.5	3.5	2	27.5	2	12	23	1	0	4.5	70
TAACS	0	1	0	0	0	0	0	1	0	0	0	0	0	0	1
Fellows	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

1/ Excluding TAACS and Fellows

TABLE IV - Workforce

Org. USAID/Ecuador FY 2000 Target On-Board Estimate	SO/SpO Staff						Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	1	0.5	0.5	0	0	0	2	1	0	1	0	0	1	3	5
Other U.S. Citizens: 1/ OE Internationally Recruited	0	0	0	0	0	0	0	0	1	0	0	0	0	1	1
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Program	0	0	1	0	0	0	1	0	0	0	0	0	0	0	1
FSN/TCN Direct Hire: OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	1	1	1	0	0	0	3	3
FSN/TCN Non-Direct Hire: OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	3	2	2	0	0	0	7	0	7	17	1	0	2	27	34
Program	3	5	3	0	0.5	0	11.5	0	0	0	0	0	0.5	0.5	12
Total Staff Levels	7	7.5	6.5	0	0.5	0	21.5	2	9	19	1	0	3.5	34.5	56
TAACS	0	1	0	0	0	0	1	0	0	0	0	0	0	0	1
Fellows	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

1/ Excluding TAACS and Fellows

Org. USAID/Ecuador FY 2000 Request On-Board Estimate	SO/SpO Staff						Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	1	0.5	0.5	0	0	0	2	1	0	1	0	0	1	3	5
Other U.S. Citizens: 1/ OE Internationally Recruited	0	0	0	0	0	0	0	0	1	0	0	0	0	1	1
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Program	0	0	1	0	0	0	1	0	0	0	0	0	0	0	1
FSN/TCN Direct Hire: OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	1	1	1	0	0	0	3	3
FSN/TCN Non-Direct Hire: OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	3	2	2	0	0	0	7	0	7	17	1	0	2	27	34
Program	3	5	3	0	0.5	0	11.5	0	0	0	0	0	0.5	0.5	12
Total Staff Levels	7	7.5	6.5	0	0.5	0	21.5	2	9	19	1	0	3.5	34.5	56
TAACS	0	1	0	0	0	0	1	0	0	0	0	0	0	0	1
Fellows	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

1/ Excluding TAACS and Fellows

TABLE IV - Workforce

Org. USAID/Ecuador FY 2001 On-Board Estimate	SO/SpO Staff						Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	1	0	1	0	0	0	2	1	0	1	0	0	1	3	5
Other U.S. Citizens: 1/ OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Program	0	0	1	0	0	0	1	0	0	0	0	0	0	0	1
FSN/TCN Direct Hire: OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	1	0	1	0	0	0	2	2
FSN/TCN Non-Direct Hire: OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	2	0	2	0	0	0	4	0	2	15	1	0	2	20	24
Program	3	0	2.5	0	0	0	5.5	0	0	0	0	0	0.5	0.5	6
Total Staff Levels	6	0	6.5	0	0	0	12.5	2	2	17	1	0	3.5	25.5	38
TAACS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fellows	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

1/ Excluding TAACS and Fellows

TABLE IV - Workforce

Org. USAID/Ecuador Summary On-Board Estimate	SO/SpO Staff						Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff	
	SO 1	SO 2	SO 3	SpO 1	SpO 2	SpO 3		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other			
FY 1998:																
U.S. Direct Hire	1	1	0.5	0	0	0.5	0	3	1	1	1	0	0	1	4	7
OE Internationally Recr	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	1
OE Locally Recruited	3	2	2.5	0	0	2.5	0	10	1	9	25	1	0	3	39	49
Total OE Funded Staff	4	3	3	0	0	3	0	13	2	11	26	1	0	4	44	57
Program Funded	3	5	3.5	0	0.5	2.5	2	16.5	0	0	0	0	0	0.5	0.5	17
Total FY 1998	7	8	6.5	0	0.5	5.5	2	29.5	2	11	26	1	0	4.5	44.5	74
FY 1999 Target:																
U.S. Direct Hire	1	0.5	0.5	0	0	0	0	2	1	1	1	0	0	1	4	6
OE Internationally Recr	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	1
OE Locally Recruited	3	2	2.5	0	0	1.5	0	9	1	9	21	1	0	2	34	43
Total OE Funded Staff	4	2.5	3	0	0	1.5	0	11	2	11	22	1	0	3	39	50
Program Funded	3	5	4	0	0.5	2	2	16.5	0	0	0	0	0	0.5	0.5	17
Total FY 1999 Target	7	7.5	7	0	0.5	3.5	2	27.5	2	11	22	1	0	3.5	39.5	67
FY 1999 Request:																
U.S. Direct Hire	1	0.5	0.5	0	0	0	0	2	1	1	1	0	0	1	4	6
OE Internationally Recr	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	1
OE Locally Recruited	3	2	2.5	0	0	1.5	0	9	1	10	22	1	0	3	37	46
Total OE Funded Staff	4	2.5	3	0	0	1.5	0	11	2	12	23	1	0	4	42	53
Program Funded	3	5	4	0	0.5	2	2	16.5	0	0	0	0	0	0.5	0.5	17
Total FY 1999 Request	7	7.5	7	0	0.5	3.5	2	27.5	2	12	23	1	0	4.5	42.5	70
FY 2000 Target:																
U.S. Direct Hire	1	0.5	0.5	0	0	0	0	2	1	0	1	0	0	1	3	5
OE Internationally Recr	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	1
OE Locally Recruited	3	2	2	0	0	0	0	7	1	8	18	1	0	2	30	37
Total OE Funded Staff	4	2.5	2.5	0	0	0	0	9	2	9	19	1	0	3	34	43
Program Funded	3	5	4	0	0.5	0	0	12.5	0	0	0	0	0	0.5	0.5	13
Total FY 2000 Target	7	7.5	6.5	0	0.5	0	0	21.5	2	9	19	1	0	3.5	34.5	56
FY 2000 Request:																
U.S. Direct Hire	1	0.5	0.5	0	0	0	0	2	1	0	1	0	0	1	3	5
OE Internationally Recr	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	1
OE Locally Recruited	3	2	2	0	0	0	0	7	1	8	18	1	0	2	30	37
Total OE Funded Staff	4	2.5	2.5	0	0	0	0	9	2	9	19	1	0	3	34	43
Program Funded	3	5	4	0	0.5	0	0	12.5	0	0	0	0	0	0.5	0.5	13
Total FY 2000 Request	7	7.5	6.5	0	0.5	0	0	21.5	2	9	19	1	0	3.5	34.5	56
FY 2001 Estimate:																
U.S. Direct Hire	1	0	1	0	0	0	0	2	1	0	1	0	0	1	3	5
OE Internationally Recr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	2	0	2	0	0	0	0	4	1	2	16	1	0	2	22	26
Total OE Funded Staff	3	0	3	0	0	0	0	6	2	2	17	1	0	3	25	31
Program Funded	3	0	3.5	0	0	0	0	6.5	0	0	0	0	0	0.5	0.5	7
Total FY 2000 Target	6	0	6.5	0	0	0	0	12.5	2	2	17	1	0	3.5	25.5	38

TABLE IV - Workforce

MISSION :

USAID/Ecuador

USDH STAFFING REQUIREMENTS BY SKILL CODE

BACKSTOP (BS)	NO. OF USDH EMPLOYEES IN BACKSTOP FY 98	NO. OF USDH EMPLOYEES IN BACKSTOP FY 99	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2000	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2001
01SMG	1	1	1	1
02 Program Off.	1	0	0	0
03 EXO	1	1	1	1
04 Controller	1	1	1	0
05/06/07 Secretary	0	0	0	0
10 Agriculture.	0	0	0	0
11Economics	0	0	0	0
12 GDO	1	1	1	1
12 Democracy	0	0	0	0
14 Rural Dev.	0	0	0	0
15 Food for Peace	0	0	0	0
21 Private Ent.	1	1	0	0
25 Engineering	0	0	0	0
40 Environ	1	1	1	1
50 Health/Pop.	0	0	0	0
60 Education	0	0	0	0
75 Physical Sci.	0	0	0	0
85 Legal	0	0	0	0
92 Commodity Mgt	0	0	0	0
93 Contract Mgt	0	0	0	0
94 PDO	1	1	1	1
95 IDI	0	0	0	0
Other*	0	0	0	0
TOTAL	8	7	6	5

*please list occupations covered by other if there are any

EXPLANATION/JUSTIFICATION FOR MODIFICATIONS TO USAID/ECUADOR'S SO 3 -- CIVIL SOCIETY -- FRAMEWORK

A. CHANGES IN THE SO 3 RESULTS FRAMEWORK

In response to STATE 33523, dated February 25, 1998, which addressed USAID/Ecuador objectives and results frameworks, as well as comments provided by Robert Barr, G/DG, in his e-mail of February 27, 1998, and those of recent consultancies by USAID/Ecuador consultants Marcia Bernbaum and Ana Sanchez, USAID/Ecuador has made several revisions to the indicators and Intermediate Results (IRs) of its SO 3 framework.

Based on numerous discussions with USAID/Washington, as well as the above mentioned consultancies, the SO statement itself remains unchanged. Per the above referenced cable, however, and Global Bureau concerns regarding the wording of indicator (a) at the SO level, this indicator has been reworded from *"Number of prominent legislators, cabinet members, political leaders, and mayors influenced by CSOs,"* to ***"Increased awareness about issues of concern to CSOs among prominent legislators, cabinet members, political leaders, mayors and prominent civil society leaders."*** Mission believes that by eliminating the word "influence", which proved difficult to define, and replacing it with "increased awareness" (defined as increasing the information base of the above named individuals and changing their perception of the importance of the problems of the justice and education sectors) and "about issues of concern to CSOs", the indicator measures more accurately our objective, i.e., civil society strengthened. An additional indicator (b), **"Civil society providing input into key reforms either at its own initiative or at the request of the government,"** was added, recognizing that, as pointed out in USAID/Washington comments, civil society is considerably broader than influencing public officials. A matrix has been developed for indicator (b) that will track civil society input into key reforms that serve to increase awareness and create the pressure needed to push the policy and legislative reform agenda forward.

Modifications were also made at the IR level. IR 1 was rephrased to focus on "increased access" rather than "educating citizens", which better reflects Mission interest in increasing service provision by partners. Furthermore, the education sector was dropped from IR 1, as our potential education partners are primarily engaged in advocacy leading toward policy and legislative reform, not service provision. IR 1 now reads: ***"Selected CSOs Promoting Increased Access to Justice, with a Focus on Women and Indigenous Groups."*** Minor, yet significant word changes were made to the two indicators for IR 1, from *Comisaria* cases "initiated" to *Comisaria* cases "attended", and, similarly, from "ADR and legal cases" to "ADR and legal cases handled."

The original IR 2, *"Improved Capacity of Selected CSOs in self-sustainability,"* was eliminated in its entirety, as it was believed that this represented a lower level result or foundation upon which the framework was built. While no longer part of the framework itself, the financial and institutional self-sustainability of our partners will remain an important, lower-level objective given its importance to the ability of partners to continue their efforts forward well after USAID/Ecuador assistance ends. Toward this end, technical assistance and training will be provided to strengthen their administrative, budgetary, and policy formulation and implementation functions. USAID/Ecuador will continue to monitor their progress in this critical area.

Finally, with regard to policy and legislative reform advocacy, the original IR 3 was split into two separate IRs, thereby recognizing the different stages of development of our education and justice sector partners, as well as the types of activities in which they are engaged. The new IR 2, *"Improved Capability of Selected CSOs to Introduce and Promote the Implementation of Key Reforms in the Justice Sector,"* and IR 3, *"Improved Capability of CSOs to Introduce and Promote the Implementation of Key Reforms in the Education Sector,"* are each measured by two, new, indicators: (a) *"Key steps taken by CSOs to promote legislative and/or policy reform in the justice (education) sector;"* and, (b) *"CSOs using mass media to express their views on key topics in justice (education)."* A matrix of legislative and/or policy reform steps taken by CSOs has been developed to measure indicator (a), and includes such steps as: collection of relevant information and input about the issue; the formulation of policy position papers; drafting of working documents; coalition building and networking; preparation for presentation of draft laws to Congress; feasibility studies of implementation approaches; and the development of an implementation plan. In other words, the matrix will track steps taken by our partners to lay the groundwork and/or provide the justification for policy and legislative reform in the justice and education sectors.

Across all three IRs, "improved capacity" was dropped, as this wording erroneously implied improvements in the institutional capacity of partner CSOs (e.g., number of technical staff, improvements in financial, administrative and personnel systems, etc.). The wording was replaced under IRs 2&3 with "improved capability", which correctly reflects Mission interest in strengthening the ability of CSOs to lobby policy makers and influence reform legislation after having learned the necessary steps through USAID-financed technical assistance and training.

B. SO 3 CAUSAL RELATIONSHIPS

USAID/Ecuador articulates its Strategic Objective in the area of democracy as **"Civil society strengthened in the key democracy enhancing areas of justice and education."** This objective statement reflects the Mission's decision to focus and narrow its expected accomplishments in this area, previously stated as "Strengthened sustainable democracy." The reformulation of the objective responds to limited availability of funds for democracy activities and to the Bureau's direction to redefine expected results in keeping with USAID/Ecuador's evolution to "limited Mission" status. The Strategic Objective also represents a carefully considered response to the critical situation in which Ecuador currently finds itself, defined at a level of impact which the Mission believes it can achieve with the resources available.

There are two related problems at the heart of the crisis in Ecuadorian democracy: the accountability of public officials to society and a lack of consensus over the rules of the game -- both among the political class and within society. Ecuadorians themselves must address both problems. Only through a stronger, more effective civil society with broad-based participation will Ecuadorians be able to move towards consensus building and begin to hold their government institutions accountable. Viable NGOs and CSOs are the appropriate vehicles for achieving this process, which is essential for creating a strong democracy in Ecuador.

USAID/Ecuador defines a strengthened civil society as one in which citizens actively demand their rights, demand accountability from government institutions, and fulfill their own responsibilities as citizens of a democracy. Some examples of strong civil society would be: (1) strong, sustainable civil society organizations playing an active part in promoting reform, representing the needs of a broad constituency rather than narrow partisan political interests; (2) coalitions of private organizations and, where appropriate, government-civil society partnerships, operating to promote reform and providing needed services; and (3) women and other traditionally poor and disadvantaged groups such as indigenous communities enjoying full participation and expression as citizens.

In order to achieve this objective, the Mission will seek to achieve three principal IRs:

- (1) Selected CSOs promoting access to justice, with a focus on women and indigenous groups.**
- (2) Improved capability of selected CSOs to introduce and promote the implementation of key reforms in the justice sector.**
- (3) Improved capability of selected CSOs to introduce and promote the implementation of key reforms in the education sector.**

An array of proactive and strong civil organizations across all sectors is necessary to form the core of a healthy civil society. USAID/Ecuador programs in environment, health and family planning are working with NGOs in ways that will strengthen their institutional capacity. Also, USAID/Ecuador is working with several key civil and political rights NGOs under its previously approved Rule of Law Results Package and has a good understanding of the justice sector. Given the direct relevance of these NGOs to a critical problem of Ecuador's democracy -- a dysfunctional justice sector -- IR 1 will intensify USAID's institutional strengthening efforts with the three NGOs with which it is currently working in this sector. They will also be assisted with implementing improved communications strategies, including the application of modern telecommunications technologies, all with the objective of expanding the access of women and indigenous groups to the justice system.

These NGOs are already working with and through other local NGOs, federations, universities, professional associations, and unions. Under the Strategic Plan USAID/Ecuador will also expand the outreach of these NGO partners to such other organizations. While support to the Mission's

existing NGO partners will account for the bulk of the efforts under this IR, it will examine the possibility of working directly with a limited number of additional NGOs that may be able to contribute substantially to this IR at a cost within USAID/Ecuador's resource level and management capacity.

A World Bank special fund for grants to NGOs, research and study centers, and other non-profit organizations in the law and justice sector will become operative during the strategic plan period. This fund is a \$2.4 million component under a \$10.7 million Bank loan for improving the judicial system that resulted from earlier USAID/Ecuador efforts through discussions directly with the Bank and as a result of studies, assessments, and plans developed by the Mission's partners. The expanded level of effort of the three NGO partners now planned for the strategic planning period will, in effect, help generate clients and shape project proposals for this World Bank fund.

IRs 2&3 are an important step towards enabling civil society to influence public policy and programs. The Ecuadorian experience provides some good -- albeit, not widely recognized -- examples of the NGO advocacy role for policy reform and program design in health and the environment. Focusing on this particular function of NGOs at the IR level will increase awareness in government, the business community, and civil society in general about the relevance and importance of NGOs.

The NGOs to be assisted under these IRs will fulfill this role by improving their capability to perform research, analysis, dissemination, coalition building, and policy advocacy regarding specific reform issues and laws in the justice and education sectors. Activities and partners will be carefully selected to assure consistency with the overall development experience of USAID/Ecuador and Agency objectives. Also, wherever appropriate, the Mission would attempt to draw on the grass roots experiences of NGOs and CSOs to formulate inputs to policy options from the bottom up.

Under these two IRs, NGOs also will be assisted in establishing broad based consensus on specific reform proposals through public fora, work with the media, and better communications strategies. Wherever possible, all new activities will be carried out through networks or strategic alliances of NGOs with other civil society organizations such as professional associations, business chambers, and universities to build and demonstrate wide public support for the policy reforms being promoted.

Technical assistance and on-the-job training in the design of policy studies, preparation of option papers, and policy formulation will be provided as necessary. However, these inputs will be driven by the specific needs of the NGOs and the networks supported under these IRs. To reduce the management burden in arranging for these inputs, USAID/Ecuador will draw on established centrally or regionally managed programs and IQCs to the extent feasible.

C. SO 3 ILLUSTRATIVE APPROACHES

USAID/Ecuador's planned approaches for activities to support this objective are built on experience from its extensive past work with the NGO community and take into account internal staffing limitations.

IR 1: Selected CSOs promoting access to justice, with a focus on women and indigenous groups.

- Promotion of alternative dispute resolution (ADR) will be expanded both as a formal adjunct or option to the judicial process (with CLD) and as a commercial service to the business community, as well as less formal community-based approaches for conflict resolution with indigenous communities and other organizations working with the poor (with CIDES). CIDES will also expand its legal clinics to provide free or low-cost services to the poor. Funds under Cooperative Agreements with the two NGOs will be used for local consultants, training of trainers, training community-based and sectoral leaders, and information dissemination activities.
- Support to the *Comisarias de la Mujer* for a comprehensive program to reduce violence against women and improve services provided to women and children victims of violence was initiated in FY 1997. Expansion and continuation of these initiatives will permit USAID/Ecuador's existing partners to work with additional organizations and reach additional clients to improve geographic coverage. Funds will be provided to CEPAM (which has entered into sub-grants with four additional NGOs) for technical services (primarily legal services) for the *comisarias*, dissemination of information about the Law Against Violence Towards Women and the services provided by the *comisarias*, training of *comisaria* technical staff (including social workers, psychologists, health staff) and judges, publications, studies, research, and strengthening the administrative/financial systems of the NGOs.
- A buy-in to the centrally managed LearnLinks program designed to assist Missions with application of modern telecommunications technology to development purposes will support the achievement of both IR 1 and IR 2. Technical assistance and training buy-ins will make some of the institutional improvements needed in the three justice sector NGOs for IR 1. It will also be an important part of achieving the networking improvements envisaged in IR 2. Technical assistance, on-the-job training, and perhaps limited amounts of equipment could be provided by LearnLinks to improve the functioning of selected groups of NGOs committed to working together under strategic alliances.

IR 2: Improved capability of selected CSOs to introduce and promote the implementation of key reforms in the justice sector.

- Programmatic initiatives already underway to work with CLD in the modernization of selected legislation will continue and assistance will be provided to enhance its institutional effectiveness. Efforts are expected to focus on reform of the Criminal Procedures Code, the Mediation and Arbitration Law and its implementing regulations, the Administrative Code, the Civil Procedures

Code, and the Law on Constitutional Rights for Individuals. CLD's base of domestic and external support will be broadened and relationships with other civil and political rights organizations strengthened. Funding through the Cooperative Agreement with CLD will be used for professional consultants, publications, seminars, technical staff, and operating expenses.

- In addition, CIDES is also becoming involved in promoting justice sector legislative reforms, most notably the Arbitration and Mediation Law and the Law on Indigenous Peoples. Funding under the CIDES Cooperative Agreement will be used to finance professional consultants.

IR 3: Improved capability of selected CSOs to introduce and promote the implementation of key reforms in the education sector.

- Civil society strengthening activities in education will focus on identifying a small group of highly respected individuals from diverse sectors of civil society (NGOs involved in education, representation from private enterprise, mass media, possibly from the Ministry of Education, the Congress, and leading political parties) who are deeply committed to education and who have ties to one or more civil society groups and helping these individuals to form an informal advisory/stakeholder group. With technical assistance from USAID/Ecuador and AED/RTI, this group will develop a strategic plan, which includes a clear consensus on the group's vision, including the key policy reforms that it would like to focus its efforts on over the coming years. This strategic plan will be accompanied by a concrete plan of action for the next year for influencing these policy reforms, which involves developing trust networks among civil society groups who will be actively involved in this effort. Funds will be used to contract AED/RTI to provide concrete support to this group. The support will focus on helping them to implement their work plan and will include, as needed: (a) assisting the members of the advisory/stakeholder group to strengthen their conceptual and analytic understanding of the reform process; (b) providing them with training in the "how to's" of influencing policy reform, including how to build coalitions, strategic alliances and trust networks among diverse civil society groups; and (c) assistance in carrying out analytical and other studies necessary to promote the policy reform agenda the group has selected. These three approaches will improve their capability to influence public policies and programs. Support from LearnLinks may be sought complement the work of AED/RTI. The example provided on page 41 of the Strategic Plan, outlining the preparation and promotion of a policy reform proposal by a coalition of NGOs working in the education sector at the community level, is the type of eventual collaboration among CSOs that the Mission is working towards under this IR. The strategic alliances thus encouraged would promote urgently needed consensus building among NGOs, public sector education entities, the business community, local governments, community based organizations, professional associations, and other CSOs.

- At the end of the first year of support (at about the same time as next year's R4 submission), the key partners in this endeavor, USAID/Ecuador, AED/RTI, and the informal advisory/stakeholder group, will reconvene to assess progress against targets, decide whether the approach of supporting this advisory/stakeholder group still makes sense, and whether the group should become formalized. If the response on the latter is positive, the group with AED/RTI

assistance will develop a detailed plan of action for the remainder of the USAID/Ecuador Strategic Framework period. If it is not, and if significant results have not been achieved in implementing the work plan and agreed upon strategy, USAID/Ecuador will, in close coordination with partners, review options for the most appropriate course of action.