

USAID/Ecuador

RESULTS REVIEW

FY1998

&

RESOURCE

REQUEST

FY2000 - FY2001

March 30, 1999

Please Note:

The attached FY 2001 Results Review and Resource Request ("R4") was assembled and analyzed by the country or USAID operating unit identified on this cover page.

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Acronyms

AED/RTI	Academy for Educational Development/Research Triangle Institute
ADR	Alternative Dispute Resolution
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
BEO	Bureau Environmental Officer
BIO	USAID/Ecuador Biodiversity Conservation SO
CAE	Ecuadorian Customs Corporation (Corporación Aduanera Ecuatoriana)
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
CCC	Civic Control Commission
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 Social Development (Centro de Estudios de Población y Desarrollo Social)
CEPAM	Ecuadorian Center for Woman's Promotion and Activities (Centro Ecuatoriano para la Promoción y Acción de la Mujer)
CHF	Cooperative Housing Foundation
CIDES	Center on Human Rights and Society (Centro Sobre Derecho y Sociedad)
CLD	Latin American Corporation for Development (Corporación Latinoamericana para el Desarrollo)
CODESPA	Development Corporation of the Government of Spain
CONAM	National Council for Modernization (Consejo Nacional de Modernización)
COSUDE	Swiss Agency for the Development and Cooperation
CP	Cleaner Production
CPC	Criminal Procedures Code
CRA	Constitutional Reform Assembly
CRS	Catholic Relief Services
CNJ	National Judicial Council (Consejo Nacional de la Judicatura)
CS	Child Survival
CSJ	Supreme Court (Corte Suprema de Justicia)
CSO	Civil Society Organization

CYP	Couple Years of Protection
DAO	Defense Attaché Office
DEA	US Drug Enforcement Agency
DEM	USAID/Ecuador Democracy SO
DOJ	US Department of Justice
DP	Popular Democratic Party (Partido Democrático Popular)
EA	Environmental Assessment
E2P3	Ecuadorian Environmental and Pollution Prevention Program
EMAAP-Q	Municipal Water Company (Empresa Municipal de Agua Potable)
EP3	Environmental Pollution Prevention Program
FE	Ecuador Foundation (Fundación Ecuador)
FER	Rumicocha Ecological Foundation (Fundación Ecológica Rumicocha)
FINCA	International Foundation for Community Assistance (Fundación Internacional para Asistencia Comunitaria)
FMP	Forestry Management Plan
FONAG	Water Endowment Fund (Fondo del Agua)
FP	Family Planning
FPH	USAID/Ecuador FP and MCH SO
FSN-PSC	Foreign Service National-Personal Service Contractor
FUNAN	Antisana Foundation (Fundación Antisana)
GLOBE	Global Learning and Observations for the benefit of the Environment
GOV	USAID/Ecuador Governance Special Objective
G/EGAD/MD	Global Bureau - Center for Economic Growth and Agriculture Development, Office of Microenterprise Development
G/PHN	Global Bureau - Center for Population, Health and Nutrition
G/DG	Global Bureau - Center for Democracy and Governance
G/ENV	Global Bureau - Center for Environment
GDP	Gross Domestic Product
GMR	Galápagos Marine Reserve
GOE	Government of Ecuador
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
IASP	International Affairs Strategic Plan
IBRD	International Bank for Reconstruction and Development
ICITAP	International Criminal Investigative Training Assistance Program
IDB	Interamerican Development Bank
IEE	Initial Environmental Examination
ILANUD	United Nations Latin American Institute for the Prevention of Crime and the Treatment of Offenders
IMCI	Integrated Management of Childhood Illnesses
IMF	International Monetary Fund
INEFAN	Ecuadorian Institute for Forestry, Natural Resources and Wildlife (Instituto Ecuatoriano Forestal y de Áreas Naturales y Vida Silvestre)
IR	Intermediate Result
IRP	Integral Reform Plan
ITTO	International Timber Trade Organization
IUCN	International Union for the Conservation of Nature
JHPIEGO	John Hopkins Program/International Education in Reproductive Health

JHU/PCS	John Hopkins University/Population Communication Services
JICA	Japanese International Cooperation Agency
JP	Judicial Police
LAC	Latin America and Caribbean Bureau
LQA	Living Quarters Allowance
MAS	USAID/Ecuador Microenterprise Assistance and Strengthening Special Objective
MCH	Maternal Child Health
MOE	Ministry of Education
MOF	Ministry of Finance
MOH	Ministry of Health
MOSTA	WB's State Modernization Project
MOU	Memorandum of Understanding
MPP	Mission Performance Plan
MSE	Micro and Small Enterprise Development
NAS	Narcotics Affairs Section of the U.S. Embassy
NASDA	National Association of State Development Agencies
NEC	National Education Council
NGO	Non-Governmental Organization
NRM	Natural Resource Management
OE	Operating Expenses
OPDAT	Overseas Prosecutorial Development, Assistance and Training
OYB	Operating Year Budget
PACD	Project Activity Completion Date
PAHO	Pan American Health Organization
PC	Peace Corps
PGO	Prosecutor General's Office
PHR	Partnerships for Health Reform
PIP	Parks in Peril
POL	USAID/Ecuador Pollution Prevention Special Objective
PROJUSTICIA	Government of Ecuador's Coordination Unit for the Administration of Justice Reform
PSC	Social Christian Party (Partido Social Cristiano)
PVM	Pedro Vicente Maldonado Health Clinic
PVO	Private Voluntary Organization
QA	Quality Assurance
REA	Antisana Ecological Reserve
RECAY	Cayambe-Coca Ecological Reserve
RECC	Cotacachi-Cayapas Ecological Reserve
RPM	Rational Pharmaceutical
RUDO/LA	Regional Urban Development Office/Latin 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

SRI	Internal Revenue Service
TNC	The Nature Conservancy
UNIDO	United Nations Development Organization
UNDP	United Nations Development Program
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

A. Highlights of Economic, Social, and Political Developments

Ecuador is facing the country's worst economic crisis in 70 years due to a confluence of factors that ultimately point to the country's weak and impoverished democracy. Continued poor macroeconomic performance during the last two decades has resulted in Ecuador having the highest inflation in the region (43.4%), and one of the lowest economic growth rates (0.5%), in 1998. In 1998, 12% of the economically active population was unemployed, the highest unemployment rate in the country's history. Underemployment reached 42% and real wages remain 26% below 1986 levels. Income distribution in Ecuador is among the worst in South America, with roughly 60% of the income share of GDP accruing to approximately 20% of the population. Ecuador's fiscal deficit, which now stands at 10% of GDP, one of highest in the LAC region, is aggravated by a major financial crisis that forced the GOE to bailout several banks at a cost of \$700 million, or 3.6% of GDP. As the Central Bank suffered heavy losses in its international reserve position, a speculative attack on the currency resulted in a 100% devaluation and forced a four day bank holiday to protect an additional 30% banks from going under. Pervasive and endemic tax evasion has led Ecuador to become the only country in the world to have eliminated income tax and substituted it with a one-percent tax on financial transactions. This has further strained relations with the IMF and has created greater uncertainty nationally and internationally about the possibility of reaching a Stand-by Agreement with the International Monetary Fund (IMF). Ecuador's external debt, totaling \$15.1 billion, is equal to 72% of GDP and requires a debt service equal to 40% of the national budget.

Ecuador was one of several Latin American countries affected by a recent natural disaster. In the case of Ecuador, floods created by the 1997-98 El Niño meteorological phenomenon caused untold damage to vast portions of the country's coast. The increased prevalence of malaria and other infectious diseases resulted in a dramatic rise in the infant mortality rate in affected provinces, from 52 to 65 per thousand life births. The resulting economic cost of lost housing, schools, roads, bridges, livestock and crops, plus tourism revenue, is estimated at 3% of GDP. This was followed by a profound drop in international oil prices in 1997-98, which saw a \$631 million reduction in petroleum revenues (3% of GDP), and a balance of payments current account deficit of 10% of GDP.

Prior to the El Niño disaster, it was estimated that approximately 72% of the population in the rural highlands and the coast, and 90% in the Amazon region, lived in poverty. Roughly two million Ecuadorians at the national level were estimated to live in extreme poverty in 1996, i.e., they could not meet their basic nutritional requirements even if their entire income were spent on food. With poverty affecting 56% of the population (about six million people), including urban populations in this average, Ecuador is ranked as the second poorest, least developed country in South America. Endemic poverty among the landless poor that seek to meet their economic needs through unsustainable methods seriously threatens Ecuador's status as a "key" bio-diversity country with numerous habitats of unique biological value.

This panorama of high levels of poverty, unemployment, underemployment, and poor income distribution is further complicated by a population growth rate of 2.2%, with 61% of the population under age twenty-five. Combined, these factors have fueled support for populist regimes and have put Ecuador's fragile democracy at risk. In 1996, Abdala Bucaram, a populist of the Ecuadorian Roldosista Party (PRE), was elected President. After only six months in office,

and as a result of overt and all-time high levels of corruption that characterized the Bucaram administration, massive civil unrest ended in his removal from office in February 1997. In the 1998 elections, President Mahuad of the Popular Democratic Party (DP) won by a small margin over a populist candidate supported by the PRE.

The situation is not all bleak, with some positive changes taking place over the past two years. Civil society organizations (CSOs) have become more active and contribute to incipient changes in the political status quo. The indigenous uprisings of the 1990s have today turned into an independent indigenous, political movement - Pachakutik - which currently has four seats in the Ecuadorian Congress. In October 1998, CSOs acted in an unprecedented national lobbying effort to pressure the Ecuadorian Congress to accept binding arbitration for the peace proposal presented by the four guarantor countries (United States, Argentina, Chile and Brazil). Although extremely fragile, the recent alliance of the traditional right-of-center political party, the Social Christian Party (PSC), and the centrist Popular Democratic Party (DP), is an important step towards overcoming the looming political risk of populism and the persisting problem of political and regional fragmentation in Ecuador.

The new Ecuadorian Constitution, which came into effect on August 10, 1998, contains fundamental principles that strengthen individual rights and provide a framework for political, social, and economic reforms to be passed by Ecuador's Congress. The justice system was given more autonomy and a timetable to apply oral procedures in the courts. Impediments to the privatization of state-owned enterprises in strategic sectors (primarily electric power and petroleum) have been eliminated and the Central Bank has been afforded greater autonomy in the implementation of monetary policy. The new Constitution created the Civic Control Commission (CCC), formerly the Anti-Corruption Commission, as a permanent body in the fight against corruption.

Jamil Mahuad took office in August 1998. During his first hundred days in office, he successfully led the country to an historic signing of a Peace Accord with Peru that ended an over 160-year-old border conflict that drained significant fiscal resources away from badly needed social investment and development infrastructure. In addition to peace, the accord has resulted in an important reduction in military expenditures, including a four-year freeze on arms purchases totaling nearly \$1 billion. He also eliminated government subsidies on cooking gas and electricity, advocated by the IMF for over a decade, and, at the urging of the World Bank, established a targeted, pure economic transfer to the poor.

Despite these important achievements, which permitted Ecuador to regain much of the respect it had lost from the international community, Ecuador has made little or no progress in curbing still endemic and widespread corruption, and ever-increasing levels of poverty and inequity, and faces its worst economic crisis since the great depression of 1929. Weak public sector institutions, particularly judicial, have permitted high levels of public and private corruption and impunity to continue. The CCC recently reported that it had uncovered extra-budgetary expenditures totaling \$900 million, and currently is reviewing thirteen cases of corruption under the interim Alarcon Administration. Transparency International's survey of perceptions of corruption ranks Ecuador as the ninth most corrupt country in the world. Compounding the problem of corruption and threatening peace and political stability is the emerging political and criminal violence. Traditionally peaceful demonstrations have turned deadly. Regional political

violence was highlighted by the recent assassination of a congressman -- possibly linked to Colombian paramilitary groups. Criminal, political, and military violence will likely continue to increase as the country's economy deteriorates further and significant numbers of Colombians displaced by the armed conflict in Putumayo seek refuge in Ecuador. This surge in violence makes reform of the criminal justice sector all the more relevant and adds an element of urgency. Importantly, the lack of an adequate legal, regulatory and judicial environment, dramatically increased violence and continued high levels of endemic corruption, have caused further deterioration in the country's investment climate.

B. Summary Progress in Implementing the Currently Approved Strategic Plan

In view of this difficult and complex political and socio-economic environment, USAID assistance has focussed on strengthening and making sustainable its more successful NGO partners in an effort to strengthen Ecuadorian civil society. Partner NGOs have successfully promoted critical constitutional and legislative reforms affecting GOE environmental, health and family planning policies. In the environment (SO1), the number of key policies, legal frameworks, and enforcement mechanisms prepared, modified, and introduced to improve biodiversity conservation increased from fourteen to twenty in FY1998, double the number planned for this year. In health and family planning (SO2), direct USAID assistance to the Ministry of Health (MOH), as well as through CARE and CEPAR, contributed to innovative health policy changes, including the implementation of cost recovery for health services and the decentralization/deconcentration of MOH budget and management processes. USAID/Ecuador's two principal family planning partners, APROFE AND CEMOPLAF, reached an average of 79% cost recovery and over 120% of the target for total couple years of protection (CYPs) through their service delivery networks, community based distribution and contraceptive social marketing programs. Similarly, in democracy (SO3), key NGO partners working in the justice sector have greatly expanded services and access to justice by Ecuadorian women and indigenous groups, and have had significant influence on justice sector policies and programs, especially in the areas of alternative dispute resolution and domestic violence. In pollution control (SpO1), Oikos Corporation has been very effective in convincing an increasing number of Ecuadorian industries to adopt cleaner production technologies and energy efficiency practices, and has continued its out-reach activities in municipalities, universities, industrial firms, and the public in general. In the area of microenterprise development (SpO2), services have reached over 13,000 poor clients through the creation of Latin America's first, fully private bank created to service the microenterprise sector since its inception, and through the strengthening of US PVO partners engaged in village banking.

C. Most Significant Program Achievements

USAID/Ecuador efforts to strengthen key NGOs has paid high dividends across all SOs, particularly in the area of policy dialogue and reform. Through strategic alliances and coalitions between and among key partner NGO and public sector institutions, local communities and interest groups, the public and National Congress are better informed with regard to the need to implement important legislative reforms in health, education, justice and the environment. Their lobbying efforts with the Constitutional Reform Assembly (CRA) and the National Congress contributed significantly to the incorporation of key development principles in the new Constitution in the areas of biodiversity (conservation), health (decentralization, efficiency and

financing through user fees), education (accountability, alternative financing, decentralization and community participation), and democracy (constitutional rights and guarantees, criminal justice reform, due process, and public defense). Under SO1 (environment), important reforms were achieved through the passage of the Galapagos Law, which created the second largest marine reserve in the world, restricts mainland migration, and prohibits the introduction of plant and animal species into the islands. The establishment of an endowment fund for the water system of Quito will be important to the protection of the watershed in this city, while also supplying residents with renewable supplies of potable water. Under SO2 (health and family planning), important policy reforms in the area of cost recovery were achieved, limiting state-provided health care services to only those clients living in extreme poverty, with the rest paying user fees on a sliding scale based on income. The number of children under five years of age using improved and/or expanded child health services increased by 167% in FY1998. In family planning, CYPs increased from 326,050 in FY1997 to 452,884 in FY1998. Under SO3 (democracy), constitutional reforms related to women's rights included increased GOE funding for domestic violence centers. Targets for the number of violence cases attended and the number of ADR cases were exceeded. After languishing for six years on the back burner of the legislative agenda, the new Criminal Procedures Code was mandated by the new Constitution to be enacted within one year. With CLD support, it was introduced into the Ecuadorian Congress and has passed the first of two Congressional debates needed for passage. In education, President Mahuad has sent to Congress a request to approve a new education bill drafted on the basis of a framework developed by USAID/Ecuador partners. Under SO2, SO3 and SpO2 (microenterprise development), increased access by women to family planning via a network of forty-one private clinics, increased services for women victims of domestic violence, and increased access by women to credit, respectively, have greatly improved the gender environment. In addition, the MOH has issued an official decree that makes domestic violence a public health priority. Finally, under SpO1 (pollution control) Oikos Corporation efforts to promote pollution prevention and cleaner production reached an additional 151 firms nationwide. Promotion efforts have greatly expanded awareness of cleaner production initiatives and their implementation. Support to municipalities have enabled several municipalities to identify and prioritize environmental problems, adopt practical, low-cost solutions, and to seek the collaboration of the private sector. Models were developed and are being implemented in selected coastal cities and in the Amazonian region on solid waste management through concessions with environmental microenterprises.

D. Significant Changes in Ecuador's Political and Judicial Environment

USAID/Ecuador's strategy to strengthen civil society and promote policy reform in the absence of strong public institutions, particularly judicial, and of reform-minded governments, has produced important results. However, the justice sector, which should guarantee individual rights and respect for the rule of law, has been identified as particularly corrupt and ineffective. With the election of President Mahuad in August 1998, there has been significant improvement in the political environment and demonstrated strong political will for judicial reform and for combating corruption. The institutional setting has also changed significantly as a result of the major reforms contained in the new Constitution. The newly established National Judiciary Council, for example, is developing a plan to overhaul the justice system with support from USAID. USAID-financed NGO activities included the review of the draft Criminal Procedures Code and concerted lobbying efforts for its introduction into the legislative docket.

E. Overall Prospects for Progress through the Budget Request Year

Despite USAID/Ecuador's assessment that democracy remains impoverished and weak, where the traditional plutocracy continues to maintain a strong grip on economic policy and welfare distribution, prospects for achieving established SOs are good. USAID will strengthen its new partnerships with the Mahuad Administration to focus the attention of the country on the long-term goals and reforms required to strengthen democracy, protect the environment, improve the living standards of the country's poor majority, and to establish a lasting peace in the region. Partner NGOs will continue to work in a partnership with the GOE to develop and implement legislative reforms required by the new constitution.

F. Prospects for Successful Closeout or Graduation

USAID assistance is at a crossroads, having played a seminal role in promoting critical policy and legislative reforms in the areas of environment, health and family planning, rule of law, good governance, and economic growth (microenterprise development). USAID will fully phase out its microenterprise, pollution prevention, health, and family planning strategies and special objectives in FY2000 and will tightly focus its country program on biodiversity conservation and criminal justice reform. An emerging challenge will also be targeted support for the Ecuador-Peru peace accords. USAID will provide a leadership role in key sectors and will implement border integration activities that will serve as models for replication and/or expansion by the Government of Ecuador (GOE) with the support of other, major donors.

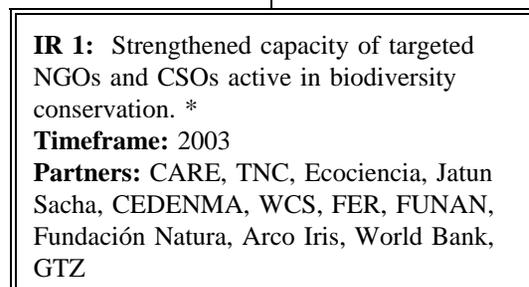
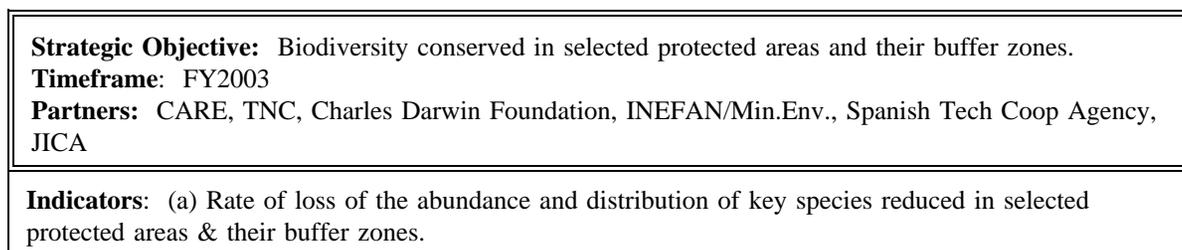
COMMON OBJECTIVES

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

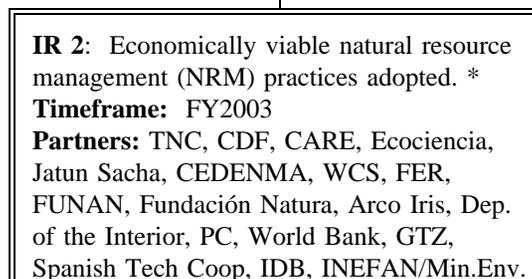
USG NATL INTERESTS	SUMMIT OF THE AMERICAS	GOE TARGETS	USAID/Ecuador TARGETS	MPP
I. NATIONAL SECURITY 1. Ensure that local and regional instabilities do no threaten the security and well-being of the United States or its allies	Task I. PRESERVING AND STRENGTHENING THE COMMUNITY OF DEMOCRACIES OF THE AMERICAS Obj. 8. Building Mutual Confidence	Consolidate Peru-Ecuador Peace Accords - Treaties on the Frontier Demarcation, Amazon River Navigation, Centers for Commerce, and the Tiwintza Area. - Implementation of the Ecuador-Peru Integration Accord with donor financing. - De-mining of the conflict area.	New SpO - BORDER INTEGRATION - Improved social and economic conditions of inhabitants along the Peru-Ecuador border. - Number of preventive health activities/beneficiaries - Number of microentrepreneur beneficiaries - Number of municipalities participating in local development plans	Regional Stability - Ratification of a peace agreement between Ecuador and Peru which defines their disputed border and establishes a new relationship based on friendship and mutual cooperation.
II. ECONOMIC PROSPERITY 6. Promote broad-based economic growth in developing and transitional economies	Task III. ERADICATING POVERTY AND DISCRIMINATION Obj. 19. Encouraging microenterprises and small businesses	Achieve macroeconomic stability and reactivate the national economy: - Reduce poverty from 62% to 50% by 2003 through: - Social equity that is based on education and health, and the establishment of cash grant programs targeted to the extreme poor. - Privatization that reduces unemployment and provides financial resources for the Social Investment Fund targeted to the poor.	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 15,800 men and 34,200 women in 2000. - Increase in number of village banks from 80 in 1996 to 754 in 2000.	Broad-Based Growth - Assist Ecuador to experience sustained economic growth under policies that raise incomes for all groups, especially the poor.
V. DEMOCRACY 12. Increase foreign government adherence to democratic practices and respect for human rights.	Task I. PRESERVING AND STRENGTHENING THE COMMUNITY OF DEMOCRACIES OF THE AMERICAS Obj. 1. Strengthening Democracy Obj. 3. Invigorating society and community participation Obj. 5. Combating corruption	Strengthen democracy and combat corruption: - Promote political, administrative, and fiscal decentralization , deconcentration, and participation in local governments, - Reform laws that reduce corruption. - Reduce the impunity that results from poor administration of justice.	SO 3 - DEMOCRACY - More effective and fair criminal justice system. - Increase in convictions in corruption cases from baseline (to be established in FY1999) to 300% of baseline in 2003. - Three courts using oral procedures by 2003. - Increase in government-supported public defenders from 8 in 1998 to 80 in 2003.	Democracy - Consolidate and stabilize Ecuador's democratic institutions; institutionalize respect for human rights.
VII. GLOBAL ISSUES 16. Protect human health and reduce the spread of infectious diseases. 15. Stabilize World Population	Task III. ERADICATING POVERTY AND DISCRIMINATION Obj. 17. Equitable access to basic health services	Improve the health of Ecuadorians, particularly the high levels of mortality and morbidity. - Increase community participation to control those factors that affect coverage and quality at the local level. -Widen primary health care coverage. - Establish user fees that are based on need (poverty indicators) and targeting in the poorest regions. - Reduce maternal and child mortality and malnutrition levels, strengthen programs for immunization and disease prevention. - Establish the appropriate link between development and population growth.	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.	Population - Reduce Ecuador's rate of population growth. Health - Promote reform of the health sector with a particular focus on improving the access of poor people to maternal and child health services.
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	Task IV. GUARANTEEING SUSTAINABLE DEVELOPMENT AND CONSERVING OUR NATURAL ENVIRONMENT FOR FUTURE GENERATIONS Obj. 22. Partnership for biodiversity Task IV. GUARANTEEING SUSTAINABLE DEVELOPMENT AND CONSERVING OUR NATURAL ENVIRONMENT FOR FUTURE GENERATIONS Obj. 23. Partnership for pollution prevention	Promote the efficient use of natural resources and the preservation of the environment: - Define the regulatory role of the State. - Liberalize free markets. - Protect private property, particularly property rights of indigenous peoples. - Apply user fees for the use of public property.	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. 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.	Environment - Promote sustainable use and responsible stewardship of Ecuador's unique biodiversity.

PART II: RESULTS REVIEW BY SO

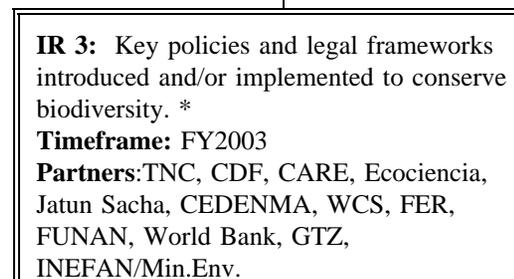
A. SO 1: Biodiversity Conservation



Indicators: (a) Increased financing of local partners by outside (non-USAID) sources. (b) Number of NGOs/CSOs adequately strengthened in their administrative and technical capability.



Indicators: (a) Percentage of households in partner communities* adopting improved NRM practices. (b) Hectares of land* under participatory NRM plans.



Indicators: (a) Increased number of hectares under legal title in the buffer zones outside of selected protected areas. (b) Key policies, legal frameworks, and enforcement mechanisms prepared, modified, and introduced at the appropriate government level to improve biodiversity conservation*.

* In selected protected areas and their buffer zones.

Summary of SO 1 - Biodiversity Conservation

USAID/Ecuador's Strategic Objective 1, "Biodiversity Conserved in selected protected areas and their buffer zones," supports the US national interest of promoting the sustainable use and responsible stewardship of Ecuador's unique biodiversity, and supports Objective 22, "Partnership for Biodiversity," of the Summit of the Americas. With only two percent of South America's geographical area, Ecuador contains numerous habitats of globally and regionally outstanding biological value. This environment, however, is seriously threatened: Ecuador suffers the highest rate of deforestation among the Amazonian countries (1.2% or over 200,000 hectares per year) as a result of agricultural expansion by landless poor, timber extraction, and petroleum production. Our work with the GOE and environmental NGOs/ CSOs is permeating down to individuals in communities where income levels are less than one third of the national per capita average.

In view of recent Agency guidance, which seeks to simplify strategic frameworks by limiting the number of Intermediate Results (IRs) and indicators to only those needed to reasonably measure results and achievement of the SO, and in an effort to improve the framework, the Mission has eliminated the former IR3, "Critical scientific and socio-economic information better incorporated into NRM plans and policies which affect biodiversity conservation," in its entirety, since these activities directly contribute to the other IRs. As this continues to be an important activity, however, and is a good measure of NGO strength, it will be monitored at the activity level.

With the elimination of the previous IR3 as discussed above, the three remaining IRs developed with partners and customers are: IR1, "Strengthened capacity of targeted NGOs and CSOs active in biodiversity conservation;" IR2, "Economically viable natural resource management (NRM) practices adopted;" and, IR3 (previously IR4), "Key policies and legal frameworks introduced and/or implemented to conserve biodiversity." These address critical immediate and long-term needs for the long-term stability and stewardship of Ecuador's unique biodiversity.

Other donors, particularly the World Bank and the IDB, are contributing over \$21 million to replicate the successful models developed under this SO, such as the paralegal program in the Cotacachi-Cayapas Ecological Reserve and the quarantine program in the Galápagos Islands. The new team at the Ministry of the Environment is well-respected by both environmental NGOs and the private sector; the Mission is optimistic about progress in this sector.

Summary Performance Statement

The program is on track and in many instances exceeded planned goals. Delays experienced in some indicator targets were mainly due to El Niño and temporary disruptions caused by the change in GOE administration. With USAID support, important steps have been taken to improve natural resource management and biodiversity protection at the local, regional and national levels in Ecuador. The technical, analytical, administrative and financial capabilities of local NGO partner institutions have been significantly strengthened. Together with US PVO partners, they have achieved targets in sustainable native forest management, regional planning, and reform of the manner in which timber is commercialized for the benefit of communities. Return on investment in these NGOs has been considerable. They now receive significant outside sources of income from non-USAID sources. At the same time, NGO partners are

working with local communities and regional authorities to develop natural resource management plans to stabilize land use patterns in priority areas. Indigenous and black communities have initiated processes to gain legal title to their ancestral lands (a cornerstone of long-term development), which will formally grant them access to their natural resources and allow them to enter into productive partnerships with the commercial sector. Additional successes include:

- (1) Through a Charles Darwin Foundation-led effort involving a highly participatory, multiple-stakeholders approach, consensus was reached regarding the sustainable management of the Galapagos Marine Reserve;
- (2) With TNC assistance and the support of the Mayor of Quito, FUNAN and the EMAAP-Q created a Water Endowment Fund (FONAG) to assure a sustainable supply of quality water for Quito. The fund requires that a portion of the costs paid by Quito residents for water go into the fund for reserve management and conservation; and,
- (3) Partner NGOs increased non-USAID funding sources from \$1.2 million at the end of FY 1997 to \$2.9 million at the end of FY1998, greatly exceeding the planned FY1998 cumulative target of \$1.8 million. CARE/SUBIR partner NGOs all surpassed their financial self-sufficiency targets, in some cases by as much as 500%.

The Mahuad administration has appointed as Minister of Environment an individual who is well known and widely respected in environmental circles, an individual who was the World President of IUCN and previously the President and founding member of Fundacion Natura. She in turn has selected a number of capable individuals to form a team which is well-regarded by the environmental and forestry sectors. The new government has already initiated the overhaul of the non-functioning Ecuadorian Institute for Forestry, Natural Resources and Wildlife (INEFAN), declared the forestry sector as a priority development and conservation target, and clearly defined the boundaries of certain national parks which had for many years been in a state of continuous flux because of pressures resulting from mining and oil interests.

Performance Over the Past Year Relative to Plans

The Mission planned to use the photographic mapping of the vegetation cover to measure SO-level accomplishments in conserving biodiversity in the area. However, because of the cloud cover during the El Niño, only 20% of the area has been photographed at twice the planned budget for the entire area. USAID is now looking at ways to cooperate with the DEA and the DAO's Naval Attaché in future aerial mapping exercises. For the purposes of measuring SO progress, the Mission proposes to delete the aerial photography indicator and rely solely on the on-the-ground collection of key species data being carried out under the other SO-level indicator. Methodologies have been developed and data collection for key species, although also hindered by El Niño, is underway in selected monitoring sights in the RECC. CARE is expected to complete its analyses in June 1999 and TNC will complete theirs in September 1999.

During the reporting period, US PVO partners have continued providing assistance to strengthen the administrative and technical capabilities of Ecuadorian environmental NGOs. New administrative and financial procedures have been adopted and are being applied by key, local NGO partners (Jatun Sacha, EcoCiencia, FUNAN, FER, and Arco Iris). Their technical skills

capability has been significantly strengthened with assistance from CARE and TNC, making these Ecuadorian NGOs national leaders in planning, natural areas management, ecological monitoring, and fund raising. Our NGO partners also published twenty-one documents in 1997 and twenty-three in 1998, thereby demonstrating their technical accomplishments.

CARE and its partner NGOs completed community NRM Plans for 25,100 hectares in the RECC buffer zone. These have been submitted to INEFAN (which is being incorporated into the Ministry of Environment as a Directorate) for its approval. Additionally, TNC and its partner NGOs completed a community NRM Plan for 35,000 hectares in the Antisana Ecological Reserve (REA) buffer zone. These management plans are critical to the stabilization of land use in the region. Although the cumulative number of hectares under NRM plans increased to 844,800 in FY1998, surpassing targets, this was not because plans were completed for targeted areas, but rather because alternate plans for additional areas and types of plans were undertaken. A primary cause was the inaccessibility of project sites in Esmeraldas as a result of El Niño. In addition, since the community NRM Plans in the RECC buffer zone include timber extraction activities, CARE has added training in Site-Specific Environmental Assessments with two NGOs, EcoCiencia and Jatun Sacha. Although this has slowed implementation in this component, these assessments will prove vital to the long-term viability of these community NRM plans. Finally, completion of the conservation and land use NRM plans for the REA was slower than planned because of over-optimism in obtaining both approvals and the necessary resources from GOE entities during the reporting period (which included a change of administration and redefinition of GOE agency roles and responsibilities). Both sets of partners are now back on track and progress is expected to pick up in FY1999.

Adoption of improved natural resource management practices by local stakeholders gathered momentum during the reporting period. In the RECC buffer zone, CARE worked with 703 families who have adopted important conservation practices. In the RECA-REA, 186 families are improving pasture management, adopting soil conservation practices, and employing organic alternatives for pest control and management. In Galapagos, fishermen are complying with the Galapagos Special Law and the Marine Reserve Management Plan framework.

Policy advocacy at the regional and national levels has surpassed expectations. The number of key policies, legal frameworks, and enforcement mechanisms prepared, modified, and introduced to improve biodiversity conservation increased by fourteen to twenty in FY1998, double the number planned for this year. Among these was a technical report by the Charles Darwin Foundation to the Management Authority of the Galapagos Marine Reserve (GMR) that resulted in the reopening of 1998 lobster fishing season under environmentally sound procedures. CARE produced a number of legal studies, including a proposal that was signed into law, easing requirements for land titling in exchange for sustainable forest management. Other important reforms sponsored by CARE included: regulations for water resource management in protected areas; the recognition of intellectual property rights for indigenous ancestral knowledge; a reform package dealing with certification of source and origin for timber; and the establishment of lines of credit for community forestry activities. In process is the updating of the policies, strategies, and legislation for sustainable forest development and the reorganization of INEFAN.

Expected Performance in FY2000-2001

CARE and TNC will continue working with local NGOs to strengthen their financial sustainability. National NGO partners, such as Jatun Sacha and EcoCiencia, will be in an excellent position to further diversify their funding bases to the point where SUBIR will be “institutionalized” in lowland RECC through other donor support. With the skills developed through the first-ever, pioneering Community Natural Resource Management Plans (which include Environmental Assessments, community-based ecological research, and minimum impact forestry techniques), by 2001, SUBIR will bring the total area of community land under sustainable management to 52,000 hectares in the buffer zone of the RECC. As more families reap the economic benefits of adopting improved natural resource practices and marketing techniques, their neighbors will follow suit. Legal title for 41,000 hectares of community lands will be awarded. With World Bank support, CARE will nationalize the paralegal program, training 280 paralegals by 2001. Through the paralegals, an additional thirteen reforms will be introduced at the regional and national levels that better reflect local reality and constraints to resource use.

By 2001, TNC and local NGO partners are expected to be managing almost a million hectares in four protected areas under the bioserve concept. For this purpose, a cadre of community park guards is being trained who will be key actors in the decision-making for the management of those areas. The FONAG should be fully operating, assuring a safe water supply for Quito. It will also provide resources for the management of the reserves, which will protect endangered species such as the condor, the spectacled bear, and aquatic migratory birds. Ecotourism activities such as sustainable trout fishing, trekking, hot springs, and environmental education will be developed in the bioserve area and its buffer zones. The special law for Galapagos and its regulations are expected to be in force, as well as the GMR Management Plan. With the help of basic information gathered through the Galapagos result package, implementation of this plan will soon be initiated, with strong participation from the Galapagos community.

Given the firm commitment of Ecuadorian NGO partners to achieving SO objectives and the priorities indicated by the new GOE administration, the prognosis for achieving policy reform and long-term, grass-roots impact, is high.

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: CARE FY 98 Report dated 11/27/98;TNC FY98 Report dated 11/6/98					
INDICATOR DESCRIPTION: Expected results disaggregated by partner are as follows:					
	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
Timing - Annually (SOTL)					
COMMENTS: Contributions during FY1998 were:					
RECC - Jatun Sacha \$493,381 (consisting of CARE/FISE \$78,240; Liz Claiborne \$32,687; GTZ \$5,292; Rutgers University \$29,520; Bilsa-Guandera \$159,868; Courses \$39,360; Cabañas Aliñahui \$148,415) and Ecociencia \$671,167 (consisting of FEPP \$50,000; Fundación MacArthur \$18,500; Gobierno Real de los Países Bajos \$372,500; WSPA \$56,000; UNDP \$60,000; UNDP \$36,000; World Bank \$24,500; Embajada de Holanda \$33,000; PL-480 \$27,000; North Carolina University \$38,667).					
RECA Y - FUNAN \$113,744 (consisting of PROBONA \$13,324; Philip Morris \$38,000; Plan \$7,000; EMAAP-Q \$20,318; Embajada Británica \$23,700; and unspecified \$11,402) and FER \$45,716* (consisting of EMAAP-Q \$35,713; HCJB Radio \$8,302; and ECORAE \$1,701).					
PIP - Arco Iris Foundation \$352,000 (Agreement signed with Fondo Canadiense on October 5th, 1998, therefore it is less than 1% of error allowed by audit standards).					
Data has been reviewed for accuracy and timeliness. Actions are underway to verify reliability of partners' data collection processes.					
* Local currency sources. Exchange rate: S/.5,290 per dollar.					
	YEAR	PLANNED			ACTUAL
	1997 (B)	1115			1188
	1998	1808			2864
	1999	2417			
	2000	3162			
	2001	3412			
	2002	3862			
	2003 (T)	3862			

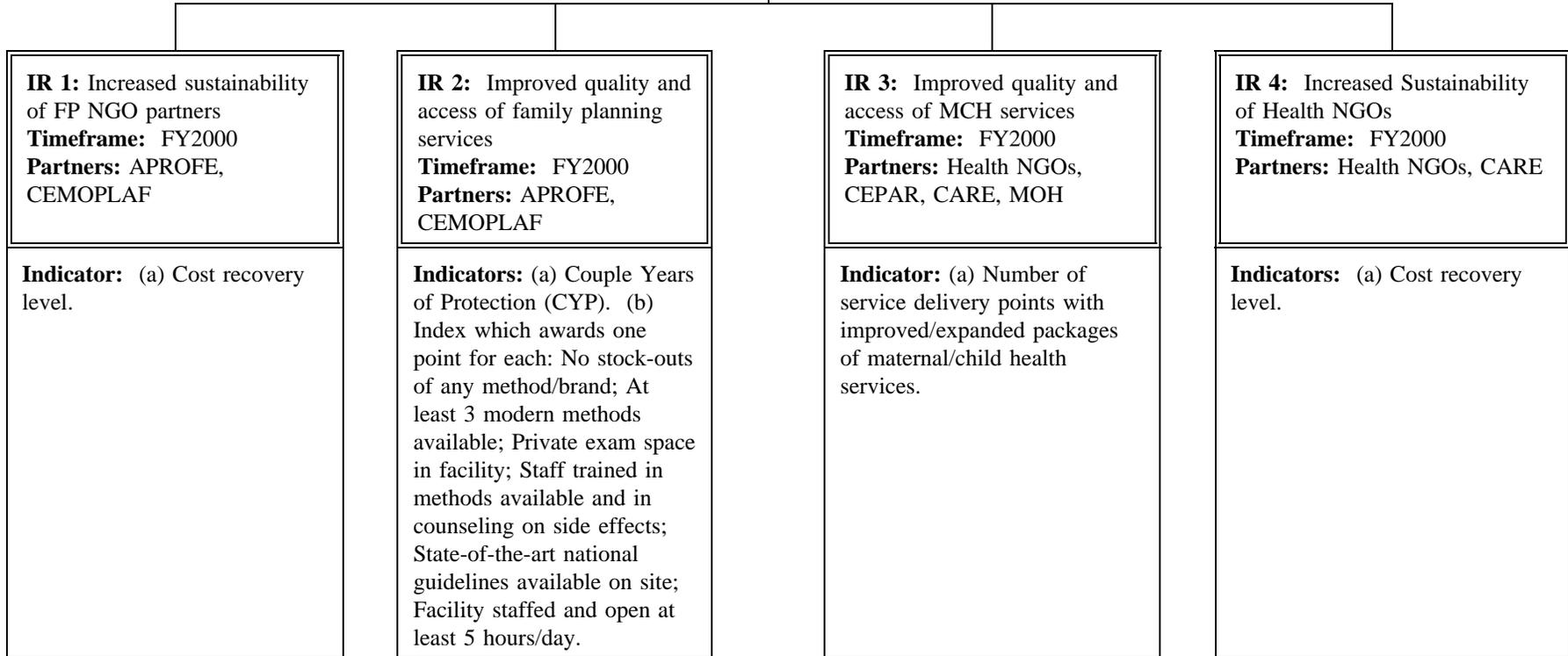
OBJECTIVE: Conserve biodiversity in selected protected areas and their buffer zones.																																																						
APPROVED: JANUARY/1998		COUNTRY/ORGANIZATION: USAID/Ecuador																																																				
RESULT NAME: SO 1 IR 2 - Improved natural resource 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 participatory 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: CARE FY 98 Report dated 11/27/98; CARE validated report dated 3/8/99; TNC FY98 Report dated 11/6/98; FUNAN e-mail validating USAID info dated 3/9/99		1996 (B)	70	70																																																		
INDICATOR DESCRIPTION: Benchmark for the plans are: Conservation Reserve Plans submitted to GOE entity for approval; Land Use Plans (General and Specific) accepted by the relevant community. * = Completed.		1997	626	784																																																		
<p style="text-align: center;">CONSERVATION --COMM.LAND USE PLANS--</p> <table border="1"> <thead> <tr> <th></th> <th>RESERVE PLANS (RECA Y, REA, PIP)</th> <th>GENERAL (RECC, RECA Y, REA, PIP)</th> <th>SPECIFIC (RECC)</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>1996</td> <td>60*</td> <td>10.4*</td> <td>0.5*</td> <td>70.9</td> </tr> <tr> <td>1997</td> <td>329*+142*</td> <td>241*</td> <td>1.5*</td> <td>713.5</td> </tr> <tr> <td>1998</td> <td>120</td> <td>25.1*+147+35*</td> <td>0.3*</td> <td>327.4</td> </tr> <tr> <td>1999</td> <td>---</td> <td>10+30+20+30</td> <td>1.5</td> <td>91.6</td> </tr> <tr> <td>2000</td> <td>---</td> <td>39.9+35+50+5</td> <td>8</td> <td>137.9</td> </tr> <tr> <td>2001</td> <td>---</td> <td>8+20+5+5+5</td> <td>5</td> <td>48.0</td> </tr> <tr> <td>2002</td> <td>---</td> <td>206.6</td> <td>---</td> <td>206.6</td> </tr> <tr> <td>2003</td> <td>---</td> <td>610</td> <td>---</td> <td>610.0</td> </tr> <tr> <td colspan="4">GRAND TOTAL</td> <td>2,205.9</td> </tr> </tbody> </table>			RESERVE PLANS (RECA Y, REA, PIP)	GENERAL (RECC, RECA Y, REA, PIP)	SPECIFIC (RECC)	TOTAL	1996	60*	10.4*	0.5*	70.9	1997	329*+142*	241*	1.5*	713.5	1998	120	25.1*+147+35*	0.3*	327.4	1999	---	10+30+20+30	1.5	91.6	2000	---	39.9+35+50+5	8	137.9	2001	---	8+20+5+5+5	5	48.0	2002	---	206.6	---	206.6	2003	---	610	---	610.0	GRAND TOTAL				2,205.9	1998	782	845
	RESERVE PLANS (RECA Y, REA, PIP)	GENERAL (RECC, RECA Y, REA, PIP)	SPECIFIC (RECC)	TOTAL																																																		
1996	60*	10.4*	0.5*	70.9																																																		
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2003	---	610	---	610.0																																																		
GRAND TOTAL				2,205.9																																																		
Timing - Annually (SOTL)		1999	1203																																																			
COMMENTS: Partners surpassed the targeted number of hectares. However, this was not because plans were completed for targeted areas, but rather because additional areas and types of plans were undertaken. RECC - General Land Use Plans have been completed for a cumulative 35,400 ha, short of the 60,000 ha cumulative planned for FY1998. A primary cause was the inaccessibility of project sites as a result of El Niño. In addition, since the RECC General Land Use Plans include timber extraction activities in the buffer zones, CARE has added training in Site-Specific Environmental Assessments. Although this has slowed completion of the plans, these assessments will prove vital to their long-term viability. In addition, CARE has dedicated resources to Specific Land Use Plans for selected communities which were not included in the original targets. RECA Y/REA - Progress on the REA Conservation NRM Plan was slower than planned because of over-optimism in obtaining both approvals and the necessary resources from GOE entities. However, progress has been significant, estimated at 50% completion. TNC and partners have completed base maps and studies of geomorphology, soils, vegetation, flora, actual use, soil potential, socio-economic, land tenancy, and use conflicts. In addition, they completed NRM plans for 35,000 ha in the REA buffer zone (1998) and 241,000 ha in the RECA Y buffer zone (1997), neither of which were included in the original targets. Both sets of partners are now back on track and progress is expected to pick up in FY1999. A thorough review of progress to date has been undertaken, and, based on that, FY1997 actuals have been adjusted upwards, planned targets have been increased, and the expected scheduling of accomplishments has been revised post-FY1998. As a result, the FY 2003 total of cumulative planned hectares under plans was changed from 1,402,000 to 2,205,900. Data has been reviewed for accuracy and timeliness. Actions are underway to verify reliability of partners' data collection processes.		2000	1341																																																			
		2001	1389																																																			
		2002	1596																																																			
		2003 (T)	2206																																																			

OBJECTIVE: Conserve biodiversity in selected protected areas and their buffer zones.																																																																		
APPROVED: JANUARY/1998			COUNTRY/ORGANIZATION: USAID/Ecuador																																																															
RESULT NAME: SO 1 IR 3 - Key policies and legal frameworks introduced and/or implemented to conserve biodiversity in selected protected areas and their buffer zones.																																																																		
INDICATOR: BIO 1.3 (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: CARE FY 98 Report dated 11/27/98;TNC FY98 Report dated 11/6/98																																																																		
INDICATOR DESCRIPTION: Initial steps involve undertaking studies and drafting legislation. Expected policy documents by area:																																																																		
	<table border="1"> <thead> <tr> <th rowspan="2">Yr/Area</th> <th colspan="4">RECAAY/</th> <th rowspan="2">TOTAL</th> </tr> <tr> <th>RECC</th> <th>REA</th> <th>GMR</th> <th>PIP</th> </tr> </thead> <tbody> <tr> <td>1997</td> <td>3</td> <td>1</td> <td>1</td> <td>1</td> <td>6</td> </tr> <tr> <td>1998</td> <td>3</td> <td>2</td> <td>1</td> <td>1</td> <td>7</td> </tr> <tr> <td>1999</td> <td>2</td> <td>0</td> <td>3</td> <td>2</td> <td>7</td> </tr> <tr> <td>2000</td> <td>2</td> <td>1</td> <td>0</td> <td>0</td> <td>3</td> </tr> <tr> <td>2001</td> <td>2</td> <td>0</td> <td>0</td> <td>0</td> <td>2</td> </tr> <tr> <td>2002</td> <td>2</td> <td>0</td> <td>0</td> <td>0</td> <td>2</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>14</td> <td>4</td> <td>4</td> <td>5</td> <td>27</td> </tr> </tbody> </table>					Yr/Area	RECAAY/				TOTAL	RECC	REA	GMR	PIP	1997	3	1	1	1	6	1998	3	2	1	1	7	1999	2	0	3	2	7	2000	2	1	0	0	3	2001	2	0	0	0	2	2002	2	0	0	0	2	2003	0	0	0	0	0	Total	14	4	4	5	27	YEAR	PLANNED	ACTUAL
Yr/Area	RECAAY/				TOTAL																																																													
	RECC	REA	GMR	PIP																																																														
1997	3	1	1	1	6																																																													
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2003	0	0	0	0	0																																																													
Total	14	4	4	5	27																																																													
Timing - Annually (SOTL)																																																																		
COMMENTS: The following were accomplished in FY1998: RECC - Under the CARE/SUBIR Policy and Legal Issues component, 12 legal studies were developed, as per attached p. 5 of CARE/SUBIR report, dated November 1998. GMR - Environmentally sound technical report to the Management Authority of the GMR for the reopening of 1998 lobster fishing season. PIP - Arco Iris Foundation Submitted to CEDENMA the proposal "Políticas Mineras", that provided the technical support to prevent the passage of a mining law that was not environmentally sensitive.																																																																		
In addition, progress has been made in the following areas: REA - Natural Resources Management Plan: 30% progress to date. RECAAY - By March 1999, the support team for the FONAG will develop a proposal for legally investing the FONAG funds in an endowment based on the "Ley del Mercado de Valores. GMR - Galapagos Marine Reserve Management Plan 80% completed.																																																																		
Data has been reviewed for accuracy and timeliness. Actions are underway to verify reliability of partners' data collection processes.																																																																		
						1997 (B)	6	6																																																										
						1998	13	20																																																										
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						2002	27																																																											
						2003 (T)	27																																																											

B. SO 2: Family Planning and Health

Strategic Objective: Increased Use of Sustainable Family Planning/Maternal Child Health services.
Timeframe: FY2000
Partners: APROFE, CEMOPLAF, MOH, CARE, CEPAR, Health NGOs

Indicators: (a) Contraceptive prevalence rates. (b) Number of visits by women and children 1-5 using improved/expanded MCH services.



Summary of SO 2 - Health/FP

USAID's Strategic Objective 2, "Increased use of sustainable family planning/maternal child health services," supports the US national interest of protecting health and stabilizing world population; the Mission Program Plan objective of reducing population growth and promoting health reform; and the Summit of the Americas Objective No. 17, "Equitable access to health services." The purpose of the SO is to increase the use of sustainable Family Planning (FP) and Maternal/Child health (MCH) services. Ultimate customers are children 0-5 and fertile-aged women.

Key, mutually reinforcing Intermediate Results (IRs) developed with partners and customers are: IR 1, "Increased cost recovery of FP NGO Partners;" IR 2, "Improved quality and access to family planning services;" IR 3, "Improved quality and access to MCH services;" and, IR 4, "Increased sustainability of health NGOs."

Other donors, particularly the World Bank, PAHO, UNICEF, and bilateral programs from Japan, Canada, Belgium, and Holland are contributing to health reform and reproductive health priorities being supported under this SO.

Summary Performance Statement

During FY1998, the performance of USAID and its partners (CARE, CEPAR, Ministry of Health (MOH), APROFE, CEMOPLAF) with the support of Global Bureau projects (PHR, BASICS, QA, RPM, JHPIEGO and JHU/PCS), exceeded planned results. In family planning, the two principal USAID partners, APROFE AND CEMOPLAF, reached an average of 79% cost recovery and over 120% of the target for total CYPs through their service delivery networks, community based distribution and contraceptive social marketing programs. At the same time, these organizations took important steps towards strengthening their long-term financial self-sustainability, including amending by-laws, improving their financial management and carrying out operations and market research aimed at increasing their client base, reducing costs, and providing higher quality services.

Nine out of the total ten health NGOs supported by USAID exceeded their targets for percentage of cost recovery in the provision of services, and 479,000 women and children received improved and/or expanded MCH services, 80 percent above the target. Qualitatively it is noteworthy that direct USAID/Ecuador assistance to the Ministry of Health (MOH), as well as through CARE and CEPAR, contributed to innovative health policy changes. These included the implementation of fees for services in hospitals; decentralization/deconcentration of MOH budgeting, personnel and planning processes; and the development of decentralized service delivery models. Through close coordination with other major donors such as the World Bank, these models will continue to impact on national health reform efforts.

Performance Over the Past Year Relative to Plans

Virtually all of the performance targets for 1998 were met or exceeded. Four key indicators best express this performance. At the SO level, visits by women and children under five using improved or expanded MCH services rose from 223,000 in FY1997 to 479,000 in FY1998, far

exceeding planned targets. These results were primarily due to the very successful implementation of activities with the MOH, supported by BASICS, RPM, and Global Bureau field support activities. At the IR level in health, nine out of the total ten NGO activities receiving support through CARE exceeded planned levels of cost recovery, the only exception being one new start-up activity in the Municipality of Pedro Vicente Maldonado (PVM). In spite of the slow start-up, the PVM activity has become one of the MOH-World Bank demonstration activities for decentralization, and is on its way to becoming a viable, innovative, local health management model.

Two IRs best illustrate the achievement of significant results in family planning (FP) this year: CYPs and cost recovery levels for the FP NGOs. CYPs increased from 373,000 to 452,000, while cost recovery levels reached 84 and 74 percent for APROFE and CEMOPLAF, respectively. While still impressive, APROFE's performance was lower than expected primarily due to the economic and social disruptions caused by El Niño, as its clinics are concentrated in the affected coastal areas of the country.

Of special note this year were successes in addressing the recommendations following the November 1997 Child Survival Project Evaluation. As a result, CARE and CEPAR activities are now much more closely integrated. Similarly, CARE and the MOH are working more collaboratively and effectively in several demonstration projects. Most notably, the municipality-MOH-CARE/APOLO models are now moving forward in three municipalities with renewed political commitment from the MOH. In addition, coordination with the World Bank's MODERSA Project for health sector modernization enhances long-term prospects for sustainability.

Due to the planned FY2000 phase-out of USAID support in the health and FP sectors, donor coordination continues to be a key aspect of USAID assistance. The most significant donor continues to be the World Bank, through two large loans: a new \$45 million loan for health sector modernization, emphasizing decentralized health networks; and an ongoing \$70 million loan for MOH administrative strengthening, the construction of health water and sanitation facilities, and support for the MOH's national micronutrient program. USAID technical assistance and pilot interventions have served as catalysts for leveraging large inputs of World Bank funds in support of USAID's reform agenda, to fund complimentary local costs of RPM, BASICS, QA and PHR, and to cooperate with our pilot projects. PAHO has also been a close and important partner in reform efforts, providing extensive TA and modest amounts of direct financial assistance to these programs.

Meanwhile, our CARE/APOLO activity has leveraged more than \$1.5 million in funds from Holland and Canada to support five CARE/APOLO activities, thereby helping to ensure their feasibility. Large, local-level counterpart contributions to these efforts by municipalities and MOH provincial and area-level offices have also been made, and clearly demonstrate MOH commitment to decentralization.

Expected Performance in FY2000 - 2001

In health, USAID/Ecuador and its partners will continue to provide assistance aimed at improving and expanding MCH services in both the public and private sectors. In order to assure continued success in the intermediate and long term, however, USAID (through bilateral assistance to the MOH, CARE and CEPAR, as well as several key field support projects) will promote and assist MOH modernization and deconcentration efforts and overall efforts to reform and decentralize health service provision nationwide. Ecuador's continued participation in LAC and G Bureau regional and worldwide initiatives will contribute to the long-term success of these reform efforts. In FY2000, initiatives in maternal mortality reduction, quality assurance, public health reform (PHR), and integrated management of childhood illnesses will continue to play an important role in MOH programs and reform efforts.

During FY2000, activities in family planning and population will exclusively support all forty-one private clinics operated by APROFE and CEMOPLAF. USAID support for these two NGOs during FY2000 will enable them to achieve nearly 90% financial self-reliance. The capitalization of established Sustainability Funds for these two NGOs is based on program income derived from the amount of funding that USAID has made available over the life of the SO, but particularly in FY2000, when the largest annual investment, over \$6 million, will be realized. However, to maximize the Fund's resources and best assure the sustainability of APROFE and CEMOPLAF, the Mission requires the earliest possible obligation of FY2000 funds, but no later than December 1999. This would permit at least nine months of implementation and the complete expenditure of funds in a manner conducive to good management and results maximization. More importantly, this would enable the Mission to phase-out its highly successful family planning program without jeopardizing the significant USAID investments made over the past three decades.

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.						
<p>UNIT OF MEASURE: Number of visits (000) by women and children (PER YEAR).</p> <p>SOURCE: CARE-APOLO, QA, RPM and BASICS project reports of October 1998</p> <p>INDICATOR DESCRIPTION: This indicator focuses on efforts to expand access through the private sector and decentralization of services. Service improvement is achieved through:</p> <p>NGOs - CARE: TA or training provided, systems strengthened.</p> <p>MOH - IMCI/BASICS: Integrated treatment of children provided. Quality Assurance/QA: Quality improvement activity implemented, such as reduced waiting time or reduced number of surgical infections. RX use/RPM: Improved use and access to/availability of drugs-medications.</p> <p>Timing - Annually (RPM-2)</p> <p>COMMENTS:</p> <p>Projections regarding visits of children were low because of under-estimating the activities of the BASICS (IMCI) and RPM projects with the MOH. Both projects successfully implemented new methodologies in 1998 that resulted in greatly expanded training and TA activity.</p> <p>In 1998, MOH visits made up approximately 80% of the total visits. In some cases, the MOH data was based on average monthly use (RPM); in some cases, it was based on 3-6 months of actual reporting; and in some cases it reflects actual reported visits. Actions continue to verify reliability of partners' data collection processes.</p>	YEAR	PLANNED		ACTUAL		
			Chld.	Wom.	Chld.	Wom.
	1995 (B)	0	0	0	0	0
	1997	35	100	116	107	
	1998	70	187	293	186	
	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.						
<p>UNIT OF MEASURE: Percentage of total costs covered by NGO generated income.</p> <p>SOURCE: APROFE and CEMOPLAF NGO statistics: APROFE letter 10/28/98 and CEMOPLAF Annual Progress Report CEM-396 dated 10/06/98</p> <p>INDICATOR DESCRIPTION: 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/Ecuador.</p> <p>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.</p> <p>Timing - Annually (RPM-1)</p> <p>COMMENTS: APROFE did not meet the target and it attributes this to El Niño flooding which has had a significant negative impact on access to its coastal clinics, and therefore on income.</p> <p>Data has been reviewed for accuracy and timeliness. Actions are underway to verify reliability of partners' data collection processes.</p>	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	84	74	
	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 letter 10/28/98 and CEMOPLAF Annual Progress Report CEM-396 dated 10/06/98</p> <p>INDICATOR DESCRIPTION: 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>Timing - Annually (RPM-1)</p> <p>COMMENTS: The overall CYP target for FY1998 was exceeded, this was mainly due to the outstanding performance of CEMOPLAF, with a successful social marketing program plus a higher level of use of long term methods among their clients.</p> <p>In line with real production of APROFE and CEMOPLAF in FY1997 the CYP targets were adjusted. The previous targets were overly optimistic and unrealistic. The targets for FYs 98-2000 were adjusted using the latest factors published by the Evaluation Project.</p> <p>Data has been reviewed for accuracy and timeliness. Actions are underway to verify reliability of partners' data collection processes.</p>	YEAR	PLANNED	ACTUAL
	1994 (B)	--	279,117
	1997	553,439	326,050
	1998	373,177	452,884
	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 4 - Increased sustainability of health NGOs			
INDICATOR: FPH 2.4 (a) - CARE-APOLO supported NGOs achieving specific degree of cost recovery.			
<p>UNIT OF MEASURE: Number of NGOs recovering percentage of total budget</p> <p>SOURCE: CARE-APOLO activities report of October 1998</p> <p>INDICATOR DESCRIPTION: 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). Pilot projects have been grouped based on sustainability achievements. Group A: (1) Fundación Pablo Jaramillo in Cuenca, (2) CEMOPLAF in Otavalo, (3) CEMOPLAF in Lago Agrio, (4) ASME-CX in Santo Domingo. Group B: (1) Cristo Redentor in Santa Elena, (2) Municipality of Chordeleg, (3) Municipality of Bolivar. Group C: (1) Fundación Salud y Desarrollo in Pedro Vicente Maldonado, (2) Funedesin in Mondana, Oriente, (3) Diócesis de Riobamba</p> <p>Timing - Annually (SOTL)</p> <p>COMMENTS: *One new project in Pedro Vicente Maldonado (PVM) was not implemented as planned during the FY1998 reporting period. PVM clinic began to see patients this FY and will be included in the next reporting period.</p> <p>Data has been reviewed for accuracy and timeliness. Actions are underway to verify reliability of partner's data collection process.</p>	YEAR	PLANNED	ACTUAL
	1996 (B)	--	4 @ 50% 3 @ 20% 3 @ 0%
	1997	4 @ 55% 3 @ 25% 3 @ 5%	4 @68% Avg 3 @39% Avg 3 @ 0%
	1998	4 @ 60% 3 @ 30% 3 @ 10%	4 @66% Avg 3 @61% Avg 2 @ 25% 1 @ 0%*
	1999	4 @ 70% 3 @ 40% 3 @ 20%	
	2000 (T)	4 @ 80% 3 @ 50% 3 @ 30%	

C. SO 3: Civil Society Strengthening

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: FY2003
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: FY2003
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: FY2003
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.

Summary of SO 3 - Democracy

During FY1998 USAID/Ecuador re-articulated its Strategic Objective in the area of democracy as "Civil Society strengthened in the key democracy enhancing areas of justice and education." SO3 supports the US national interest of strengthening democratic institutions in order to reduce threats to democracy and democratic processes. The SO is identified with the Mission Performance Plan objectives of consolidating and stabilizing Ecuador's democratic institutions; and institutionalizing respect for human rights. It also supports Summit of the Americas Objective 1 "Strengthening Democracy" and Objective 3 "Invigorating society and community participation."

Three Intermediate Results (IRs) support this SO: IR1, "Selected CSOs promoting access to justice, with a focus on women and indigenous groups;" IR2, "Improved capability of selected CSOs to introduce and promote the implementation of key reforms in the justice sector;" and, IR3, "Improved capability of selected CSOs to introduce and promote the implementation of key reforms in the education sector." Ultimate customers include urban poor; indigenous populations in three communities served by ADR centers, and legal clinics; women assisted by state-supported domestic violence centers; users of the justice system (including clients, lawyers and judges who benefit from or make use of improved mediation and domestic violence legislation); and school children and their parents.

Summary Performance Statement

Overall progress indicators were met, with mediation and legal service provision targets exceeding Mission expectations. Justice sector NGOs continued to expand their services for women, indigenous, and poor group, promoted judicial reform, and influenced policy makers in support of important constitutional and legislative actions. Key NGO partners achieved greater independence of USAID funding resources as they moved towards financial self-sustainability. NGO education and justice partners contributed to major reforms incorporated into the new constitution.

Targets for numbers of cases initiated in "*comisarias*" (state-supported domestic violence centers) and mediation and legal services provided in mediation centers and legal clinics were exceeded. Partner NGOs obtained financial support from national and international organizations to promote common objectives and important legislative reforms. In terms of public policy, major accomplishments included: (1) the drafting and approval of the Arbitration and Mediation Law; (2) the drafting and approval of new policies for the operations of the *comisarias*; (3) the adoption of new processes for the selection and appointment of judges; (4) the drafting and approval of implementing regulations for the recently created National Judicial Council; and, (5) the introduction of important social and legal reforms in the new Constitution approved by the National Assembly (a temporary body established to reform the Constitution). Other important accomplishments include: (1) the drafting of a new Criminal Procedures Code, now in its second Congressional debate; (2) the incorporation of a *comisarias* line-item into the national budget; and (3) the drafting of implementing regulations for the Mediation and Arbitration Law. Additionally, ProJusticia, the GOE Judicial Reform Coordinating Unit, conducted operations research that provided important information for the establishment of the Office of the Ombudsman and for the development of a fee system which will support the efforts of the

Judicial Branch to achieve financial autonomy. USAID support to ProJusticia is also contributing to the increased use of the CLD-designed prisoners database installed in the Supreme Court to track the cases of prisoners without a sentence.

Performance Over the Past Year Relative to Plans

CEPAM increased and improved the services it provides to women victims of domestic violence. Legal, medical and counseling services provided by CEPAM (and its four collaborating partners) increased from 28,021 to 30,076, exceeding the 28,900 target. These services have been institutionalized by incorporating them into *comisarias*, which have increased in number from six to nineteen. A "Services Quality Improvement" research study conducted by PATCO has been concluded. Implementation of its recommendations has already begun to show impact, optimizing processes within the *comisarias*. Quality standards were identified to measure clients' satisfaction and evaluation practices were introduced for continued improvement. CIDES expanded access to ADR and legal services by indigenous groups and labor unions from 389 cases to 499, exceeding the target of 360 cases, and opened a new legal center of the FOIN Federation in Ibarra serving these population groups. CIDES is introducing ADR methods in a new indigenous federation "Jatun Ayllu" and in the most important women's NGO in the Coast (Fundacion Maria Guare) to mediate domestic violence-related conflicts.

USAID justice sector NGO partners provided technical assistance to various commissions and indigenous groups, resulting in the introduction of important justice, gender, and political reforms into the new Constitution enacted in August, 1998. CLD introduced for congressional debate a modern Criminal Procedures Code (CPC). Approval of the code is expected in FY1999. The CPC introduces the accusatory system and oral procedures and facilitates a strengthened role of the Public Prosecutor. In concert with various ethnic organizations, CIDES obtained from the Congress the ratification to International Agreement No. 0169, which promotes GOE recognition of the rights of ethnic groups. This is essential to on-going efforts by CIDES to formulate important ethnic legislation related to land rights, health, education, and justice for these groups.

A feasibility study developed by CLD on the application of the new Criminal Procedures Code will identify important considerations affecting the implementation of this complex legislation. CIDES and CLD led the effort to formulate the implementing regulations for the new Arbitration and Mediation Law and are working with the Executive to obtain final approval this year. Tailored workshops on the Mediation and Arbitration Law reached approximately 185 individuals, including lawyers, judges, law students, private sector groups (chambers of commerce and industries), community leaders, indigenous and other groups. CIDES is in the process of developing internal regulations for ADR center operations and ethic codes of conduct for mediators. The presence of partner NGOs in the media has significantly increased with a number of permanent domestic violence radio shows and press articles on Mediation and Arbitration events.

NGOs have been extremely active in disseminating this and other new legislation. Almost 4,000 individuals, including GOE justice sector officials, students, parents, professionals, community-based women and NGOs (working on gender-related issues), and the national police participated in training events on the Anti-Violence in Family law. A study carried out by CEPAM on the status of domestic violence crimes in courts, however, revealed that judges are not applying the

Anti-Violence in Family Law. To enforce its application and for judges to convict violators, the study showed that modifications to the Penal Code are needed to eliminate contradictions in the Penal Code and the Anti Violence in Family Law. CEPAM advanced the enforcement of existing GOE agreements with respect to domestic violence centers by obtaining from the Ministry of Government, through the National Council of Women (CONAMU), the formal recognition and incorporation into the national budget of a new line-item that will fund thirteen *comisarias* and will exempt these from a GOE freeze on the contracting of public sector officials.

At the end of FY 1998, efforts were underway to create a fund that will encourage CSOs and NGOs to form strategic alliances among themselves and with key public sector institutions promoting policy and legislative reforms in the justice area. This "Strategic Alliance Fund," currently in the design stage, is being established through a grant to the Esquel Foundation. It will begin to operate on a pilot basis in late FY1999, and will support key activities related to access creation, public legal defense for the indigent, and anti-corruption. Esquel will also deliver an inventory of justice sector related organizations that will give USAID and other donors a better understanding of the NGO "market" for future investments in this sector.

Other donor support has been important to USAID efforts in the justice sector broadly defined. ProJusticia has disbursed a total of \$760,000 from a World Bank-financed NGO fund to support CSO/NGO justice-related activities, including court-annexed mediation and legal services to poor women. In the area of civil justice, contracts amounting to \$8 million have been signed with international firms for projects such as court administration and public defender services. The German's Deutch Gesellschaft fur Technisch Zusammenarbeit (GTZ) provided \$85,000 for complementary training to support the establishment of domestic violence centers.

Education NGO partners, supported by AED/RTI achieved significant results, successfully introducing major education reforms into the new Constitution, the IDB education project, and President's Mahuad's Development Agenda for 1998-2003. These NGO partners and AED/RTI consultants worked together with the Education Commission of the National Assembly on draft language that included explicit mention of "accountability, decentralization and participation," principles incorporated into the new Constitution. The IDB project, which originally focused on the construction of public schools in rural and urban areas, as well as the provision of school supplies and textbooks, was refocused to establish school councils with parent participation for public schools in the rural sector. The Development Agenda of the GOE incorporates many of the above reforms. GOE plans include: 1) the decentralization of public school education on the basis of school autonomy in administrative and pedagogical decisions; 2) increased training for teachers to improve quality; 3) increased participation by parents; 4) the modernization of the MOE by converting it into a regulatory institution; and. 5) the allocation of public resources on a capitation and performance basis.

Expected Progress in FY2000-2001

In light of spiraling violence, and the threat of increased violence as Colombian guerilla, paramilitary and narcotics-related groups occupy Ecuador-Colombia border areas, the implementation of criminal justice reforms has become an even higher priority. Thus, in early FY1999, the U.S. Mission Democracy Working Group decided to again re-articulate this SO, to focus limited resources on the criminal justice sector and to initiate new activities with key public

sector institutions, particularly the Public Ministry. The committee based its decision on a number of important developments, including: (1) President Mahuad's demonstrated strong political will for judicial reform and for combating corruption; (2) important justice sector reforms contained in the new Constitution, including the establishment of the National Judiciary Council in December 1998, and the institutionalization of lifetime appointments for Supreme Courts justices; (3) the significant strengthening of the functions of the Public Ministry in the investigation and prosecution of crimes; and, (4) the introduction of an accusatory justice system and oral procedures. The new SO, "More effective and fair criminal justice system," responds to this new context. (See Annex A: Revised Democracy SO.)

Under the new SO, and building on past achievements, support to partner NGOs will be more tightly focussed on access creation and policy reform in the area of criminal justice. Support to partner NGOs/CSOs will be provided primarily through the previously mentioned CSO "Strategic Alliances Fund." The new strategy will provide critical support to leading public sector judicial institutions to assist them to develop and adopt an effective justice sector reform plan and to combat corruption. To this end, specialized task forces will be established in the Public Ministry (Prosecutor General's Office) to enhance the capacity of prosecutors and the national police to investigate and prosecute public and private crime, including crimes of corruption.

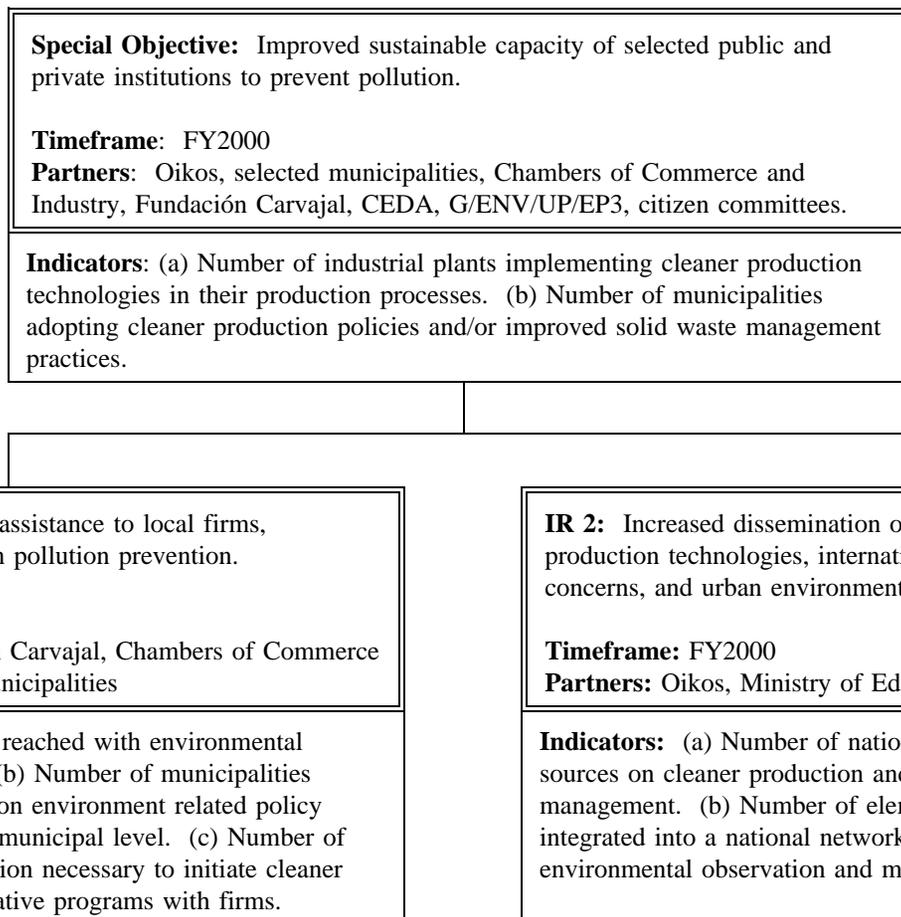
Expected results for FY2000-2001 include: (1) the promotion of reforms to institutionalize the public legal defense system, in preparation for the implementation of selected reform options in FY2002; (2) the institutionalization of legal services for poor and indigenous population groups; and, (3) with CSO/NGO input, the adoption and implementation of a comprehensive, modern, and effective Justice Sector Reform Plan.

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: Section II "Project Indicators" of CEPAM Progress Reports dated 8/98 and 11/98 INDICATOR DESCRIPTION: 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 and may result in a decreased number of cases attended. Timing - Semi-annually (RPM) COMMENTS: This indicator will be tracked at the activity level through FY2000.	YEAR	PLANNED	ACTUAL
	1996 (B)	--	25,600
	1997	26,750	28,021
	1998	28,900	30,076
	1999	30,000	
	2000	33,000	

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).		YEAR	PLANNED	ACTUAL	
SOURCE: CIDES Progress Report dated 11/98 pp.4,5,6 and Annex 13					
INDICATOR DESCRIPTION: By 1999, 65 CIDES community based mediators will be trained to provide effective community ADR and other legal services. These services can be disaggregated into four types:					
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.					
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
Timing - Semi-annually (RPM)					
COMMENTS: This indicator will be tracked at the activity level through FY2000.					
* Mediation cases of CLD are not considered in this report since they do not provide services to vulnerable groups.					
		1996 (B)	--	4	
		1997	205	389	
		1998	360	499*	
		1999	532		
		2000	654		

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: CLD Reports dated 6/98,7/98,8/98,10/98; CIDES Reports dated 11/98 Section 4 and related annexes; CEPAM Reports dated 11/98 Section IV and related annexes INDICATOR DESCRIPTION: 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. Timing - Semi-annually (SOTL) COMMENTS: This indicator will not be included in the revised Framework.	YEAR	PLANNED	ACTUAL
	1996 (B)	--	0
	1997	22	22
	1998	43	41
	1999	68	
	2000	84	
	2001	93	
	2002	98	
	2003 (T)	102	

D. SpO 1: Pollution Prevention



Brief Summary of SpO 1 - Pollution Prevention

USAID/Ecuador's Special Objective 1, "Improved sustainable capacity of selected public and private institutions to prevent pollution," supports the U.S. national interest of securing a sustainable global environment in order to protect the U.S. and its citizens from the effects of international environmental degradation. This is identified with the Mission Performance Plan objective of promoting the sustainable use and responsible stewardship of Ecuador's unique biodiversity and with Objective 23, "Partnership for Pollution Prevention," of the Summit of the Americas.

Key Intermediate Results are: IR1, "a strengthened local NGO (Oikos Corporation) providing technical assistance to local firms, universities, and municipalities on pollution prevention;" and, IR2, "technical information disseminated on cleaner production technologies, international trade environmental concerns, and urban environmental management."

Ecuador's increasing urban and peri-urban residents who lack access to potable water, sanitary systems, and a pollution-free, residential and work environment, benefit from these activities.

Oikos Corporation has received small amounts of assistance from other donors for environmental education and pollution prevention activities, namely UNIDO, UNDP, and IDB. It also receives important bilateral assistance from the German and Swiss governments.

Summary Performance Statement

Oikos Corporation has been very effective in convincing an increasing number of Ecuadorian industries to adopt cleaner production technologies and energy-efficient practices. This can be seen in the full participation of (this is unclear!). Industrial sectors involved include textiles, tanneries, ceramics, edible oils processing, and metal mechanics, among others. This broad cross section of sectors has allowed Oikos technical assistance to cover several provinces within the country.

Oikos has continued its out-reach activities, working with municipalities, universities, industrial firms, and the public in general. In FY1998, more than twenty-four training and motivation events on cleaner production and pollution prevention promotion were organized. The publication of Oikos bulletins on case studies and environment and technology has continued with successful acceptance levels by the above mentioned beneficiaries. Also, Oikos has continued to support municipalities interested in environmental development through the preparation of municipal environmental initiatives leading to the publication of policies and ordinances.

Performance Over the Past Year Relative to Plans

Through FY1998, a cumulative of seventy-eight firms from different industrial sectors participated in environmental audits in order to implement cleaner production technologies. As a result, 17 industries (bringing the total to 34) participated in the complete process (pre-assessments through full assessments to implementation of recommendations). Moreover, Oikos

efforts to promote pollution prevention and cleaner production reached an additional 151 firms, bringing the total to 311 firms nationwide.

Promotion efforts have greatly expanded awareness of cleaner production initiatives and their implementation, as demonstrated by the openness of industrialists to espouse the initiatives, the introduction of environmental concerns in university curricula, and the interest of the business community in receiving more information and assistance in these areas. USAID/Ecuador funds have enabled municipalities to identify and prioritize environmental problems, adopt practical, low-cost solutions, and to seek the collaboration of the private sector. Models were developed and implemented in selected coastal cities and in the Amazonian region on solid waste management through concessions with environmental microenterprises.

During FY1998, four municipalities (Quito, Ambato, Mejía and Piñas) implemented pollution control policy initiatives, such as the revision by the Quito municipality of an ordinance regarding liquid discharges and emissions, as well as an ordinance creating an Environmental Unit in the Mejía Municipality. Additionally, RUDO/LA has strengthened the capacity of selected municipalities to manage solid waste collection systems. Garbage collection microenterprises, which also classify and commercialize recyclable products, are now servicing (on a contract basis) 95% of the towns in the municipalities of El Coca and Lago Agrio. They are also managing the sanitary landfills established under the program. RUDO/LA has also supported the restructuring of garbage collection systems in the El Chaco and Shushufindi municipalities, and the creation of sanitary landfills in these municipalities. These four Amazonian municipalities (El Coca, Lago Agrio, El Chaco and Shushufindi), together with the four municipalities mentioned above, bring the total to eight municipalities that have been incorporated into this important activity. In Manta, in addition to the three garbage collection microenterprises that are now operating in 70% of the city, an additional two microenterprises have been established to serve the remaining 30% of the city and its beaches.

The Oikos Information Center provided services to an additional 22 individuals and entities, bringing the cumulative total to 67. This is an important achievement since no other center known to USAID is providing similar services. Oikos is becoming the primary source of technical information on cleaner production and environmental technologies. Oikos' GLOBE Program now comprises seventeen high schools (up from 10 last year) -- all active participants in the program. Oikos chaired the GLOBE Latin America Regional Workshop and, for that occasion, published a Spanish translation of the GLOBE Teachers' Manual, which has been widely distributed.

Thanks to the prestige gained by Oikos since its inception, in 1998 it was appointed as Secretary General of the Ecuadorian Committee for the Defense of Natural Resources and the Environment (CEDENMA), which serves as an umbrella organization for most Ecuadorian environmental NGOs. As part of its institutional strengthening activities, Oikos provided technical assistance on organizational development for CEDENMA members with a very positive response. It will continue providing this TA to selected entities participating in the program.

Oikos Corporation has received small amounts of assistance from other donors for environmental education and pollution prevention activities, namely UNIDO, UNDP, and IDB. Host country and NGO contributions to achieve strategic objective results total over \$ 1.5 million.

Expected Performance in FY2000 - 2001

The expected timeframe for this Special Objective is through FY2000. The primary focus during this period will be to ensure the sustainability of past USAID investments which sought to strengthen the technical, fund raising, and income generation capabilities of Oikos Corporation. The prognosis for full achievement of this SpO 1 and its IRs during the remaining time allotted is good. In FY2000, Oikos Corporation will continue working with industrial firms to improve production techniques while reducing pollution and costs. In addition, Oikos assistance to municipalities in the adoption of cleaner production policies and improved solid waste management practices will continue.

It is anticipated that Oikos will continue to implement activities started under the USAID-supported program for environmental assessments of industries with German and Swiss support. RUDO/LA, under a cooperative agreement with Colombia's Carvajal Foundation, is expected to deliver a plan to manage solid waste collections and final disposal in the Galapagos Islands by March 1999.

RUDO/LA has maintained a constant dialogue with the Minister of Housing and Urban Development, who has agreed to implement the alternative solid waste management systems modeled by RUDO/LA in other small and medium municipalities of the country. Funds for this purpose will come from interest generations resulting from the Escrow Account of the 518-HG-007 loan.

New opportunities are opening for future work in the areas of cleaner production technologies, environmental awareness and energy efficiency. Both the U.S.-based Environmental Export Council and the National Association of State Development Agencies (NASDA) will support activities and hold seminars on pollution prevention and environmental technologies, leading to the creation of an Andean organization that will manage all matters related to the importation of environmental products from the U.S., and to improved production systems in Ecuadorian, Bolivian and Peruvian industries.

Finally, Oikos has in place a sustainability plan that maps out specific steps to reduce its dependence on USAID funding and increase its own contribution, as well as those from other sources. LAC/RSD/ENV has provided technical assistance to ensure that this sustainability plan will ensure a smooth phase out of USAID assistance under this SpO. Copies of these documents can be found in USAID/Ecuador and LAC/RSD/ENV files.

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). SOURCE: Oikos Annual progress report, PF-06-98-2389 dated 10/98; Oikos validation report 66-06-99-0341 dated 3/11/99 INDICATOR DESCRIPTION: Cleaner production technologies refer to standards recommended by E2P3. The process has several stages: pre-assessments; full assessments; recommendations for specific plants; implementation. This entire process takes an average three years. Timing - Quarterly (RPM) COMMENTS: As a result of measuring the program performance data of FY1996, Oikos validated its records to determine that what has been reported as actual cumulative results met the established standards. Main findings were: 1) that different stages of process were reported as individual results, thus causing double counting, and 2) that all firms had not yet reached the stage of recommendation implementation. Consequently, the 1998 actual cumulative result of 34 firms provides a more reasonable assurance that supports achievement, and the actual figures for 1995 to 1997 were revised to reflect the findings of the validation exercise. Steps continue to verify the reliability of partner's data collection process. As of February 1999, 12 additional firms have implemented cleaner production technologies.	YEAR	PLANNED	ACTUAL
	1995 (B)	--	2
	1996	10	2
	1997	20	17
	1998	40	34
	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).

SOURCE: Oikos Annual Report PF-06-98-2389, dated 10/98; Oikos validation report 66-06-99-0341 dated 3/11/99.

INDICATOR DESCRIPTION: Approximately 6 municipalities will implement cleaner production (CP) policy initiatives, i.e., through the elaboration and approval of CP ordinances. Approximately 10 municipalities will implement sound environmental solid waste management (SWM) services. And approximately 6 municipalities will implement both CP and SWM. Therefore, for the 22 municipalities, there will be 12 municipalities with CP policies and 16 municipalities with SWM services. (* = accomplished)

Municipality	1996	1997	1998	1999	2000
Ambato		CP	*	SWM	
Cuenca		SWM	CP		
El Coca			SWM*		
El Chaco			SWM*		
Guayaquil			CP		
Ibarra					SWM
Isla San Cristóbal				SWM	
Isla Santa Cruz				SWM	
Lago Agrio			SWM*		
Los Bancos		CP		SWM	
Machala	SWM*		CP		
Manta		SWM*		CP	
Mejía			CP*		
Otavalo			CP		
Pedro Vicente Maldonado		SWM			
Piñas			CP*		
Portoviejo			CP		
Puerto Quito		SWM			
Quito	SWM	CP	*		
Riobamba				SWM	
Santo Dgo. de los Colorados		CP			
Shushufindi			SWM*		
TOTAL	2SWM 0CP	4SWM 5CP	4SWM 6CP	5SWM 1CP	1SWM 0CP

Timing - Annually (RPM)

COMMENTS: In FY1998 as a result of the Cleaner Production technical assistance provided by Oikos, four municipalities, Quito, Ambato, Mejía and Piñas have implemented policy initiatives. For Solid Waste Processes, garbage collection microenterprises were created in El Coca and Lago Agrio. A concern similar to that of the previous indicator was raised with the above mentioned municipalities. The validation exercise was done and the actual obtained result is also below the proposed target. Oikos is in the process of reviewing its municipalities list to identify the most responsive ones which will allow Oikos to meet the target, along with new municipalities that may become interested. As of February 1999, 5 additional municipalities had adopted CP policies or SWM services.

YEAR	PLANNED	ACTUAL
1996 (B)	2	1
1997	11	2
1998	21	10
1999	27	
2000 (T)	28	

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). SOURCE: Oikos Annual Report PF-06-98-2389, dated 10/98; Oikos validation report 66-06-99-0341 dated 3/11/99 INDICATOR DESCRIPTION: Quarterly (RPM) COMMENTS: Entities consulting Oikos information center include: universities, public agencies, NGOs, private firms, high schools and vocational schools and community organizations. As part of the exercise by Oikos to validate its records, some cases of double counting have been identified. Steps continue to verify the reliability of partner's data collection process.	YEAR	PLANNED	ACTUAL
	1996 (B)	--	20
	1997	50	45
	1998	100	67
	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).			
SOURCE: Oikos Annual Report, PF-06-98, 2389, dated 10/98; Oikos validation report 66-06-99-0341 dated 3/11/99; Oikos GLOBE Program report dated 2/99.			
INDICATOR DESCRIPTION: Timing - Annually (RPM)			
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, Espiritu 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, Colegio Británico, CEM San Miguel de los Bancos, CEM Puerto Quito and CEM de Puerto Limón. However, at the beginning of FY 99 (November and December 98), eight new high schools from Loja, Zamora and Bolivar Provinces signed agreements with Oikos to participate in the Globe program. As of February 1999, the cumulative number of schools is 25. Steps to verify the reliability of partner's data collection process are being undertaken.			
YEAR	PLANNED	ACTUAL	
1996 (B)	--	0	
1997	6	10	
1998	20	17	
1999	30		
2000 (T)	40		

E. SpO 2: Microenterprise

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

Timeframe: FY2000

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: FY2000

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: FY2000

Partners: CRS, Project Hope, FINCA, CARE, Accion International, Banco Solidario, Seed Capital

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

IR 3: Strengthened institutions implementing village banking programs.

Timeframe: FY2000

Partners: Project Hope, CRS, FINCA

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

Summary of SpO 2 - Microenterprise

USAID/Ecuador's Special Objective 2, "Increased access to financial services to microentrepreneurs, with an emphasis on women" supports the US national interest of promoting broad-based economic growth in development and transitional economies. This contributes to the Mission Performance Plan objective of "Broad-based growth: Assist Ecuador to experience sustained economic growth under policies that raise income for all groups, especially the poor." It also supports Summit of the Americas Objective 19, "Encouraging microenterprises and small businesses."

This SpO supports three Intermediate Results (IRs): IR1, "New, licensed, for profit, financial institutions serving the needs of the microentrepreneurs;" IR2, "Upgraded microcredit delivery systems of selected financial institutions and NGOs;" and, IR3, "Strengthened institutions implementing village banking programs." As of September 1998, this SpO is the only remaining economic growth activity previously being implemented under the Mission's former SO 1, Broad Based Sustainable Economic Growth.

The SpO benefits poor, underserved urban and rural populations, with an emphasis on women. The IDB is the most important donor in this sector, with investments in credit and technical assistance totalling roughly \$18.5 million.

Summary Performance Statement

USAID/Ecuador and Prime Fund equity investments made through Seed Capital Development Fund (SCDF) and CARE in Banco Solidario, Latin America's first fully private bank established for the purpose of serving Ecuador's microenterprise sector, permitted Banco Solidario to meet its 3 million UVC (constant value units, equal to \$18.0 million in August 1996 when the bank was established) capitalization required by the Superintendency of Banks. As of September 1998, its microcredit portfolio had grown to 13,223 active clients. Similarly, our village banking partners, Catholic Relief Services (CRS), Project HOPE and Foundation for International Community Assistance (FINCA), have continued to experience significant growth and have achieved financial self-sufficiency targets. Finally, and in accordance with the objective of expanding access to financial services by microentrepreneurs, USAID/Ecuador is encouraging interested commercial banks to provide high quality financial services to this sector. Three banks have firmly decided to enter this important niche market, thereby significantly increasing the number of licensed, for profit, financial institutions serving the needs of microenterprises targeted under IR1.

Performance Over the Past Year Relative to Plans

The World Bank's 1995 Ecuador Poverty Report and other studies on the sector show that, in Ecuador, the pool of existing and potential microentrepreneurs is 1.1 million people, equal to between 400,000-450,000 microenterprise businesses. Over half of these are owned and operated by women. USAID has designed activities to bring quality financial services to the poor, thereby helping them to build stronger enterprises which ultimately improve their incomes and quality of life.

During FY1998, the performance of USAID/Ecuador and its partners, CARE, SCDF, Banco Solidario, Fundacion Alternativa, CRS, FINCA, and Project Hope exceeded all expectations. Equity investments totaling \$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 and private investors, including the Corporación Andina de Fomento (\$500,000), Profund (\$2.0 million) and Accion International (\$1.0 million). Approximately \$11.5 million derive from local private investment, clearly illustrating local commitment to and confidence in this bank. As a result, Banco Solidario met its capitalization requirement of 3 million UVCs by the deadline imposed by the Superintendency of Banks. Banco Solidario also has improved significantly its delivery of financial services to microentrepreneurs, opening five new branch offices in suburban Quito, Guayaquil, and in smaller cities across the country. At the end of FY1998, and in spite of high inflation, high unemployment, and a severe banking crisis, it served a total of 13,223 borrowers, of which 6,875 are women. Finally, Banco Solidario became an important affiliate to Accion International's worldwide network of viable microfinance institutions and accessed \$2.0 million in microenterprise guarantees under USAID/W's MSED activity. 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.

Members of the SpO2 core team conducted an analysis of the formal banking system, identifying some six commercial banks interested in microenterprise lending. A one-year contract was let with Accion International in September 1997 to educate these banks on microenterprise best practices, and initiated fundamental changes in the attitude of the formal commercial banks toward microentrepreneurs, whom they have traditionally shunned. Out of the six, three banks (Banco de Crédito, Banco del Pichincha and Filanbanco) have already gotten the approval of their boards of directors to begin working with the microenterprise sector. The next step is to provide TA for the implementation of their microlending programs and for start-up activities in the first quarter of FY1999.

A new grant in the amount of \$300,000 was provided to Fundación Alternativa for its Training Center, which will provide training to the staff of financial institutions, nationally and internationally, engaged in and/or interested in microcredit, including commercial banks, NGOs and credit unions. In February 1999, the Training Center received a competitively bid award from the Argentinean Social Capital Fund (FONCAP) to provide training to a group of Argentinean banks, financial institutions, and NGOs interested in providing financial service to microentrepreneurs.

In 1998, an additional 146 village banks were established, benefiting an additional 5,543 poor women. Our three US PVO partners, CRS, FINCA and Project Hope, made significant progress towards achieving financial self-sustainability. On average, they achieved 79% self-sufficiency, exceeding their targets for FY1998. Their planned target of 100% self-sustainability by FY2000 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 Banco Solidario, but also through Citizens Energy and Citicorp Foundation.

Other important bilateral assistance may be provided by the Spanish through CODESPA in the area of village banking. The IDB is providing the bulk of assistance through a \$16.0 million

credit facility with the GOE's Corporacion Financiera Nacional and \$2.5 million in technical assistance.

Expected Progress for FY2000-2001

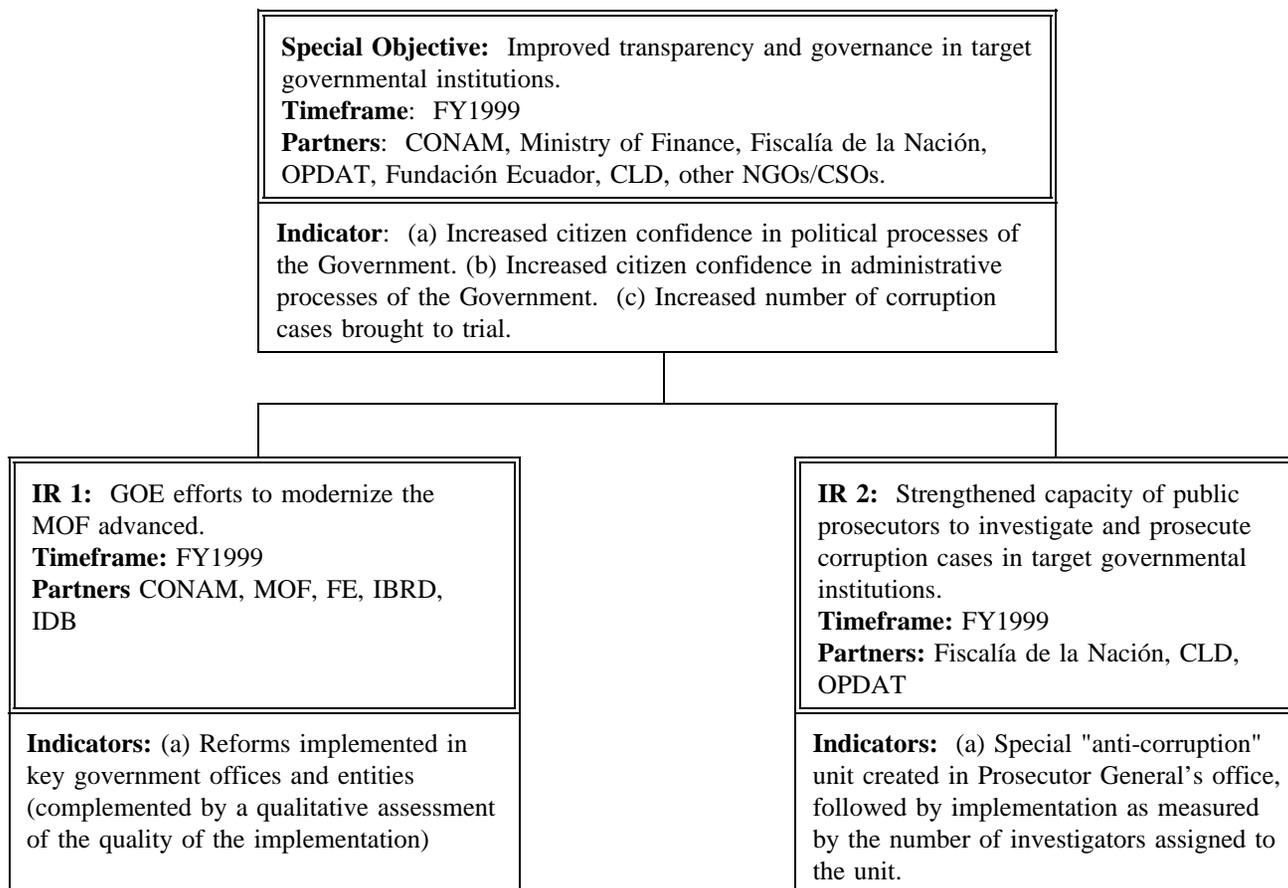
The completion date for this SpO is September 30, 2000. Through FY2000, USAID/Ecuador partners, SCDF, CARE, Accion International, and Profund, will continue to provide technical assistance to Banco Solidario to increase and improve its delivery of quality financial services to microentrepreneurs. Support to village banking will continue with a view toward achieving a network of 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/EGAD/MD and its Micro and Small Enterprise Development Program (MSED), to expand upon the \$4.0 million agreement it signed with Banco Solidario last year that provides \$2.0 million in microenterprise loan guarantees and/or to enter into similar agreements with other, formal, commercial banks serving Ecuador's microenterprise sector. CARE and SCDF will invest in LA-CIF, an offshore, microenterprise guarantee fund, benefiting an additional estimated 1,500 clients over the next eighteen months (March 1999-September 2000).

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) (CUMULATIVE)				
SOURCE: Banco Solidario Monthly Report as of Sept. 30/98; CRS, FINCA, Project Hope Annual Report from Oct. 1/97 - Sept. 30/98				
INDICATOR DESCRIPTION: Cumulative Planned Number of Borrowers (000,0) by partner:				
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Banco Solidario	9.0	14.1	19.4	27.5
CRS/FINCA/Hope	2.8	8.1	12.8	18.5
Others	<u>0.0</u>	<u>0.0</u>	<u>2.0</u>	<u>4.0</u>
Total	11.8	22.2	34.2	50.0
<p>a) Numbers for Banco Solidario reflect loans below \$5,000. b) The "others" line item includes formal banks that we expect will initiate microlending activities beginning in FY1999.</p> <p>Timing - Quarterly (RPM-2)</p> <p>COMMENTS:</p> <p>a) Figures for Banco Solidario were adjusted downward from 66,000 to 27,500, due to a transcription error resulting from an assumption that the figures were annual when in fact they were cumulative. b) Projections for FY1998 thru 2000 for CRS, FINCA and Hope have been adjusted downward from 35,000 to 18,500 as these partners have determined that in some cases strengthening existing banks is of higher priority than creating new ones. The number of borrowers of this indicator does not include the borrowers at the strengthened banks. See indicator MAS 0.2.3(a) c) In the FY1997 R4, borrowers achieved through CARE support to Banco Solidario were shown separately. These are now included in the figures for Banco Solidario.</p> <p>Data has been reviewed for accuracy and timeliness. Actions are underway to verify reliability of partners' data collection processes.</p>				
	1996 (B)	--	1.3/1.0	
	1997	4.5/7.3	4.1/6.9	
	1998	7.0/15.1	6.4/15.1	
	1999	10.7/23.5		
	2000 (T)	15.8/34.2		

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 new banks (CUMULATIVE)					YEAR	PLANNED	ACTUAL
SOURCE: CRS report dated 11/24/98, FINCA report dated 11/24/98, Project Hope report dated 11/23/98							
INDICATOR DESCRIPTION: Planned Number of New Banks disaggregated by partner.							
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>Total</u>	
CRS	10	36	60	40	40	186	1996 (B)
Hope	70	40	33	57	89	289	1997
FINCA	<u>0</u>	<u>44</u>	<u>75</u>	<u>80</u>	<u>80</u>	<u>279</u>	1998
Total	80	120	168	177	209	754	1999
							2000 (T)
Timing - Quarterly (RPM-2)							
COMMENTS: The above table has been adjusted downward from 1,550 to 754 in accordance with new projections presented by CRS, Hope and FINCA for FY 98 thru 2000, as the policy of these partners is to strengthen existing banks while creating fewer new ones. USAID/Ecuador supports this policy, as it will permit existing banks to become self-sustainable. In addition, planned figures have also been reduced to eliminate the number of strengthened banks erroneously included in this indicator in the last R4.							
Data has been reviewed for accuracy and timeliness. Actions are underway to verify reliability of partners' data collection processes.							

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 report dated 11/24/98, FINCA report dated 11/24/98, Project Hope report dated 11/23/98				
INDICATOR DESCRIPTION: Actual levels disaggregated by partner:				
	<u>1997</u>	<u>1998</u>		
CRS	65%	75%		
Hope	64%	84%		
Finca	<u>65%</u>	<u>78%</u>		
Average	65%	79%		
Timing - Quarterly (RPM-2)				
COMMENTS: All the village banking partners have exceeded expectations.				
Data has been reviewed for accuracy and timeliness. Actions are underway to verify reliability of partners' data collection processes.				
		1996 (B)	--	45%
		1997	60%	65%
		1998	75%	79%
		1999	90%	
		2000 (T)	100%	

F. SpO 3: Good Governance



Summary of SpO 3 - Good Governance

USAID/Ecuador's Special Objective 3, "Improved transparency and governance in target governmental institutions," supports the US national interest of increasing foreign government adherence to democratic practices and respect for human rights. This is identified with the Mission Performance Plan objectives of consolidating and stabilizing Ecuador's democratic institutions. It also supports Summit of the Americas Objective 1, "Strengthening Democracy" and Objective 5, "Combating corruption."

The SpO supports two Intermediate Results (IRs): IR1, "GOE efforts to modernize the MOF advanced;" and, IR2, "Strengthened capacity of public prosecutors to investigate and prosecute corruption cases in target governmental institutions." The SpO directs its efforts to key public sector institutions such as the State Modernization Council (CONAM), the Ministry of Finance, and the Public Ministry, and benefits all citizens by reducing rampant and endemic corruption that eats at the very fabric of society and effectively lowers the quality of life for all citizens. The Anti-corruption activities under this SpO will be subsumed under the Mission's revised democracy SO, a description of which is attached to this R4 as Annex A. USAID/Ecuador support to the new Ecuadorian Customs Corporation and Internal Revenue Service will end on September 30, 1999.

The principal other donor in the area of modernization is the World Bank through its State Modernization Project (MOSTA), a \$25 million project being implemented by CONAM. The IDB is the only other major contributor, with modest support to on-going efforts to reform the criminal justice system. The World Bank is planning possible support to President Mahuad's national anti-corruption plan.

Summary Performance Statement

SpO 3 was designed as an emergency program with sufficient flexibility to meet specific demands to improve governance in Ecuador and to reduce corruption in key GOE entities and functions, specifically the Ministry of Finance (MOF) and the Public Ministry. During FY1998 considerable progress was achieved to meet planned results. MOF customs and tax sub-secretariats were eliminated and new, independent customs and tax administrations were created. Public confidence in these new, semi-autonomous entities is significantly higher than in the former subsecretariats. In the Public Ministry, activities to strengthen the prosecutorial function of the Prosecutor General's Office are underway under a 632b Inter-Agency Agreement with OPDAT and ICITAP.

Performance over the Past Year Relative to Plans

Congress approved a new law, which creates the Internal Revenue Service (Servicio de Rentas Interna - SRI) and the Ecuadorian Customs Corporation (Corporación Aduanera Ecuatoriana - CAE). In accordance with this new legislation, the CAE is to be governed by three public and three private sector representatives in an attempt to make it more transparent and efficient. At the direct request of the GOE, USAID provided two, short-term, international experts who reviewed these laws for content and viability.

In accordance with recent (August-September 1998) surveys conducted nationwide, private and public sector leaders in Ecuador expressed a positive opinion of USAID-supported GOE institutional reforms. Customs and tax reforms contained in new legislation, and, more importantly the creation of the CAE and SRI, are particularly cited as highly positive actions that contribute to state modernization and anti-corruption efforts.

While we have made progress, however, there have been setbacks. At this writing, the Director of the CAE has resigned and it now appears that the military will continue to manage the customs service for an undefined period. The new SRI Director, while energetic and resourceful, does not have the necessary financial and human resources, nor the experience needed to create the highly-respected and professional institution envisioned under this activity. Uncertainties with regard to permanent tax structures have also negatively impacted on the functioning of the new SRI. Thus, additional technical assistance and training planned to help the GOE to structure these two new institutions, develop internal policies and regulations, and to develop short- to medium-term strategies, may not come to pass.

An assessment of the Prosecutor General's Office (PGO) was carried out in May-June 1998, by an international team consisting of Ecuadorian and Latin American consultants assisted by the U.S. Department of Justice (OPDAT and ICITAP). The assessment identified possible areas of assistance to the GOE aimed at strengthening the capacity of the Public Ministry and the Judicial Police in the investigation and prosecution of corruption cases in the private and public sectors. In August 1998, a two-year, 632b Interagency Agreement was signed between USAID and the U.S. Department of Justice, to analyze judicial sector reform legislation and the technical assistance and training needs of the Public Ministry and the Judicial Police. Based on assessment findings, USAID and the Public Ministry signed a Memorandum of Understanding to implement, through various mechanisms, activities aimed at strengthening the function of the public prosecutor through the joint operations and actions of the PGO and the Judicial Police (JP). These efforts will lead to the creation of specialized units or "task forces" that will investigate and prosecute corruption cases, support legislative initiatives that will strengthen the PGO regulatory framework, and support the training of PGO personnel and the JP in the recently adopted accusatorial system.

USAID support for the creation of a Special Unit within the PGO is subject to the selection by Congress of a new Prosecutor General, in accordance with recent constitutional reforms in effect since August 1998. The new Prosecutor General was named in February 1999 and appears to be favorable toward the task force concept. A comprehensive assistance plan is now being developed geared toward enhancing the capabilities of the PGO to prosecute corruption cases. The number of corruption cases brought to trial will depend upon the decisions of the PGO as to what types of corruption crimes will be investigated and prosecuted.

The World Bank, through its \$14.3 million project with Projusticia, is supporting justice sector reform and the IDB, with its \$2.4 million project, is supporting the modernization of the justice system, which includes support to the Public Ministry. The French government is currently financing a training program for prosecutors on investigation techniques.

Expected Performance in FY2000-2001

The anti-corruption component of SpO3 is currently being merged with the reformulated USAID/Ecuador SO3, "More effective and fair criminal justice system," presented as Annex A to this R4 document. In view of the Mahuad Administration's demonstrated strong political will for combatting corruption, direct assistance to key justice sector entities of the government is envisioned under the reformulated SO.

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: Timing - Quarterly (RPM-1) COMMENTS: This indicator will not be included in the revised Results Framework.	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.	*The new Customs Law was approved by Congress in July/98, and the Internal Revenues Services in Dec/97. The specifics of customs and tax reform were debated among political parties, business leaders and the government.
	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.			
<p>UNIT MEASURE: Specific steps completed.</p> <p>SOURCE: OPDAT/ICITAP Progress Reports dated 6/98 and 11/98</p> <p>INDICATOR DESCRIPTION: Timing - Quarterly (RPM-2)</p> <p>COMMENTS: Congress appointed the new Prosecutor General (Fiscal) in February 12, 1999.</p> <p>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 Fiscalía (1999).</p> <p>*1. In May-June/98 a needs pre-assessment was conducted by a team (OPDAT/ICITAP) to identify possible areas of assistance to the GOE to strengthen the Public Ministry and the Judicial Police. 2. In July a 632-b Interagency Agreement between USAID and the US Department of Justice was signed to provide TA to analyze legislation reforms and training needs of the Public Ministry. 3. On September/98 a MOU was signed between USAID and the Public Ministry for institutional strengthening. 4. In November/98 OPDAT/ICITAP carried out a thorough assessment to determine the feasibility and needed legal reforms to establish the anti-corruption unit.</p> <p>USAID support to the formation of an anti-corruption unit within the Public Ministry will be closely delineated with the new Prosecutor General.</p> <p>This indicator will be refined and rescheduled based on the above mentioned actions.</p>	YEAR	PLANNED	ACTUAL
	1997 (B)	--	None
	1998	Pilot Unit organized	*Significant steps have been completed. See "Comment" section.
	1999 (T)	Pilot Unit in full operation as measured by the number of investigators.	

PART III: RESOURCE REQUEST

Since 1996, USAID/Ecuador staffing levels have dropped steadily, from 95 in FY1996, to 85 in FY1997 and 72 in FY1998. Staffing levels will continue to drop as USAID/Ecuador moves toward "small mission status." Planned levels at the end of FY1999 are 58, dropping further to 32 at the end of FY2000 and to 20 at the end of FY2001. Our OE budget mirrors these dramatic reductions in staff, declining from \$2.5 million in FY1999 to \$2.0 million in FY2000 and \$1.5 million in FY2001. At the same time that staffing and OE levels are drastically being reduced, however, USAID/Ecuador program funding will likely increase, from \$10.4 million in FY1998, to \$14.2 in FY1999, and to \$23.6 million in FY2000 (figure includes \$10 million in FY 2000 for planned border integration activities). Despite these increases in program funding levels, after FY2000, our program portfolio will be reduced considerably from its current three SOs (Environment, Health and Family Planning, and Democracy) and two SpOs (Microenterprise and Pollution Control), to two SOs (Environment and Democracy) and one SpO (Border Integration).

A. Program Resource Levels

1. Financial Plan

Tables I.a, I.b and I.c present LAC/DPB control levels for USAID/Ecuador's SOs/SpOs for FYs 1999, 2000 and 2001 respectively.

FY 1999 - After analyzing the figures presented by LAC/DPB for FY1999, the Mission considers the funding levels assigned for Environment (SO1), Health and Population (SO2), Democracy (SO3) and Microenterprise (SpO2) reasonable, provided that:

- (1) Mission receives \$723,000 to specifically cover a portion of the \$1,200,000 McConnell Congressional Earmark to develop an endowment fund for the Charles Darwin Foundation and carry out activities with the Galapagos National Park; the remainder of the earmark will be drawn from previously requested funds.
- (2) Mission receives an additional \$500,000 for child survival requested in the last year's R4 to put in place the necessary Global Bureau Field Support to ensure a successful Mission phase-out of the Mission's SO2 (FP/Health) activities.
- (3) Mission is allotted \$700,000 in ESF funds to permit the continuation of on-going efforts with the U.S. Department of Justice (OPDAT and ICITAP) to strengthen the Prosecutor's Office under the Mission's SO3 (Democracy) through a 632b Interagency Agreement.

However, Mission cannot at this time comply with USAID guidelines with regard to forward funding and minimum twelve-month pipelines without seriously slowing down planned implementation schedules, reducing planned results, and renegotiating our management contract. When looking at the planned scheduling of FY1999 obligations, pipeline averages for SO1 (Environment) are six months, for SO2 (Health/FP) twelve months, and for SO3 (Democracy) nine months.

In addition to the above mentioned funding levels, \$2.0 million in ESF has been assigned by USAID/Washington for Ecuador-Peru border activities, with \$1.5 million of this allotted to

Ecuador. High visibility, quick turn-around activities are being designed for the border area, with obligation planned for April-May 1999.

Finally, and in view of the fact that FY1999 will be the last year of funding for SpO2 (Microenterprise), the Mission has requested \$600,000 from Global's PRIME Fund to increase the operational efficiency, expand the geographical coverage, and improve the financial self-sufficiency of village banking partners. This additional funding will ensure an effective closeout of this program at the end of FY2000.

FY 2000 - The funding assigned to Population (\$6.8 million DA) and Health (\$550,000 DA) by LAC/DPB is acceptable and will permit the orderly phase-out of SO2. During FY2000, USAID/Ecuador will continue its efforts to strengthen the financial sustainability of family planning NGO partners, modernize the MOH, and promote the decentralization of the overall health sector. Mission highly recommends the earliest possible obligation of FY2000 funds for family planning (and no later than December 1999), which would permit a full nine months of implementation through September 30, 2000.

Funding needs for SO1 (Environment) exceed the control levels presented by LAC/DPB by \$100,000 DA (i.e., \$3.4 million DA Mission request vs. \$3.3 million DA control level). The shortfall is needed to support on-going activities with CARE, TNC, and the Charles Darwin Foundation and is the minimum level needed to reach a six-month pipeline and avoid the type of implementation crisis this sector of the portfolio experienced in FY1996 which came very close to shutting down environment activities. These figures do not include the funds necessary to increase the pipeline to twelve months; such an assumption would increase the request level to \$5.4 million. This additional funding is not needed for the attainment of planned specific results, but rather would ensure reasonable pipelines to adequately fund planned expenditures through the end of FY2001, in accordance with Agency guidance. Similarly, the FY2001 pipeline would then fund projected FY2002 expenditures.

The LAC/BPB-proposed funding level for SO3 (Democracy) is also insufficient. Mission is requesting an additional \$798,000 in either DA or ESF, the difference between control and request levels (i.e., \$3.8 million DA/ESF Mission request vs. \$2.95 million DA/ESF control level) for FY2000 to continue activities undertaken in conjunction with OPDAT/ICITAP and to consolidate the establishment of the Justice Sector CSO "Strategic Alliance Fund." If Mission does not receive adequate funding, it will be unable to fully implement the revised Democracy SO as planned. (See Annex A: Revised Democracy SO). The requested level of funding will permit continued, critical support to incipient, anti-corruption activities being carried out with the support of the U.S. Justice Department. Absent this funding, pipelines would be reduced from the minimally acceptable six-month level and the Mission would have to choose between obtaining the support of a resident ICITAP advisor (thereby reducing its targets related to the number of anticorruption task forces established and number and types of corruption cases prosecuted); carrying out the intensive judicial training needed in FY2000 and FY2001 to support the GOE's plan to implement the new Criminal Procedures Code; or sufficient funding for the Strategic Alliance Fund (which is critical in FY2000 if the fund is to achieve its objective of leveraging significant investments from other bilateral and multilateral donors, the GOE, and the business sector in subsequent years as a result of demonstrated successes.) Although conceivably

activities could be postponed, in all cases, anticipated results would be diminished. Thus, a critical issue is cash flow.

Finally, ESF funds of \$20 million have been requested by USAID/Washington for Ecuador-Peru border activities, to be split evenly between the two countries. Activities will be designed and carried out in close coordination with USAID/Peru and in support of the Peru-Ecuador Binational Commission for Peace and Development.

The following table outlines the comparison of LAC/DPB control levels, Mission request levels at the minimum acceptable six-month pipeline level, and levels necessary to comply with Agency twelve-month pipeline guidance.

FY2000 Mission Request

\$000	LAC/DPB Control Level	Request (6-Mos. Pipeline)	Difference Control Level vs. 6-Mos. Pipeline Req.	Request (12-Mos. Pipeline)	Difference Control Level vs. 12-Mos. Pipeline Req.
Env-DA	3,300	3,400	-100	5,380	-2,080
FP-DA	6,800	6,800	0	6,800	0
Health-CS	550	550	0	550	0
Dem-DA	1,451	1,845	-394	2,000	-549
Dem-ESF	1,500	1,904	-404	2,000	-500
Border-ESF	10,000	10,000	0	10,000	0
SUBTOTALS					
DA	11,551	12,045	-494	14,180	-2,629
CS	550	550	0	550	0
ESF	11,500	11,904	-404	12,000	-500
TOTAL	23,601	24,499	-898	26,730	-3,129

FY2001 - Mission request levels for FY2001 will ultimately depend on the extent to which FY2000 Mission request levels are satisfied. If FY2000 Mission request levels are not met, Mission will attempt to compensate by requesting substantial first quarter obligations of FY2001 funds. Otherwise, reductions will have to be made in USAID/Ecuador's management contract.

Assuming Mission is funded at FY2000 control levels, Mission agrees with the \$6.75 million DA control levels for FY2001, assuming the availability of \$1.5 million in ESF for Democracy. This level allows the Mission to move towards meeting Agency pipeline guidance levels. For SO1 (Environment), the DA request level at a six-month pipeline level would be \$4.2 million for SO1 (environment) and \$1.1 million for SO3 (democracy). This combined DA level of \$5.3 million is well below the control level of \$6.75 million. To reach a twelve-month pipeline for SO1

(Environment), the request level should be \$6.2 million and for SO3 (Democracy) \$1.6 million, for a combined DA total of \$7.7 million. Therefore, the Mission's combined DA/ESF request to satisfy the twelve-month requirement would be \$9.2 million, exclusive of ESF funds for border activities. Any reduction in ESF funds would require a reapportionment of funds between environment and democracy and a concomitant reduction of pipeline levels. Given Mission's previous experience with disappearing ESF levels, Mission views the \$6.75 million control level as appropriate.

Finally, it is again anticipated that ESF funds, amounting to \$10 million for the two countries, will be allocated to Peru-Ecuador border activities in FY2001.

The following table outlines the comparison of LAC/DPB control levels, Mission request levels at the minimum acceptable six-month pipeline level, and levels necessary to comply with Agency twelve-month pipeline guidance, with the assumption that no accommodations have been made to meet the Mission's FY2000 request levels.

FY2001 Mission Request

\$000	LAC/DPB Control Level	Request (6-Mos. Pipeline)	Difference Control Level vs. 6-Mos. Pipeline Req.	Request (12-Mos. Pipeline)	Difference Control Level vs. 12-Mos. Pipeline Req.
Env-DA	5,451	4,200	1,251	6,150	-1,950
Dem-DA	1,300	1,100	200	1,550	-450
Dem-ESF	1,500	1,500	0	1,500	0
Border-ESF	5,000	5,000	0	5,000	0
SUBTOTALS					
DA	6,751	5,300	1,451	7,700	-949
CS	6,500	6,500	0	6,500	0
ESF					
TOTAL	13,251	11,800	1,451	14,200	-2,400

INSERT MBTAB3.WK4
Table I: Budget Request

Instructions for completing R4 Budget Request tables:

Prepare one set of tables for each Appropriation Account. Tables for the Development Assistance (DA) and Child Survival and Disease Accounts may be combined on one table. For this table, please complete the account splits at the bottom of the table.

Overwrite the S.O. number label with the current S.O. designations as used in the Congressional Presentation. Use Sp. O. for Special Objectives; S.S. for support objectives.

Enter the S.O. title immediately following its number.

For the FY1999 table, the Budget Request levels are to include only current year (NOA) funds. Do not include Carryforward or recoveries.

At the bottom of each table, enter the amount the program is to contribute to the Agency Global Climate Change target. This amount will come from all goals, not only the Environment Goal.

FY 1999 Budget Request by Program/Country

30-Mar-99
04:10 PM

Program/Country:
(Enter either DA/CSD; ESF; NIS; or SEED)

Approp Acct:
Scenario

D. # , Title		FY 1999 Request												Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 99	
		Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ			D/G
SO 1:																
	Bilateral Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 2:																
	Bilateral Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 3:																
	Bilateral Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 4:																
	Bilateral Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 5:																
	Bilateral Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 6:																
	Bilateral Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:																
	Bilateral Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:																
	Bilateral Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

FY 99 Request Agency Goal Totals	
Econ Growth	0
Democracy	0
HCD	0
PHN	0
Environment	0
Program ICASS	0
GCC (from all Goals)	0

FY 99 Account Distribution (DA only)	
Dev. Assist Program	0
Dev. Assist ICASS	0
Dev. Assist Total:	0
CSD Program	0
CSD ICASS	0
CSD Total:	0

Prepare one set of tables for each appropriation Account
Tables for DA and CSD may be combined on one table.
For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account

FY 2000 Budget Request by Program/Country

30-Mar-99
04:10 PM

Approp Acct:
Scenario

Program/Country:
(Enter either DAC/CS; ESF; NIS; or SEED)

D. # , Title		FY 2000 Request												Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 00		
		Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ			D/G	
SO 1:															Year of Final Oblig:		
Bilateral	Field Spt	0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 2:															Year of Final Oblig:		
Bilateral	Field Spt	0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 3:															Year of Final Oblig:		
Bilateral	Field Spt	0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 4:															Year of Final Oblig:		
Bilateral	Field Spt	0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 5:															Year of Final Oblig:		
Bilateral	Field Spt	0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 6:															Year of Final Oblig:		
Bilateral	Field Spt	0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:															Year of Final Oblig:		
Bilateral	Field Spt	0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:															Year of Final Oblig:		
Bilateral	Field Spt	0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

FY 00 Request Agency Goal Totals	
Econ Growth	0
Democracy	0
HCD	0
PHN	0
Environment	0
Program ICASS	0
GCC (from all Goals)	0

FY 00 Account Distribution (DA only)	
Dev. Assist Program	0
Dev. Assist ICASS	0
Dev. Assist Total:	0
CSD Program	0
CSD ICASS	0
CSD Total:	0

Prepare one set of tables for each appropriation Account
 Tables for DA and CSD may be combined on one table.
 For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account

FY 2001 Budget Request by Program/Country

30-Mar-99

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Program/Country:
(Enter either DA/CSD; ESF; NIS; or SEED)

Approp Acct:
Scenario

D. # , Title	FY 20001 Request														Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 01	Future Cost (POST-2001)
	Bilateral/Field Spt	Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G			
SO 1:															Year of Final Oblig:		
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 2:															Year of Final Oblig:		
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 3:															Year of Final Oblig:		
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 4:															Year of Final Oblig:		
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 5:															Year of Final Oblig:		
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 6:															Year of Final Oblig:		
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:															Year of Final Oblig:		
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:															Year of Final Oblig:		
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Field Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

FY 01 Request Agency Goal Totals	
Econ Growth	0
Democracy	0
HCD	0
PHN	0
Environment	0
Program ICASS	0

FY 01 Account Distribution (DA only)	
Dev. Assist Program	0
Dev. Assist ICASS	0
Dev. Assist Total:	0
CSD Program	0
CSD ICASS	0
CSD Total:	0

Prepare one set of tables for each appropriation Account
 Tables for DA and CSD may be combined on one table.
 For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account

2. Prioritization of Objectives

USAID/Ecuador presents the following ranking in order of strategic importance for its ongoing SOs and SpOs:

<u>Rank</u>	<u>Abbreviated SO Title</u>
1st	SO3: Criminal Justice
2nd	SO1: Biodiversity Conservation
3rd	SO2: Health/FP
4th	SpO2: Microenterprise Development
5th	SpO1: Pollution Prevention

In accordance with the International Affairs Strategic Plan (IASP) and the U.S. Mission Program Plan (MPP), SO3, "*A more effective and fair criminal justice system*," has been ranked first in terms of its strategic importance. Over the past decade, successive governments have demonstrated little political will to reform the country's corrupt and ineffective justice system. However, the inauguration of President Mahuad in August 1998 significantly improved the development environment, demonstrating serious political will for addressing judicial reform and for combating corruption. The revised SO seeks to consolidate important activities initiated under the previous civil society strengthening SO (SO3) and good governance special objective (SpO3). The new SO will contribute significantly to the rule of law in Ecuador by assisting key public and private sector actors to establish a more effective and fair criminal justice system.

SO1, "*Biodiversity conserved in selected protected areas and their buffer zones*," has been ranked second considering that numerous, biologically rich habitats of global and regional importance are seriously threatened by high population densities, high population growth rates, and high rates of deforestation. Another negative factor, which USAID/Ecuador is working to reverse, is low per capita incomes, which contributes to the uncontrolled and indiscriminate use of Ecuador's natural resources by rural populations living in and around protected areas and their buffer zones. Rational management of the country's natural resources and improved conservation of its biodiversity will have a critical impact on Ecuador's prospects for achieving sustainable development in the long term. USAID/Ecuador activities that seek to increase viable economic opportunities for indigenous populations within protected areas and their buffer zones will continue to play a critical role in on-going biodiversity conservation efforts.

SO2, "*Increased use of sustainable family planning/maternal child health services*," has been ranked third in strategic importance, principally because the Mission's Management Contract with USAID/W calls for the termination of this SO at the end of FY2000. In recent years, the economic and political crises facing Ecuador's public health system have seriously jeopardized efforts to sustain trends towards acceptable levels of reproductive and child health. Given that FY2000 is the last year in which this SO will receive funding, USAID/Ecuador will focus its assistance on support for partner family planning NGOs and their goal of achieving financial self-sustainability by the end of FY2000, and on the modernization and decentralization of the health sector.

SpO2, "*Increased access to financial services by microentrepreneurs, with emphasis on women,*" has been ranked fourth. While Ecuador is yet far from achieving sustainable levels of economic development, USAID/Ecuador's Management Contract with USAID/W calls for the phase out of the SpO in FY2000. Partly the result of impressive achievements under this SpO, the GOE, other donors and local financial institutions are providing significant support this sector. Additionally, the planned target of 100% self-sustainability of USAID/Ecuador village banking partners by FY2000 appears realistic.

SpO1, "*Improved sustainable capacity of selected public and private institutions to prevent pollution,*" is ranked fifth in strategic priority in light of the fact that portfolio consolidation requirements call for strategic choices and threshold decisions. Under this SpO, significant progress has been achieved by the public and private sectors in adopting and implementing cleaner industrial production technologies. Progress has also been achieved by selected municipalities in the use of improved solid waste management practices, including the implementation of garbage collection microenterprises.

The funding levels requested and justified in this R4 are critical to enable Ecuador to conserve biodiversity, increase use of sustainable family planning and maternal child health services, achieve a more effective and fair criminal justice system, increase access to financial services by microentrepreneurs, and prevent pollution. Mission support to these areas will continue to play an important role in leveraging other donor resources, most importantly from the World Bank and the IDB, ensuring the succession of programs and protecting the significant investments made by USAID/Ecuador over the past several decades.

The allocation of resources among SOs and SpOs is consistent with priorities established in USAID/Ecuador's Strategic Plan and within the plan period (FY1998 – 2002). The only exception is SO2 (health and family planning), that, in spite of its relative ranking, will receive the largest portion of resources and level of effort during this R4 period (FY2000 - 2001). This high level of effort and resources is justified considering the importance of the long-term financial self-sustainability of FP NGO partners and key linkages to U.S. national interests.

3. Linkage with Centrally Funded Mechanisms

The Mission anticipates the following services and support from Global Bureau contracts and cooperative agreements for FY2000 and FY2001:

a. Strategic Objective 1 - Environment

- G/ENV: Conservation of Biological Diversity (936-5554) for an assessment of SO1.
- G/ENV: Conservation of Biological Diversity (936-5554) - Award ENV P-00-97-00002-00, interagency agreement with the US Department of the Interior for the provision of technical services to USAID/Ecuador's SO1.

b. Strategic Objective 2 – Health and Family Planning

- G/PHN: Central Contraceptive Procurement (936-3057), for contraceptive procurements.
- G/PHN: Family Planning Logistics Management (Center for Disease Control - CDC) (936-3038), for TA to CEMOPLAF and APROFE for contraceptive logistics management.
- G/PHN: Population Communication Services (JHU/PSC) (936-3052), in support of the GOE's “Information, education and communication for the maternal mortality initiative,” and social marketing TA for CEMOPLAF and APROFE.
- G/PHN: Quality Assurance (936-5992), to improve the quality of care in selected hospitals and overall support for the modernization of the Ministry of Health.

c. Strategic Objective 3 - Criminal Justice

- G/DG: U.S. Department of Justice (936-5468) 632B interagency agreement, for technical assistance and training to the Public Ministry and the Judicial Police for the establishment of pilot, anticorruption strike forces.

Table II shows Mission 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 essential obstetric care. USAID/Ecuador maintains technical dialogue and linkages with the Bureau on the Summit of the Americas Health Initiatives.

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Table II: Global Bureau Services

B. Workforce and OE Levels

(1) Overview of FY1999

The OE target level decreases from a level of \$2.5 million in FY 1999, to \$2 million in FY2000 and \$1.5 million in FY2001. In an effort to meet these severe OE reductions, the Mission is currently undertaking a downsizing process. By the end of FY2001, USAID/Ecuador will achieve "small mission" status, and will be completely dependent upon the regional service center in Lima for support services.

Currently, the Mission is responsible for providing financial management and EXO services to USAID/Colombia and RUDO. The transfer of the accounting station for Colombia and RUDO from Quito to Lima and Guatemala respectively will be effective on October 1, 1999, and the transfer of USAID/Ecuador's accounting station from Quito to Lima will be effective on July 1, 2000. In accordance with our downsizing plan total Mission staffing will be reduced from its current 72 employees at the beginning of FY1999, to 58 at the end of FY1999, to 32 employees at the end of FY2000 and to 20 at the end of FY2001. The accelerated FSN staff reductions have created a substantial liability for indemnity payments because of involuntary separation. A substantial number of employees have many years of service, and thus the downsizing process, albeit painful, must recognize the exceptional career contributions of USAID/Ecuador's FSNs. The Mission has an out-placement program in place for departing staff, which includes training opportunities, and is making every attempt to tailor these efforts to individual needs. Out-placement costs for FY1999 will be minimal.

At the same time, the Mission must focus on the type of training that will lead to running an efficient, small Mission by the end of FY2001. A small mission requires a highly qualified and energetic staff, capable of fulfilling multiple roles. Therefore, the Mission places a high emphasis on, and has budgeted funds for, training in the following areas: teamwork; procurement certification; program management; and, on-the-job training to support the Regional Service Center concept. In FY1999 there was a substantial increase in costs for electricity, gasoline, and FSN salaries and benefits. In order to meet unanticipated expenditures, the increases are being offset by the exchange rate gain and efforts that the Mission made to hold down operating costs.

The Mission was successful in re-negotiating the office building lease to lower the rental costs per square meter to almost half of the current rental fee. As we reduce further, so office space will be reduced. Expenses for guard services too have been lowered by reducing personnel in this area. With the use of Mission IVG lines during FY1999, and the use of a discount US telephone carrier service, we anticipate that phone costs will be cut substantially and we expect to realize additional savings in upcoming fiscal years by imaging documents currently sent by fax. Investment would have to be realized to procure the imaging equipment in FY1999. One additional unplanned expense may be the purchase of a new security E&E radio system recently adopted by the Department of State. Radios will be purchased for USDH staff and Mission vehicles. Cost estimates have not yet been provided.

(2) Overview of FY2000

In FY2000, two USDH and 19 O.E. funded FSN positions will be eliminated with an O.E. target level of \$2.0 million. The budget consists of funding for necessary expenses. We do not anticipate procurement of any major NXP. The Mission is 100% Y2K compliant, so no additional information systems equipment (software or hardware) purchases will be necessary. Funding is budgeted for one post assignment and three departing USDHs. With 19 OE-funded FSNs departing the Mission during FY2000, the out-placement program will be a critical, but costly expense. Other training costs will have to be minimal.

(3) Overview of FY2001

In FY2001, one USDH and nine O.E. funded FSN positions will be eliminated with an O.E. target level of \$1.5 million. The budget consists of funding the necessary expenses, with an increase in travel and transportation costs due to two post assignments and three departing USDHs. We do not anticipate procurement of any major NXP. Intensive training will be required as USAID/Ecuador reaches "small mission status."

(4) Exchange Rate

Since the end of February, 1999, Ecuador has experienced a volatile exchange rate. At this juncture, the point at which the exchange rate will stabilize is highly uncertain. However, for purposes of budget projections, we are assuming that the government of Ecuador will take significant adjustment measures to stabilize the economy. Therefore, we project an average exchange rate of 12,000 sucres for FY1999, and a tentative rate of 15,000 sucres for FY2000 and FY2001. We also are assuming that salary and local costs will increase roughly in line with the devaluation of the sucre.

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Table III: Operating Expenses

Table III: Operating Expenses

Org. Title:	USAID/ECUADOR		Overseas Mission Budgets														
			FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
			Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
Org. No:	518																
OC																	

Table III: Operating Expenses

Org. Title: USAID/ECUADOR Org. No: 518 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	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 - FNDH	90.4		90.4	58.7		58.7	58.7		58.7	0		0	0		0
	Subtotal OC 11.1	90.4	0	90.4	58.7	0	58.7	58.7	0	58.7	0	0	0	0	0	0
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 - FNDH	3		3	4.5		4.5	4.5		4.5	0		0	0		0
	Subtotal OC 11.3	3	0	3	4.5	0	4.5	4.5	0	4.5	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
11.5	FNDH			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	130		130	0		0	0		0	0		0		0	0
11.8	FN PSC Salaries	861.1		900.9	732.9		732.9	732.9		732.9	417.1		417.1	417.1		417.1
11.8	IPA/Details-In/PASAs/RSSAs Salaries	0		0	0		0	0		0	0		0		0	0
	Subtotal OC 11.8	991.1	0	1030.9	732.9	0	732.9	732.9	0	732.9	417.1	0	417.1	417.1	0	417.1
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	84.1		84.1	62.7		62.7	62.7		62.7	78.1		78.1	78.1		78.1
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	121.3		121.3	106.4		106.4	106.4		106.4	75		75	75		75
12.1	Other Misc. USDH Benefits	21.6		21.6	22.9		22.9	22.9		22.9	29.2		29.2	29.2		29.2
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 FSN Voluntary Separation Fund - FNDH	5		5	4		4	4		4	0		0	0		0
12.1	Other FNDH Benefits	10		10	10		10	10		10	0		0	0		0
12.1	US PSC Benefits			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 Voluntary Separation Fund - FN PS	15		15	14		14	14		14	8		8	8		8
12.1	Other FN PSC Benefits	30		30	30		30	30		30	30		30	30		30
12.1	IPA/Detail-In/PASA/RSSA Benefits	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 12.1	287	0	287	250	0	250	250	0	250	220.3	0	220.3	220.3	0	220.3
13.0	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		
13.0	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		
13.0	Severance Payments for FNDH	40.9		40.9	60.1		60.1	60.1		60.1	0		0	0		0
13.0	Other Benefits for Former Personnel - FNDH	0		0	0		0	0		0	0		0	0		0
13.0	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		
13.0	Severance Payments for FN PSCs	269.9		230.1	148.1		148.1	148.1		148.1	102.8		102.8	102.8		102.8
13.0	Other Benefits for Former Personnel - FN PSCs	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 13.0	310.8	0	271	208.2	0	208.2	208.2	0	208.2	102.8	0	102.8	102.8	0	102.8
21.0	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		
21.0	Training Travel	16		16	14		14	14		14	8		8	8		8

Table III: Operating Expenses

Org. Title: USAID/ECUADOR Org. No: 518 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total												
21.0	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		
21.0	Post Assignment Travel - to field	0		0	8		8	8		8	8		8		8	
21.0	Assignment to Washington Travel	4		4	4		4	4		4	12		12	12		12
21.0	Home Leave Travel	11.4		11.4	14.6		14.6	14.6		14.6	0		0	0		0
21.0	R & R Travel	16		16	7		7	7		7	3		3	3		3
21.0	Education Travel	6.2		6.2	5		5	5		5	8		8	8		8
21.0	Evacuation Travel	6		6	4		4	4		4	4		4	4		4
21.0	Retirement Travel	0		0	0		0	0		0	0		0	0		0
21.0	Pre-Employment Invitational Travel	0		0	0		0	0		0	0		0	0		0
21.0	Other Mandatory/Statutory Travel	0		0	0		0	0		0	0		0	0		0
21.0	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		
21.0	Site Visits - Headquarters Personnel	2		2	2		2	2		2	2		2	2		2
21.0	Site Visits - Mission Personnel	50		50	40		40	40		40	35.5		35.5	35.5		35.5
21.0	Conferences/Seminars/Meetings/Retreats	10		10	9		9	9		9	6		6	6		6
21.0	Assessment Travel	0		0	0		0	0		0	0		0	0		0
21.0	Impact Evaluation Travel	0		0	0		0	0		0	0		0	0		0
21.0	Disaster Travel (to respond to specific disasters)	0		0	0		0	0		0	0		0	0		0
21.0	Recruitment Travel	0		0	0		0	0		0	0		0	0		0
21.0	Other Operational Travel	4		4	4		4	4		4	4		4	4		4
	Subtotal OC 21.0	125.6	0	125.6	111.6	0	111.6	111.6	0	111.6	90.5	0	90.5	90.5	0	90.5
22.0	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		
22.0	Post assignment freight	15		15	45		45	45		45	90		90	90		90
22.0	Home Leave Freight	7		7	10.5		10.5	10.5		10.5	0		0	0		0
22.0	Retirement Freight	0		0	0		0	0		0	0		0	0		0
22.0	Transportation/Freight for Office Furniture/Equip.	0		0	0		0	0		0	0		0	0		0
22.0	Transportation/Freight for Res. Furniture/Equip.	5		5	2		2	2		2	2		2	2		2
	Subtotal OC 22.0	27	0	27	57.5	0	57.5	57.5	0	57.5	92	0	92	92	0	92
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	179.7		179.7	182.8		182.8	182.8		182.8	195.4		195.4	195.4		195.4
23.2	Rental Payments to Others - Warehouse Space	0		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		0
	Subtotal OC 23.2	179.7	0	179.7	182.8	0	182.8	182.8	0	182.8	195.4	0	195.4	195.4	0	195.4
23.3	Communications, utilities, and miscellaneous charges	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	14.4		14.4	15		15	15		15	15		15	15		15
23.3	Residential Utilities	2.6		2.6	2.8		2.8	2.8		2.8	2.9		2.9	2.9		2.9
23.3	Telephone Costs	64.2		64.2	60		60	60		60	55		55	55		55
23.3	ADP Software Leases	0		0	0		0	0		0	0		0	0		0
23.3	ADP Hardware Lease	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
23.3	Postal Fees (Other than APO Mail)	1.5		1.5	1.5		1.5	1.5		1.5	1		1	1		1
23.3	Other Mail Service Costs	1		1	1		1	1		1	1		1	1		1
23.3	Courier Services	8		8	8		8	8		8	5		5	5		5
	Subtotal OC 23.3	91.7	0	91.7	88.3	0	88.3	88.3	0	88.3	79.9	0	79.9	79.9	0	79.9

Table III: Operating Expenses

Org. Title: USAID/ECUADOR Org. No: 518 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total												
24.0	Printing and Reproduction	2		2	2	2	2	2	2	2	2	2	2	2	2	
	Subtotal OC 24.0	2	0	2	2	0	2	2	0	2	2	0	2	2	0	2
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	5		5	5	5	5	5	5	5	5	5	5	5	5	
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	5	0	5	5	0	5	5	0	5	5	0	5	5	0	5
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	96		96	50		50	50		50	55		55	55		55
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	0.6		0.6	0.6		0.6	0.6		0.6	0.6		0.6	0.6		0.6
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	1.4		1.4	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	12		12	12.5		12.5	12.5		12.5	15		15	15		15
25.2	Records Declassification & Other Records Services	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	52		52	60		60	60		60	70		70	70		70
25.2	Staff training contracts	10		10	10		10	10		10	10		10	10		10
25.2	ADP related contracts	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 25.2	172	0	172	134.5	0	134.5	134.5	0	134.5	152	0	152	152	0	152
25.3	Purchase of goods and services from Government accounts	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	90		90	95		95	95		95	75		75	75		75
25.3	All Other Services from Other Gov't. accounts	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 25.3	90	0	90	95	0	95	95	0	95	75	0	75	75	0	75
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	4		4	4		4	4		4	4		4	4		4
25.4	Residential Building Maintenance	3		3	3		3	3		3	2		2	2		2
	Subtotal OC 25.4	7	0	7	7	0	7	7	0	7	6	0	6	6	0	6
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	5		5	5		5	5		5	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	3		3	2		2	2		2	2		2	2		2
25.7	Vehicle Repair and Maintenance	3		3	2		2	2		2	2		2	2		2
25.7	Residential Furniture/Equip. Repair and Maintenance	3		3	3		3	3		3	3		3	3		3
	Subtotal OC 25.7	14	0	14	12	0	12	12	0	12	12	0	12	12	0	12
25.8	Subsistence & spt. of persons (by contract or Gov't.)	0		0	0		0	0		0	0		0	0		0

Table III: Operating Expenses

Org. Title: Org. No: OC	Overseas Mission Budgets														
	FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
	Dollars	TF	Total												
Subtotal OC 25.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26.0 Supplies and materials	43.7		43.7	35		35	35		35	35		35		35	
Subtotal OC 26.0	43.7	0	43.7	35	0	35	35	0	35	35	0	35	35	0	35
31.0 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		
31.0 Purchase of Residential Furniture/Equip.	0		0	5		5	5		5	5		5		5	
31.0 Purchase of Office Furniture/Equip.	0		0	5		5	5		5	5		5		5	
31.0 Purchase of Vehicles	30		30	0		0	0		0	0		0		0	
31.0 Purchase of Printing/Graphics Equipment	0		0	0		0	0		0	0		0		0	
31.0 ADP Hardware purchases	20		20	0		0	0		0	0		0		0	
31.0 ADP Software purchases	10		10	5		5	5		5	5		5		5	
Subtotal OC 31.0	60	0	60	15	0	15	15	0	15	15	0	15	15	0	15
32.0 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		
32.0 Purchase of Land & Buildings (& bldg. construction)	0		0	0		0	0		0	0		0		0	
32.0 Purchase of fixed equipment for buildings	0		0	0		0	0		0	0		0		0	
32.0 Building Renovations/Alterations - Office	0		0	0		0	0		0	0		0		0	
32.0 Building Renovations/Alterations - Residential	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
42.0 Claims and indemnities	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	2500	0	2500	2000	0	2000	2000	0	2000	1500	0	1500	1500	0	1500

Additional Mandatory Information

Dollars Used for Local Currency Purchases	<u>1435</u>	<u>1123.2</u>	<u>1123.2</u>	<u>660</u>	<u>660</u>
Exchange Rate Used in Computations	<u>12000</u>	<u>15000</u>	<u>15000</u>	<u>15000</u>	<u>15000</u>

** If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.

On that form, OE funded deposits must equal: 20 18 18 8 8

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Table IV: Controller Operations

Table IV: Controller Operations

Org. Title: USAID/ECUADOR Org. No: 518 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 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 - FNDH	22.1		22.1	12.9		12.9	1.9		1.9	0		0	0		0
	Subtotal OC 11.1	22.1	0	22.1	12.9	0	12.9	1.9	0	1.9	0	0	0	0	0	0
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 - FNDH	0		0	1.5		1.5	1.5		1.5	0		0	0		0
	Subtotal OC 11.3	0	0	0	1.5	0	1.5	1.5	0	1.5	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	7.5		7.5	0		0	0		0	0		0	0		0
	Subtotal OC 11.5	7.5	0	7.5	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	130		130	0		0	0		0	0		0	0		0
11.8	FN PSC Salaries	334.5		334.5	238.7		238.7	238.7		238.7	41		41	41		41
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0			0			0			0			0
	Subtotal OC 11.8	464.5	0	464.5	238.7	0	238.7	238.7	0	238.7	41	0	41	41	0	41
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	15		15	14		14	14		14	0		0	0		0
12.1	Cost of Living Allowances	0		0			0			0			0			0
12.1	Home Service Transfer Allowances	0		0			0			0			0			0
12.1	Quarters Allowances	20		20	17		17	17		17	0		0	0		0
12.1	Other Misc. USDH Benefits	3.7		3.7	2		2	2		2	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 FSN Voluntary Separation Fund - FNDH	1		1	1		1	1		1	0		0	0		0
12.1	Other FNDH Benefits	3		3	3		3	3		3	0		0	0		0
12.1	US PSC Benefits			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 Voluntary Separation Fund - FN PS	3.6		3.6	4		4	4		4	1		1	1		1
12.1	Other FN PSC Benefits	10		10	8		8	8		8	2		2	2		2
12.1	IPA/Detail-In/PASA/RSSA Benefits			0			0			0			0			0
	Subtotal OC 12.1	56.3	0	56.3	49	0	49	49	0	49	3	0	3	3	0	3
13.0	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		
13.0	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		
13.0	Severance Payments for FNDH	9.5		9.5	0		0	0		0	0		0	0		0
13.0	Other Benefits for Former Personnel - FNDH			0			0			0			0			0
13.0	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		
13.0	Severance Payments for FN PSCs	147.2		147.2	0		0	0		0	0		0	0		0
13.0	Other Benefits for Former Personnel - FN PSCs			0			0			0			0			0
	Subtotal OC 13.0	156.7	0	156.7	0	0	0	0	0	0	0	0	0	0	0	0
21.0	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		
21.0	Training Travel	1.8		1.8	2		2	2		2	0		0	0		0
21.0	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		
21.0	Post Assignment Travel - to field	0		0	0		0	0		0	0		0	0		0
21.0	Assignment to Washington Travel			0			0			0			0			0
21.0	Home Leave Travel			0			0			0			0			0
21.0	R & R Travel	3		3	5		5	5		5	0		0	0		0
21.0	Education Travel			0			0			0			0			0
21.0	Evacuation Travel			0			0			0			0			0
21.0	Retirement Travel			0			0			0			0			0

Table IV: Controller Operations

Org. Title: USAID/ECUADOR Org. No: 518 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total												
21.0	Pre-Employment Invitational Travel			0		0			0			0			0	
21.0	Other Mandatory/Statutory Travel			0		0			0			0			0	
21.0	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		
21.0	Site Visits - Headquarters Personnel			0		0			0			0			0	
21.0	Site Visits - Mission Personnel	9.7		9.7	6		6	6		6	0		0		0	
21.0	Conferences/Seminars/Meetings/Retreats	1.7		1.7	0		0	0		0	0		0		0	
21.0	Assessment Travel			0		0			0			0			0	
21.0	Impact Evaluation Travel			0		0			0			0			0	
21.0	Disaster Travel (to respond to specific disasters)			0		0			0			0			0	
21.0	Recruitment Travel			0		0			0			0			0	
21.0	Other Operational Travel			0		0			0			0			0	
	Subtotal OC 21.0	16.2	0	16.2	13	0	13	13	0	13	0	0	0	0	0	
22.0	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		
22.0	Post assignment freight			0		0			0			0			0	
22.0	Home Leave Freight	0		0	3.5		3.5	3.5		3.5	0		0		0	
22.0	Retirement Freight			0		0			0			0			0	
22.0	Transportation/Freight for Office Furniture/Equip.			0		0			0			0			0	
22.0	Transportation/Freight for Res. Furniture/Equip.			0		0			0			0			0	
	Subtotal OC 22.0	0	0	0	3.5	0	3.5	3.5	0	3.5	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	20		20	19		19	19		19	0		0		0	
23.2	Rental Payments to Others - Warehouse Space			0		0			0			0			0	
23.2	Rental Payments to Others - Residences			0		0			0			0			0	
	Subtotal OC 23.2	20	0	20	19	0	19	19	0	19	0	0	0	0	0	
23.3	Communications, utilities, and miscellaneous charges	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	2.8		2.8	3		3	3		3	1		1		1	
23.3	Residential Utilities			0		0			0			0			0	
23.3	Telephone Costs	10		10	6		6	6		6	1		1		1	
23.3	ADP Software Leases			0		0			0			0			0	
23.3	ADP Hardware Lease			0		0			0			0			0	
23.3	Commercial Time Sharing			0		0			0			0			0	
23.3	Postal Fees (Other than APO Mail)			0		0			0			0			0	
23.3	Other Mail Service Costs			0		0			0			0			0	
23.3	Courier Services	1		1	1		1	1		1	1		1		1	
	Subtotal OC 23.3	13.8	0	13.8	10	0	10	10	0	10	3	0	3	3	0	
24.0	Printing and Reproduction			0		0			0			0			0	
	Subtotal OC 24.0	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	
25.1	Management & Professional Support Services			0		0			0			0			0	
25.1	Engineering & Technical Services			0		0			0			0			0	
	Subtotal OC 25.1	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	16		16	8		8	8		8	1		1		1	
25.2	Residential Security Guard Services			0		0			0			0			0	
25.2	Official Residential Expenses			0		0			0			0			0	
25.2	Representation Allowances			0		0			0			0			0	
25.2	Non-Federal Audits			0		0			0			0			0	
25.2	Grievances/Investigations			0		0			0			0			0	

Table IV: Controller Operations

Org. Title: USAID/ECUADOR Org. No: 518 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.2	Insurance and Vehicle Registration Fees			0		0			0			0			0	
25.2	Vehicle Rental			0		0			0			0			0	
25.2	Manpower Contracts	2		2	2	2	2		2	0.2		0.2	0.2		0.2	
25.2	Records Declassification & Other Records Services			0		0			0			0			0	
25.2	Recruiting activities			0		0			0			0			0	
25.2	Penalty Interest Payments			0		0			0			0			0	
25.2	Other Miscellaneous Services	8		8	16.5	16.5	16.5		16.5	0		0	0		0	
25.2	Staff training contracts	1		1	1	1	1		1	0		0	0		0	
25.2	ADP related contracts			0		0			0			0			0	
	Subtotal OC 25.2	27	0	27	27.5	0	27.5	27.5	0	27.5	1.2	0	1.2	1.2	0	1.2
25.3	Purchase of goods and services from Government accounts	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	12.8		12.8	12.8		12.8	15.8		15.8	0		0	0		0
25.3	All Other Services from Other Gov't. accounts			0		0			0			0			0	
	Subtotal OC 25.3	12.8	0	12.8	12.8	0	12.8	15.8	0	15.8	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		0			0			0			0	
25.4	Residential Building Maintenance			0		0			0			0			0	
	Subtotal OC 25.4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
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			0		0			0			0			0	
25.7	Storage Services			0		0			0			0			0	
25.7	Office Furniture/Equip. Repair and Maintenance			0		0			0			0			0	
25.7	Vehicle Repair and Maintenance			0		0			0			0			0	
25.7	Residential Furniture/Equip. Repair and Maintenance			0		0			0			0			0	
	Subtotal OC 25.7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
25.8	Subsistence & spt. 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	
26.0	Supplies and materials	5		5	5		5	5		5	1		1	1		1
	Subtotal OC 26.0	5	0	5	5	0	5	5	0	5	1	0	1	1	0	1
31.0	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		
31.0	Purchase of Residential Furniture/Equip.			0		0			0			0			0	
31.0	Purchase of Office Furniture/Equip.			0		0			0			0			0	
31.0	Purchase of Vehicles			0		0			0			0			0	
31.0	Purchase of Printing/Graphics Equipment			0		0			0			0			0	
31.0	ADP Hardware purchases			0		0			0			0			0	
31.0	ADP Software purchases			0		0			0			0			0	
	Subtotal OC 31.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
32.0	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		
32.0	Purchase of Land & Buildings (& bldg. construction)			0		0			0			0			0	
32.0	Purchase of fixed equipment for buildings			0		0			0			0			0	
32.0	Building Renovations/Alterations - Office			0		0			0			0			0	
32.0	Building Renovations/Alterations - Residential			0		0			0			0			0	
	Subtotal OC 32.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
42.0	Claims and indemnities			0		0			0			0			0	
	Subtotal OC 42.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL BUDGET		801.9	0	801.9	392.9	0	392.9	384.9	0	384.9	49.2	0	49.2	49.2	0	49.2

INSERT TF-FSN.WK4
Table V: Trust Fund/FSN

Table V: FSN/Trust Fund

Organization: USAID/ECUADOR
518

Foreign National Voluntary Separation Account									
Action	FY 1999			FY 2000			FY 2001		
	OE	Program	Total	OE	Program	Total	OE	Program	Total
Deposits	15.0	28.0	43.0	14.0	25.4	39.4	6.0	18.1	24.1
Withdrawals	42.0	13.2	55.2	83.0	13.2	96.2	10.0	26.1	36.1

Local Currency Trust Funds - Regular			
	FY 1999	FY 2000	FY 2001
Balance Start of Year	0.0	0.0	0.0
Obligations			
Deposits			
Balance End of Year	0.0	0.0	0.0

Exchange Rate _____

Local Currency Trust Funds - Real Property			
	FY 1999	FY 2000	FY 2001
Balance Start of Year	0.0	0.0	0.0
Obligations			
Deposits			
Balance End of Year	0.0	0.0	0.0

Exchange Rate _____

INSERT WF-25518.WK4
Table VI: Workforce

Org: USAID/Ecuador End of year On-Board	Table VI: Workforce							Total	Org.	Fin.	Admin.	Con-	All	Total	Total
FY 1999 Estimate	SO 1	SO 2	SO 3	SpO1	SpO2	SO/SpO		Mgmt.	Mgmt	Mgmt	tract	Legal	Other	Mgmt.	Staff
OE Funded: 1/															
U.S. Direct Hire	1	1	0	0	0	2		1	1	1	0	0	1	4	6
Other U.S. Citizens	0	0	0	0	0	0		0	0	0	0	0	0	0	0
FSN/TCN Direct Hire	0	0	0	0	0	0		1	1	1	0	0	0	3	3
Other FSN/TCN	2	0.5	1	0	0	3.5		0	13	18	1	0	2.5	34.5	38
Subtotal	3	1.5	1	0	0	5.5		2	15	20	1	0	3.5	41.5	47
Program Funded 1/															
U.S. Citizens	0	0	1	0	0	1		0	0	0	0	0	0	0	1
FSNs/TCNs	1.5	3.5	3	0.5	1	9.5		0	0	0	0	0	0.5	0.5	10
Subtotal	1.5	3.5	4	0	0.5	10.5		0	0	0	0	0	0.5	0.5	11
Total Direct Workforce	4.5	5	5	0	0	0.5	1	16	2	15	20	1	0	4	58
TAACS	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
IDIs	0	0	0	0	0	0		0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE	4.5	5	5	0	0	0.5	1	16	2	15	20	1	0	4	58

1/ Excludes TAACS, Fellows, and IDIs

Table VI: Workforce

Org: USAID/Ecuador End of year On-Board								Total	Org.	Fin.	Admin.	Con-	All		Total	Total
	SO 1	SO 2	SO 3	SpO1	SpO2	SO/SpO		Mgmt.	Mgmt	Mgmt	tract	Legal	Other	Mgmt.	Staff	
FY 2000 Target																
OE Funded: 1/																
U.S. Direct Hire	1	1	0		0	0	2	1	0	0	0	0	1	2	4	
Other U.S. Citizens	0	0	0		0	0	0	0	0	0	0	0	0	0	0	
FSN/TCN Direct Hire	0	0	0		0	0	0	0	0	1	0	0	0	1	1	
Other FSN/TCN	2.5	0	2		0	0	4.5	1	1	13	0	0	1.5	16.5	21	
Subtotal	3.5	1	2	0	0	0	6.5	2	1	14	0	0	2.5	19.5	26	
Program Funded 1/																
U.S. Citizens	0	0	1		0	0	1	0	0	0	0	0	0	0	1	
FSNs/TCNs	1.5	1	2		0.5	0	5	0	0	0	0	0	0	0	5	
Subtotal	1.5	1	3	0	0	0.5	6	0	0	0	0	0	0	0	6	
Total Direct Workforce	5	2	5	0	0	0.5	12.5	2	1	14	0	0	2.5	19.5	32	
TAACS	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	
IDIs	0	0	0		0	0	0	0	0	0	0	0	0	0	0	
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL WORKFORCE	5	2	5	0	0	0.5	12.5	2	1	14	0	0	2.5	19.5	32	

FY 2000 Request																
OE Funded: 1/																
U.S. Direct Hire	1	1	0		0	0	2	1	0	0	0	0	1	2	4	
Other U.S. Citizens	0	0	0		0	0	0	0	0	0	0	0	0	0	0	
FSN/TCN Direct Hire	0	0	0		0	0	0	0	0	1	0	0	0	1	1	
Other FSN/TCN	2.5	0	2		0	0	4.5	1	1	13	0	0	1.5	16.5	21	
Subtotal	3.5	1	2	0	0	0	6.5	2	1	14	0	0	2.5	19.5	26	
Program Funded 1/																
U.S. Citizens	0	0	1		0	0	1	0	0	0	0	0	0	0	1	
FSNs/TCNs	1.5	1	2		0.5	0	5	0	0	0	0	0	0	0	5	
Subtotal	1.5	1	3	0	0	0.5	6	0	0	0	0	0	0	0	6	
Total Direct Workforce	5	2	5	0	0	0.5	12.5	2	1	14	0	0	2.5	19.5	32	
TAACS	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	
IDIs	0	0	0		0	0	0	0	0	0	0	0	0	0	0	
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL WORKFORCE	5	2	5	0	0	0.5	12.5	2	1	14	0	0	2.5	19.5	32	

1/ Excludes TAACS, Fellows, and IDIs

Org: USAID/Ecuador End of year On-Board FY 2001 Target	Table VI: Workforce							Total SO/SpO Staff	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
	SO 1	SO 2	SO 3	SpO1	SpO2											
OE Funded: 1/																
U.S. Direct Hire	1	0	0		0	0	1	1	0	0	0	0	1	2	3	
Other U.S. Citizens	0	0	0		0	0	0	0	0	0	0	0	0	0	0	
FSN/TCN Direct Hire	0	0	0		0	0	0	0	0	0	0	0	0	0	0	
Other FSN/TCN	1.5	0	2		0	0	3.5	1	1	6	0	0	1.5	9.5	13	
Subtotal	2.5	0	2	0	0	0	4.5	2	1	6	0	0	2.5	11.5	16	
Program Funded 1/																
U.S. Citizens	0	0	1		0	0	1	0	0	0	0	0	0	0	1	
FSNs/TCNs	1	0	2		0	0	3	0	0	0	0	0	0	0	3	
Subtotal	1	0	3	0	0	0	4	0	0	0	0	0	0	0	4	
Total Direct Workforce	3.5	0	5	0	0	0	8.5	2	1	6	0	0	2.5	11.5	20	
TAACS	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	
IDIs	0	0	0		0	0	0	0	0	0	0	0	0	0	0	
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL WORKFORCE	3.5	0	5	0	0	0	8.5	2	1	6	0	0	2.5	11.5	20	

FY 2001 Request																
OE Funded: 1/																
U.S. Direct Hire	1	0	0		0	0	1	1	0	0	0	0	1	2	3	
Other U.S. Citizens	0	0	0		0	0	0	0	0	0	0	0	0	0	0	
FSN/TCN Direct Hire	0	0	0		0	0	0	0	0	0	0	0	0	0	0	
Other FSN/TCN	1.5	0	2		0	0	3.5	1	1	6	0	0	1.5	9.5	13	
Subtotal	2.5	0	2	0	0	0	4.5	2	1	6	0	0	2.5	11.5	16	
Program Funded 1/																
U.S. Citizens	0	0	1		0	0	1	0	0	0	0	0	0	0	1	
FSNs/TCNs	1	0	2		0	0	3	0	0	0	0	0	0	0	3	
Subtotal	1	0	3	0	0	0	4	0	0	0	0	0	0	0	4	
Total Direct Workforce	3.5	0	5	0	0	0	8.5	2	1	6	0	0	2.5	11.5	20	
TAACS	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	
IDIs	0	0	0		0	0	0	0	0	0	0	0	0	0	0	
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL WORKFORCE	3.5	0	5	0	0	0	8.5	2	1	6	0	0	2.5	11.5	20	

1/ Excludes TAACS, Fellows, and IDIs

INSERT DH-25528.WK4
Table VII: DH Workforce

Table VII: DH Workforce

MISSION : **USAID ECUADOR****USDH STAFFING REQUIREMENTS BY SKILL CODE**

BACKSTOP (BS)	NO. OF USDH EMPLOYEES IN BACKSTOP FY 1999	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2000	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2001	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2002
01SMG	1	1	1	1
02 Program Officer	0	0	0	0
03 EXO	1	0	0	0
04 Controller	1	0	0	0
05/06/07 Secretary	0	0	0	0
10 Agriculture	0	0	0	0
11 Economics	0	0	0	0
12 GDO	1	1	0	0
12 Democracy	0	0	0	0
14 Rural Development	0	0	0	0
15 Food for Peace	0	0	0	0
21 Private Enterprise	0	0	0	0
25 Engineering	0	0	0	0
40 Environment	1	1	1	1
50 Health/Pop.	0	0	0	0
60 Education	0	0	0	0
75 Physical Sciences	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	6	4	3	3

*please list occupations covered by other if there are any

ANNEXES

A. SUPPLEMENTAL ANNEX - REVISED DEMOCRACY SO

"MORE EFFECTIVE AND FAIR CRIMINAL JUSTICE SYSTEM"

(1) Problem Statement

Several national and international studies¹ of the Ecuadorian justice sector have uniformly identified the following principal problems:

- enormous delays in processing criminal cases
- large numbers of prisoners with lengthy periods of imprisonment prior to sentencing
- judicial insecurity in civil and commercial justice
- limited access by vulnerable groups to the justice system
- impunity

Impunity, particularly in crimes of corruption, is particularly damaging to public support for democratic forms of government. Popular support for democratic systems of government is particularly weak in Ecuador, where the majority of its citizens (50.8%²) have expressed their preference for the country's return to military rule. Ecuadorian citizens perceive themselves among the ranks of the ten most corrupt countries in the world. Each successive government takes office with promises of sweeping reforms, only to be as or more corrupt than its predecessor. The failure of governments to prosecute corruption cases has serious economic consequences, reducing investor confidence and costing the state huge sums in lost foreign and domestic investment. In Ecuador, this has contributed to the country's worst economic crisis in recent history.

In 1995, an ad hoc Justice Reform Committee was formed under the auspices of the Supreme Court to develop an "Integral Reform Plan" (IRP) for the justice sector. The Latin American Corporation for Development (CLD) organized a series of seminars with the participation of important actors in the justice system. The resulting IRP listed over 100 operational and technical problems in three distinct categories, including:

- Structural problems, particularly the politicization of the courts, the lack of mechanisms to sanction corrupt officials, the lack of a judicial career law, and the dependence of the judicial branch on the executive branch for its annual budget and on the legislative branch for the selection of key judicial authorities;

¹Florida International University, the World Bank, and the UNDP.

²Diario El Comercio dated April 19, 1998.

- Technical and operational deficiencies, such as inefficient and disorganized court administration, poorly trained and underpaid officials, insufficient information, and the lack of computerized management systems; and
- Insufficient resources for minimal infrastructure in terms of workplace, equipment, and office supplies, which frequently paralyze operations and prevent even simple reforms from being implemented.

While representing an excellent catalogue of needs, the IRP does not present a coherent vision of the basic mission of the judicial branch nor does it establish assistance priorities among its long list of needs. Consequently, assistance from the World Bank and the IDB was negotiated absent a strategic plan. Thus, the assistance obtained was confined almost entirely to civil justice, neglecting criminal justice needs. For this reason, while public and private sector attention is currently focussed on important criminal justice constitutional and legal reforms, particularly the passage and implementation of the new Criminal Procedures Code, no assistance is in place to help the GOE to plan, much less implement, new reforms. Given USAID's extensive experience in this critical area, USAID/Ecuador seeks to fill this important gap.

A serious obstacle to reform in Ecuador, however, is the lack of political will on the part both of the executive and judicial branches, resulting in an unwillingness to pass the required implementing regulations and, more importantly, to apply important legal and/or constitutional reforms. The refusal to enforce the law makes a mockery of judicial reform and produces deep cynicism among the population. The situation in Ecuador is particularly complex and difficult given the lack of a critical mass of dedicated, experienced, reform-minded actors. Furthermore, the country does not have the benefit of a Justice Ministry, through which reformist governments could mount a concerted campaign. There are, however, a number of reform-minded civil society organizations (CSOs) with the required experience and conviction needed to effect justice sector reform. Moreover, their numbers and strength are growing. Continued pressure for reform by these institutions and subsequent implementation assistance, in addition to their watchdog role to ensure proper enforcement of laws, will be required if reforms are to be enacted and successfully implemented.

(2) USAID's Present Civil Society Strategic Objective

USAID/Ecuador has been working broadly with both the public and private sectors in the areas of administration of justice and rule of law since 1992. In 1997, however, and in view of inherent weaknesses and the corrupt nature of public sector institutions, particularly judicial, USAID/Ecuador made the strategic decision to work almost exclusively with the private sector. Its democracy Strategic Objective (SO3) was changed from "Strengthened Sustainable Democracy" to "Strengthened civil society in the key democracy enhancing areas of justice and education." The SO focussed on two, mutually reinforcing Intermediate Results, which sought to expand legal services and access to justice by women and indigenous groups and to influence public policies and programs specifically in the area of alternative dispute resolution and domestic violence.

This private sector approach has produced important results including an increased access to justice for vulnerable women's, urban poor, and indigenous groups and the promotion of

important constitutional, legal and institutional reforms. In terms of service delivery, the number of cases initiated in *Comisarias* (state-supported domestic violence centers) increased from 25,600 in FY1996 to 30,076 in FY1998 and the mediation and legal services in mediation centers and legal clinics surpassed expected targets, increasing from 389 cases in FY1997 to 499 in FY1998. In terms of impact on public policy, NGOs formulated and promoted the approval of important legislation and reforms such as: the Cassation Law; the Arbitration and Mediation Law and its implementing regulations; the new policy for the operations of state-supported *Comisarias* and the incorporation of these domestic violence centers into the national budget; the revised process for the selection and appointment of new judges; and the introduction of important constitutional reforms through the National Assembly.

Within the past year, however, several factors favorable to reform have notably improved the development environment in the justice sector, indicating that support to public sector justice institutions is now appropriate and necessary to supplement the role of CSOs. In August 1998, the Ecuadorian people elected a new, reform-minded president, Jamil Mahuad, with a reputation for personal probity. Also, in August 1998, a new Constitution came into effect. The new Constitution provides greater independence of the judiciary, establishes life terms for Supreme Court magistrates, and calls for the establishment of new justice sector institutions to implement these and other, new, constitutional provisions. Important among these new institutions is the National Judicial Council, charged with the appointment and disciplinary oversight of judges. The new Constitution also establishes the new Civic Control Commission (CCC), formerly the Anticorruption Commission, as a permanent body, and significantly strengthens the authority of the Prosecutor's Office (Public Ministry) to more effectively investigate and prosecute white-collar crime. While these legal and institutional factors favor a more effective administration of justice, the dramatic increase in political and criminal violence in the country has made reforms in the criminal justice area an urgent necessity. One especially dangerous development which may aggravate the violence is the increasing number of displaced persons who have begun to cross the border from the Putumayo area of Colombia into Ecuador. Their poverty and destitute situation, in addition to the introduction of guerrilla and paramilitary elements among them, will be factors contributing to a possible explosion of violence in Ecuador.

For these reasons, in late FY1998, USAID again decided to refocus its democracy SO, in order to capitalize on this new opportunity. The reformulated SO, "More effective and fair criminal justice system," is focussed more narrowly on criminal justice and contemplates providing direct support to key public and private sector justice institutions. The new strategy takes into consideration USAID's comparative advantage in this critical area and the lack of involvement by the development banks and other major donors in the area of criminal justice, where important reforms - essential to a functioning democracy - urgently require assistance for their passage, implementation, and application.

(3) USAID's Criminal Justice Sector Strategy

This strategy reflects the collective views of the U.S. Mission Democracy Working Group established in August last year, and will be incorporated into the FY1999 Mission Performance Plan. As a result of monthly meetings of the Working Group, consensus has been reached with regard to the SO's focus on the criminal justice system, and the need to adopt a longer-term program of support to the Public Ministry. Discussions and consensus was that USAID's strategy

needed to be better focused and targeted. It was agreed that, in view of limited resources, only through the articulation of a clear and concise reform strategy would USAID/Ecuador be able to achieve concrete results in this complex area. Moreover, following President Mahuad's impressive achievement of peace with Peru, the next major challenge confronting his administration is to restructure and stabilize the country's deteriorating economy. While the country perhaps has not yet "touched bottom," with a fiscal deficit equal to 72% of GDP (\$15.1 billion), and the country's worst financial crisis in the past 70 years (at this writing another six banks are expected to fail, bringing the total to twelve in the past several weeks) and no solution in sight, the situation will only get worse. Political fragmentation combined with powerful elites has already seen the demise of one of the country's better finance ministers and the Mahuad Administration is increasingly blocked from enacting critical reform measures, largely due to the intransigence of the PSC. The result has been increased poverty as the sucre continues to plummet and the costs of basic foodstuffs continue to rise. With the general population ever more destitute, crime is spiraling out of control. For the first time in the country's history, incursions into the country by Colombian paramilitary and guerilla groups are increasingly more frequent and represent the next most serious threat to Ecuador and the region. Thus, the Working Group views USAID assistance in this area as vital to USG efforts to secure a lasting peace in Ecuador and the region.

The U.S. Embassy has expressed its willingness to support such a program with Economic Support Funds. Other agencies within the U.S. Mission that will be closely associated with the USAID program are NAS and DEA in the areas of training (in money laundering) and law enforcement, particularly in customs. USIS will continue to coordinate World Net events and press coverage related to program activities. The new democracy SO responds to the needs of the country, the changing political environment, and U.S. Mission priorities. Through the establishment of the U.S. Mission Democracy Working Group, the approaches and mechanisms for achieving measurable, high-impact results in the short-term have been agreed to. Furthermore, the U.S. Embassy has agreed to provide its support in working to obtain the necessary ESF funding. While the proposed strategy establishes an initial time frame of five years, the Working Group recognizes that lasting results will only be achieved through a longer-term, roughly twenty year, effort.

USAID/Ecuador proposes to contribute significantly to the rule of law (ROL) in Ecuador by assisting key justice sector institutions, with the active participation and support of key NGOs and Civil Society Organizations (CSOs), to establish a more effective and fair criminal justice system. The most important indicator which justifies USAID's ROL strategy is the reduction of impunity in the criminal justice area, particularly in crimes of corruption. The strategy's underlying assumption is that the necessary condition for the justice system to be both more effective and fair is the enactment and implementation of the new Criminal Procedures Code. The new code replaces the outdated and ineffective inquisitorial justice system with a U.S.-style accusatory system. Among other important aspects, the new law incorporates the basic principles of due process, which safeguard the rights of the accused and permit a more effective investigation and prosecution of crimes.

The sufficient condition for a more effective and fair justice system will be the successful operation of government agencies charged with the investigation, prosecution, and sentencing of crime. Initially, USAID will lend critical support to the Supreme Court and National Judicial

Council. Priority will be given to the reformulation of the previously mentioned IRP, ensuring that it clearly defines priorities and establishes the policies needed for effective justice reform. This plan will focus on the criminal justice sector as a strategic reform area, and will identify the implementation of the new Criminal Procedures Code (CPC), including oral proceedings, as a priority goal. The training of court personnel to apply the CPC will be an important part of this strategy.

Improving the efficacy of a justice system demands that levels of impunity are reduced and that criminals are convicted of the crimes for which they are found guilty. Thus, USAID will assist the Public Ministry to strengthen its capacity to investigate and prosecute crimes, particularly those involving acts of corruption -- public and private. An important objective in this area will be the creation of pilot task forces in important crime categories. As there are a number of legal reforms required to strengthen the role and effectiveness of investigators and prosecutors, USAID will also provide support to specific legal reforms in the relevant laws, codes and regulations. The success of pilot activities with the Public Ministry will necessitate assistance to the Judicial Police and judges and will be essential to the achievement of SO-level results, particularly in the reduction of impunity levels.

Close coordination with the IDB, World Bank and other donors will be essential to the extension of these pilot efforts to the entire sector. Furthermore, the continued involvement of USAID partner NGOs and CSOs at all levels will be of vital importance to these efforts. Their assistance in the establishment of reform objectives and priorities, in the monitoring and implementation of reform processes, and in the evaluation of the new system, will be especially important. Only by means of the active participation of civil society will the justice system respond to the needs and expectations of the country's citizens. The participation of CSOs will be especially critical to ensuring that all citizens reap the benefits of the new justice system, i.e., that it is not only more effective, but fair. As the government in the short and medium-term does not have sufficient resources to hire and train an adequate number of public defenders, USAID will support efforts to institutionalize NGO and CSO public defense services to the indigent by obtaining government support for these activities. USAID will continue to support partner NGOs and CSOs through the creation of an NGO "Strategic Alliance Fund," which will permit them to compete for funding for their ongoing activities in services provision and access creation for poor and indigenous groups.

(4) "More Effective and Fair Criminal Justice System"

An effective justice system is one that succeeds in convicting the guilty. A fair justice system uses the principles of due process, i.e., the presumption of innocence and the protection of the rights of the accused, to obtain these convictions. Fairness also means ensuring that the rights of all citizens are protected and that all have access to adequate legal defense.

USAID/Ecuador intends to achieve this strategic objective by: (1) strengthening the investigative and prosecutorial functions of the Public Ministry (Prosecutor's Office); (2) strengthening the capacity of the Supreme Court and National Judicial Council to implement and apply a new, more accusatory Criminal Procedures Code; and (3) by promoting the active participation of civil society in justice reform, particularly in the areas of access creation and public defense.

Given the limited resources available to the USAID/Ecuador Mission to achieve this SO, pilot activities will be carried out with the expectation that these efforts will later be replicated and/or expanded by other development partners. While, for example, sufficient funds are available to train judges in their new duties and in newly established procedures, it will not be possible for USAID to provide all the infrastructure and related equipment required by the courts throughout the country to apply the new code. With regard to support to the Public Ministry, the French government is already providing training in the new criminal procedures code. Thus, USAID's role will be limited to the creation of a few, key task forces and training these in teamwork procedures in specialized, selected crime areas, while working with the French to avoid conflicting interpretation of the Code. Close coordination with the IDB and World Bank will be required to assure the extension of these pilot activities throughout the Ministry. As regards NGO and CSO civil participation, activities will be funded through the creation of an NGO "Strategic Alliance Fund" on a competitive basis.

At the SO level, indicators for the achievement of this SO will be the following:

“Increased number of convictions in corruption cases.” This indicator will be a direct measure of improvements in the effectiveness of the system. A base line of corruption convictions will be established from Public Ministry and Court records. The target will be to increase the base line number by 300% by the year 2003. Intermediate year indicators include the establishment of an anti-corruption unit, and the joint training of prosecutors, police and judges in FY2000; an operational anti-corruption unit and cases presented for trial in FY2001; and a 100% increase in convictions (baseline) in FY2002.

“Number of courts using oral procedures”. This indicator is a proxy measure of both efficacy and fairness. Oral procedures are at the heart of the new Criminal Procedures code, while at the same time being that aspect of the code most likely to produce resistance by judges. The new Constitution mandates that all courts use the new code, and, by implication, oral procedures, by 2003. Based on the experiences of other countries, USAID considers the constitutional requirement to be overly optimistic and will be satisfied if oral procedures are applied in at least three major judicial jurisdictions covering a total of 35 courts (which represents 22% of total penal courts). Intermediate year indicators for this activity will be: congressional passage of the code in FY1999, an Implementation Law or equivalent legislation by 2000, the training of 40% of court personnel in the three main judicial jurisdictions by FY2001, and the application of oral procedures in 15 courts by FY2002.

“Increased number of government-supported public defenders.” A direct measure of the fairness of the system, this indicator has as its goal the institutionalization (and not the direct support) of these services and an increase in the number of state-supported public defenders, from the present 8 to a total of 80 by FY2003. Thus, USAID will help to put in place a system that defends the basic rights of the accused. Intermediate year indicators will be the conclusion of a study laying out institutionalization alternatives by FY2000, the adoption of one of the options by the GOE in FY2001, and the pilot implementation of the option selected by FY2002.

Critical assumptions for the achievement of the SO are:

Political will. Key will be the support of the President of the Supreme Court, who is also *ex-officio* President of the National Judicial Council, for the application of the new Criminal Procedures Code, the introduction of oral procedures, and the institutionalization of CSO public defense services. The Prosecutor General's support will be essential for the formation and operation of the anti-corruption task force, leading to increased prosecutions, trials and convictions.

Sufficient USAID financial resources. The SO is structured to achieve results, although in reduced numbers, under the most pessimistic of funding scenarios: \$1.5 million in DA resources for FY2000, with no ESF. Less pessimistic funding scenarios would allow (1) consolidation of the task force model through the creation of additional task forces working in crime areas, including corruption, and (2) more extensive application of oral procedures by expanding infrastructure (i.e., bigger court rooms). Under a reduced funding scenario, it would not be possible to consolidate the results achieved, making them more vulnerable to distortion by other development partners and donors.

Sufficient counterpart resources. GOE resources will be needed for counterpart funding and to provide the required infrastructure (e.g., office space and furnishings), personnel (salaries for task force members and support staff), and operating expenses (per diem and transportation). GOE resources will also be required for the sustainable operation of the task forces, and for the effective and sustainable incorporation of oral procedures into trials (particularly in infrastructure investment), and for the sustainability of the state-supported public defender model.

Effective donor coordination. The development banks (IDB and World Bank) are key. They already have invested almost \$15 million in justice sector reform, mainly in the area of civil justice. The banks must support USAID efforts in order to convert the pilot efforts in criminal justice into system-wide results. Openings within the banks to provide significant resources for this purpose exist in the IDB's program to develop a judicial school, to finance a study of the institutional development of the Public Ministry, and to support the institutionalization of a public legal defense system through a public legal defense law. USAID will work directly with IDB and World Bank local and Washington-based representatives, as well as with the GOE to assist it in formulating requests for assistance.

In addition to the development banks, other bilateral and multilateral donors that have shown interest in the justice sector with limited funding are UNICEF (Justice Code for Minors), the European Community (Administrative Law) and the English (Alternative Dispute Resolution). The Konrad Adenauer Foundation is seeking a long term partner to work in ROL, and recently COSUDE is considering projects in anti-corruption. USAID will be working with a number of organizations, some of which have multiple roles, but which are shown below under their primary roles:

Partners: DOJ (OPDAT, ICITAP), Projusticia, and Fundación Esquel. In addition, CIDES, CEPAM, and CLD will be partners through FY2000. These institutions are implementors

of the program. USAID will need to closely coordinate DOJ activities with other programs; CIDES, CEPAM, and CLD will require the normal USAID monitoring, evaluation, and administrative management and oversight through FY2000.

Customers: Fiscalía de la Nación, Policía Judicial, Corte Suprema de Justicia, Consejo Nacional de la Judicatura, Courts, Comisarías de la Mujer, and NGOs/CSOs (including CIDES, CEPAM and CLD). With the exception of CIDES, CEPAM, and CLD, which have a double role of both partner and customer, these institutions will not require direct USAID management.

Stakeholders: The Ecuadorian Congress and Anti-Corruption Commission. The collaboration of these key institutions will be necessary to achieve the SO, which will demand close coordination with USAID staff. No direct USAID assistance, however, will be provided. Collaboration will be necessary with congressional committees in charge of legal reforms and anti-corruption.

SO 3 is supported by the following three, mutually-supportive Intermediate Results:

IR1: "Improved Capacity of Government to Combat Public and Private Corruption."

Official corruption was the principal object of popular protests that brought down the Bucaram government in February 1997. The interim, caretaker Alarcon government that replaced is believed to have been no less corrupt. The Mahuad Administration is under intense pressure to make good on its high-profile promise to aggressively combat corruption.

A number of official and non-official entities have been created to calm popular criticism of government corruption. Critics argue that these new entities lack teeth (have no subpoena authority) or are compromised from the outset by conflict of interest. The fact is that under present law, the only institution with accusatory power, i.e., the authority to bring criminal cases to trial, is the Public Ministry. Its effectiveness is therefore key to any meaningful attempts to combat corruption. Furthermore, the new Constitution and Criminal Procedures Code make the Public Ministry the lead institution in the investigation and prosecution of crimes and in the fight against corruption.

In April 1997, the U.S. Embassy and USAID requested an unspecified amount of ESF to strengthen the capacity of the Public Ministry to combat corruption. In late 1998, a memorandum of understanding between USAID and the Public Ministry was subsequently signed in September 1998 for this purpose. USAID experience has shown that, of the various types of possible support, the most effective has been the creation of special task forces and training in investigative techniques executed in a team fashion between judicial police and prosecutors. With limited DA resources, USAID should be able to effectively assist the Public Ministry to create pilot anti-corruption task forces in the two major cities of Ecuador (Quito and Guayaquil), which should result in the more effective prosecution of white collar crime and public crimes of corruption. Under this scenario, the National Police, prosecutors and judges will receive both joint and specialized training to promote consensus among all the principal authorities and to ensure that effective investigation is carried out. The goal would be to have investigations initiated by prosecutors and investigated by the National Police, leading to eventual conviction

and sentencing by judges. A recent DOJ assessment recommended, depending on the degree of support for this activity on the part of the new Prosecutor General, the creation of task forces in less controversial crime areas, e.g., vehicular theft, as a first step to show that concrete results can be achieved.

In order to prosecute crimes of corruption more effectively, a number of law reforms are necessary, particularly in the Criminal Code for activities not included as crimes in the code, e.g., electronic fraud and money laundering (other than laundering from drug trafficking). To assure a team approach, reforms are also necessary in the Organic Laws of the Judiciary, the Judicial Police, and the Public Ministry. To facilitate investigations, the regulations of the Superintendency of Banks and private companies, and the new Customs Law, must all be reformed. Dialogue with and some indirect assistance to the oversight and judicial committees of the National Congress will be required to ensure the needed political support for these reforms.

Activities with the Prosecutor General's Office currently are being initiated through a 632b Interagency Agreement with the U.S. Justice Department's OPDAT and ICITAP, and law reform activities through a Cooperative Agreement with CLD.

Given funding uncertainties, USAID has structured activities over the next four years such that, in the absence of ESF funds, sufficient DA funds are set aside to ensure the achievement of basic results. It is important to note, however, that under such a scenario, pilot activities will not be consolidated nor will models be replicated. Moreover, absent ESF funding, USAID will not be able to support a resident ICITAP advisor (in addition to a resident OPDAT advisor) who would be extremely helpful in assuring full police acceptance of their new roles and the agreed-upon team approach. Lastly, targets related to the number and types of crime of corruption prosecuted would have to be significantly reduced.

Subject to the availability of funds, the major indicator for this IR is an increased number of corruption cases brought to trial. The process will be measured as follows:

- FY2000: Members of task force(s) trained in team techniques.
- FY2001: Anti-corruption task force members trained and prosecuting cases in Guayaquil and Quito; and 20% increase in corruption cases brought to trial over baseline established in FY1999 in selected crime area(s).
- FY2002: 150% increase over baseline of corruption cases brought to trial in selected crime areas.
- FY2003: An increase of 300% in the number of corruption cases brought to trial in the crime areas selected.

IR2: "Introduction of the Accusatory Justice System."

One important reason for the ineffectiveness of the Ecuadorian justice system is its inquisitorial character, where the judge functions as investigator, accuser and judge, and where challenges to the accusation and its parts are not presented directly, face-to-face, but rather through the written

documents of the case file. Efforts to move from an inquisitorial system to an accusatory system date back to 1992 when the new Criminal Procedures Code (CPC) was first drafted by ILANUD (United Nations Latin American Institute for the Prevention of Crime and the Treatment of Offenders). Since that time, the draft Code has undergone numerous revisions and has languished in the Legislature for years. Finally, under strong pressure from justice sector NGOs, in May 1998, it mustered enough support to pass its first congressional debate. More importantly, the new Constitution, enacted in August of that same year (also with significant input from the NGO community), stipulated that this Code (or any other accusatory code) be approved not later than August 1999. Thus, passage of the Code is expected by that date, if not sooner. The Code incorporates the principles of due process. It also specifies the functions of the Public Ministry, to which the new Constitution accords greater authority to more effectively investigate and prosecute crimes. The Constitution further mandates that all courts adopt this code no later than August 2002.

In spite of the importance the new Constitution and GOE have placed on the code, little or no effort is presently being made to formulate an implementation plan, nor are there funds available (from the GOE and/or donors) to assist in the eventual execution of the plan. This situation owes in part to deficiencies in the previously mentioned IRP, which lacks a clear definition of the direction of the justice system and fails to include criminal justice as a priority reform area. Indeed, an even more serious problem is the lack of coordination among the different GOE entities responsible for implementation of the code. The CPC is especially complicated, since it redefines and alters the relations and functions of institutions within the system, the National and Judicial Police, Prosecutors, Judges, Public Defenders being key among these. Resistance to the code from any one of these sectors would effectively impede its implementation. Thus, a broad-based coordinating and policy mechanism must be established to prescribe implementation guidelines, listen to and resolve objections and problems that arise, and ensure the full participation of all principal actors in the application of the new code.

To guarantee the introduction of the accusatory criminal justice system that is not simply a formality, but a workable, functioning system, USAID will work with the Supreme Court, National Judicial Council, and National Congress to:

- Form an ad hoc national policy and coordinating body, composed of all relevant actors in judicial reform and responsible for passage and implementation of the CPC;
- Update and reformulate the IRP to place criminal justice on the priority reform agenda; and,
- Design and execute a detailed implementation plan for the introduction of the accusatory system (including the strengthening of the public defense system) into the courts.

This approach will require intense policy dialogue which USAID will pursue directly with the Supreme Court, Judicial Council and other relevant parties (Judicial Police, Prosecutor's Office, National Congress, the Executive, Attorney General's Office), with most of whom dialogue has already begun.

Funding for these activities will be provided through a bilateral agreement with ProJusticia, the GOE coordinating body for all international support to judicial reform. ProJusticia will assist the Supreme Court and the National Judicial Council in the reformulation of the IRP and in the development of a detailed implementation plan, in addition to serving as the Secretary for the ad hoc National Policy Group.

The Indicator for this activity is by FY2003 the execution of the CPC implementation plan in a minimum of three jurisdictions. This indicator will be measured as follows:

- FY1999: Design and formulation of the implementation plan for the new CPC.
- FY2000: Implementation law or equivalent approved and initiated on a pilot basis with support from CNJ.
- FY2001: Training according to the CPC implementation law initiated
- FY2002: 40% of Court personnel (judges, clerks and support staff of three jurisdictions) trained in the new CPC.
- FY2003: 100% of the Court judges trained and Criminal Courts in at least three jurisdictions using the new CPC. (Note: This indicator is different from indicator two at the SO level, which reads "Oral procedures being used in three jurisdictions." Based on past experience, USAID believes that some judges will implement the code only partially, e.g., eliminating investigation and accusation from the judicial functions, and resist the introduction of oral procedures on one or another pretext, e.g., lack of physical space. These judges would meet this indicator, but not the SO level indicator.)

IR3: "Strengthened Constituencies and Coalitions among Public and Private Institutions Participating in Priority Reforms."

Under even the most optimistic of scenarios, justice reform is a long-term endeavor. The surest way to keep reform moving in Ecuador is through the continued pressure of civil society. It is therefore in USAID's programmatic interest to continue its support to key justice sector NGO and CSO partners in their efforts to influence public policy in the criminal justice area. It is estimated that on-going activities with CIDES and CEPAM will be completed by March 2000. Similarly, on-going activities under a Fixed-Priced Grant Agreement with CLD will be completed in December 1999, and law reform activities initiated last year under a Cooperative Agreement with CLD will be completed in September 2000. Thus, USAID will not provide the total authorized funding under its agreements with CIDES and CEPAM, but will use more effective mechanisms to help these organizations to achieve their financial self-sufficiency targets. Scarce resources will be reprogrammed for critical activities under IRs 1&2 with key public sector institutions. Finally, and in recognition of the important role of NGOs and CSOs in the reform process, USAID, through the Esquel Foundation, will continue to provide support, to improve their capacity to influence public policies. This support will consist of two principal mechanisms:

1) a "Strategic Alliance Fund;" and 2) technical assistance and training related to financial self-sufficiency of principal USAID justice sector partners.

NGO/CSO Strategic Alliance Fund

To encourage strategic NGO alliances, USAID is establishing an NGO/CSO "Strategic Alliance Fund." This fund is currently being designed and implemented through USAID support to the Esquel Foundation, a prestigious Ecuadorian NGO with years of experience in fund formation and management. The fund provides a source of funding for justice-related activities and will be awarded on a competitive basis. In this way, USAID will encourage partner NGOs and CSOs to form strategic alliances among themselves, and coalitions with public sector institutions where appropriate, with the objective of promoting participation in priority reforms. Areas of anticipated policy reform will include the following:

- Access creation including institutionalization of an NGO/CSO role in the public defense system
- Update and reformulate the IRP to place criminal justice on the priority reform agenda
- Expanded, national anti-corruption campaigns

The fund is designed to finance justice sector activities to be carried out through NGO alliances and thereby establish mechanisms which can be used as models for other donor assistance. Esquel has suggested the possibility of examining the feasibility of using this model as the basis for creating a permanent endowment to be funded through contributions it receives from international bilateral and multilateral donors, private enterprise, and the GOE. USAID/Ecuador will continue to monitor this development closely.

Long-term Financial Sustainability of Key Partners

In view of the long-term nature of justice sector reform, and USAID's focus on the long-term institutional and financial sustainability of its principal development partners, Esquel Foundation will provide TA and training to develop a basic operating capital sustainability and fund-raising program for CLD, CIDES and CEPAM. (USAID will support information campaigns and conferences to disseminate information on the work of these institutions). Building on a workshop conducted by the Esquel Foundation last year related to budgeting and indirect costs, this program has been designed to further assist these institutions to gain complete financial independence from USAID financing by training a sustainability program coordinator for each institution. After approximately one year of training, these coordinators will be capable of organizing a complete fund-raising program. Improving and systematizing the efforts of these and other NGOs to influence GOE policy decisions will be an important sub-component of this result. Thus, the Esquel Foundation will provide additional technical assistance and training through FY2000 to these key partners to increase their capacity to influence public policy.

The indicators for this IR are:

FY2000: Establishment of an NGO/CSO competitive "Strategic Alliance Fund" to support justice sector activities;

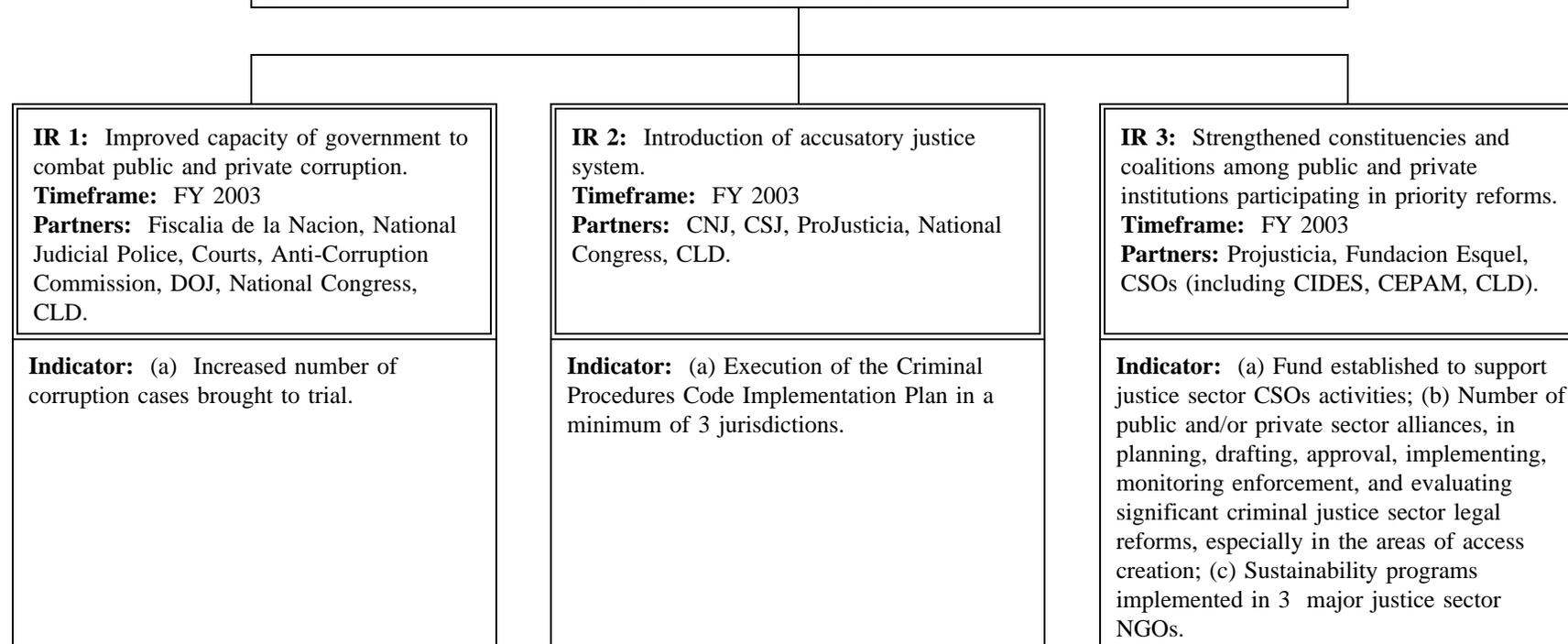
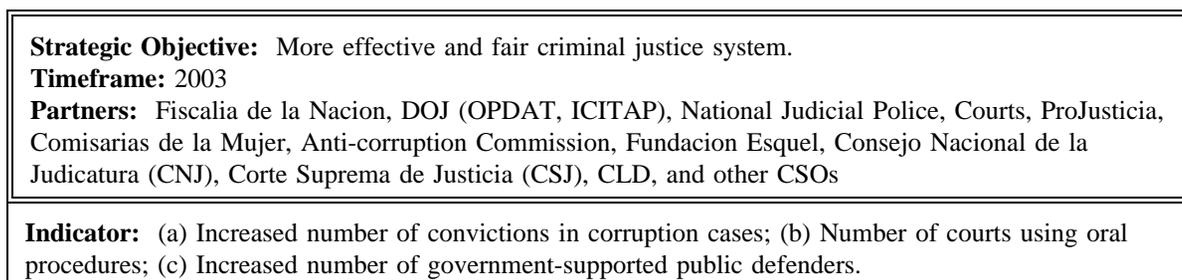
(By FY2000 a pilot fund will be established, by FY2001 the fund will be fully operative, by FY2002 the fund will be increased with other sources, and by FY2003 the Fund will be consolidated by multi-source funds. Given the uncertainties about creating an endowment, the indicator relates only to the minimum goal of a fund to finance NGO/CSO activities, which will be supplemented with other funding sources, but as a depletable fund rather than an endowment.)

FY2001: Sustainability programs implemented in three major justice-sector NGOs; and,

(By FY1999 the programs will be designed, by FY2000 the first Phase of the program will be completed, and by FY2001 these programs will be fully operative.)

FY2003: The number of CSO/CSO and CSO/public institution alliances participating in the planning, drafting, approval, implementation, monitoring enforcement, and evaluation of important criminal justice sector legal reforms.

New SO 3: Criminal Justice



OBJECTIVE: More effective and fair criminal justice system.			
APPROVED: APRIL/1999		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: Strategic Objective 3 - DEMOCRACY			
INDICATOR: DEM 3.0 (a) - Increased number of convictions in corruption cases.			
UNIT OF MEASURE: Planned actions completed/Number of convictions (CUMULATIVE) SOURCE: Public Ministry and Court records INDICATOR DESCRIPTION: There are a number of specific steps that must be accomplished prior to reaching the stage of actually counting the number of convictions. These are laid out for the first years of indicator progress. FY 2000 - Anti-corruption task force established, and joint training of prosecutors, police and judges undertaken. FY 2001 - Judges collaborating with task forces to accept cases for trial. (Note: This distinguishes this SO indicator more sharply from the IR 1 indicator. Annually (SOTL) COMMENTS: Once data collection systems are functioning, data will be reviewed to verify accuracy, timeliness, and reliability.	YEAR	PLANNED	ACTUAL
	1999 (B)	TBD - Baseline established	
	2000	See Indicator Description	
	2001	See Indicator Description	
	2002	Initial increase of convictions (baseline) by 100%.	
	2003 (T)	Increase of convictions (baseline) by 300%.	

OBJECTIVE: More effective and fair criminal justice system.			
APPROVED: APRIL/1999		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: Strategic Objective 3 - DEMOCRACY			
INDICATOR: DEM 3.0 (b) - Number of courts using oral procedures.			
UNIT OF MEASURE: Planned actions completed/Number of courts (CUMULATIVE) SOURCE: Consejo Nacional de la Judicatura and Projusticia INDICATOR DESCRIPTION: There are a number of specific steps that must be accomplished prior to reaching the stage of actually using oral procedures: FY 1999 - Congressional passage of the Criminal Procedures Code. FY 2000 - Implementation law or equivalent formulated. FY 2001 - Training of 40% of court personnel in 3 jurisdictions completed. Annually (SOTL) COMMENTS: The 35 courts represents 22% of total penal courts. Once data collection systems are functioning, data will be reviewed to verify accuracy, timeliness, and reliability.	YEAR	PLANNED	ACTUAL
	1999	See Indicator Description	
	2000	See Indicator Description	
	2001	3	
	2002	15	
	2003 (T)	35	

OBJECTIVE: More effective and fair criminal justice system.			
APPROVED: APRIL/1999		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: Strategic Objective 3 - DEMOCRACY			
INDICATOR: DEM 3.0 (c) - Increased number of government-supported public defenders.			
UNIT OF MEASURE: Planned actions completed/Number of public defenders (CUMULATIVE) SOURCE: Fundación Esquel and Defensoría Pública INDICATOR DESCRIPTION: There are a number of specific steps that must be accomplished prior to increasing the number of public defenders: FY 1999 - Study on institutionalization of public defense service. FY 2000 - Completion of the study laying out institutionalization alternatives. FY 2001 - Government adopts one option of the study. FY 2002 - Pilot implementation of the option selected. Annually (SOTL) COMMENTS: Once data collection systems are functioning, data will be reviewed to verify accuracy, timeliness, and reliability.	YEAR	PLANNED	ACTUAL
	1999	See Indicator Description	
	2000	See Indicator Description	
	2001	See Indicator Description	
	2002	See Indicator Description	
	2003 (T)	80	

OBJECTIVE: More effective and fair criminal justice system.			
APPROVED: APRIL/1999		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: SO 3 IR 1 - Improved capacity of government to combat public and private corruption.			
INDICATOR: DEM 3.1 (a) - Increased number of corruption cases brought to trial.			
UNIT OF MEASURE: Planned actions completed/Number of cases in selected crime area(s) (CUMULATIVE) SOURCE: Public Ministry INDICATOR DESCRIPTION: Specific steps need to be accomplished to enhance the capacity to bring cases to trial prior to counting the actual increase in number of cases. FY 2000 - Members of task force trained in team techniques. FY 2001 - Anti corruption task force members trained and prosecuting cases in Guayaquil and Quito. Annually (SOTL) COMMENTS: Once data collection systems are functioning, data will be reviewed to verify accuracy, timeliness, and reliability.	YEAR	PLANNED	ACTUAL
	1999 (B)	TBD - Baseline established	
	2000	See Indicator Description	
	2001	20% increase in corruption cases brought to trial over baseline.	
	2002	150% increase over baseline.	
	2003 (T)	300% increase over baseline.	

OBJECTIVE: More effective and fair criminal justice system.			
APPROVED: APRIL/1999		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: SO 3 IR 2 - Introduction of accusatory justice system.			
INDICATOR: DEM 3.2 (a) - Execution of the Criminal Procedures Code Implementation Plan in a minimum of 3 jurisdictions.			
UNIT OF MEASURE: Planned actions completed/Number of jurisdictions (CUMULATIVE) SOURCE: Consejo Nacional de la Juridicatura INDICATOR DESCRIPTION: This indicator is different from the second indicator at the SO level [DEM 3.0(b)], which reads "Oral procedures being used in three jurisdictions." Based on past experience, USAID believes that some judges will implement the code only partially, e.g., eliminating investigation and accusation from the judicial functions, and resist the introduction of oral procedures on one or another pretext, e.g., lack of physical space. These judges would meet this indicator, but not the SO level indicator. The Plan will be considered executed when the following steps have been taken: FY 1999 - Design and formulation of the Implementation Plan for the New Criminal Procedures Code. FY 2000 - Implementation Law or equivalent approved and initiated on a pilot basis with support from CNJ. FY 2001 - Training according to the Implementation Law began. FY 2002 - 40% of Court personnel (judges, clerks, and support staff of three jurisdictions) trained in the new Criminal Procedures Code. FY 2003 - 100% of the Court judges trained and Criminal Courts in at least three jurisdictions using the new code. Timing - Annually (SOTL) COMMENTS: Once data collection systems are functioning, data will be reviewed to verify accuracy, timeliness, and reliability.	YEAR	PLANNED	ACTUAL
	1998 (B)	--	0
	1999	See Indicator Description	
	2000	See Indicator Description	
	2001	See Indicator Description	
	2002	See Indicator Description	
	2003 (T)	3	

OBJECTIVE: More effective and fair criminal justice system.			
APPROVED: APRIL/1999		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: SO 3 IR 3 - Strengthened constituencies and coalitions among public and private institutions participating in priority reforms.			
INDICATOR: DEM 3.3 (a) - Fund established to support justice sector CSOs activities.			
UNIT OF MEASURE: Planned actions completed/Fund established SOURCE: Fundacion Esquel INDICATOR DESCRIPTION: This is a process indicator which will be achieved by accomplishing the specific steps as outlined. "Designed" will be indicated by the existence of a planning document. "Established" will be indicated by the existence of the necessary legal documentation. The existence of other funding sources will be indicated by a review of financial records. Annually (SOTL) COMMENTS: Once data collection systems are functioning, data will be reviewed to verify accuracy, timeliness, and reliability.	YEAR	PLANNED	ACTUAL
	1999 (B)	Fund designed	
	2000	Pilot fund established	
	2001	Fund fully operative	
	2002	Fund increased with other sources	
	2003 (T)	Fund consolidated by multi-sources funds.	

OBJECTIVE: More effective and fair criminal justice system.			
APPROVED: APRIL/1999		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: SO 3 IR 1 - Strengthened constituencies and coalitions among public and private institutions participating in priority reforms, especially in the areas of access creation.			
INDICATOR: DEM 3.3 (b) - Number of public and/or private sector alliances, in planning, drafting, approval, implementing, monitoring enforcement, and evaluating significant criminal justice sector legal reforms.			
UNIT OF MEASURE: Number of alliances formed (CUMULATIVE) SOURCE: Fundacion Esquel INDICATOR DESCRIPTION: Alliances will be identified by the existence of an MOU, contract, or other form of written agreement between/among the particular institutions. Timing - Annually (SOTL) COMMENTS: Once data collection systems are functioning, data will be reviewed to verify accuracy, timeliness, and reliability.	YEAR	PLANNED	ACTUAL
	1999 (B)	2	
	2000	6	
	2001	8	
	2002	10	
	2003 (T)	12	

OBJECTIVE: More effective and fair criminal justice system.			
APPROVED: APRIL/1999		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: SO 3 IR 1 - Strengthened constituencies and coalitions among public and private institutions participating in priority reforms.			
INDICATOR: DEM 3.3 (c) - Sustainability programs implemented in 3 major justice sector NGOs.			
UNIT OF MEASURE: Planned actions completed (CUMULATIVE) SOURCE: Fundacion Esquel INDICATOR DESCRIPTION: The target will be achieved through accomplishment of the outlined steps. The program will be considered fully operative when the core program has completed a full cycle. Timing - Annually (SOTL) COMMENTS:	YEAR	PLANNED	ACTUAL
	1999 (B)	Programs designed	
	2000	First phase of program completed	
	2001 (T)	Programs fully operative	

B. MANDATORY ANNEX - ENVIRONMENTAL IMPACT

(1) NEW OR AMENDED IEEs OR EAs - During FY1999, the Mission is continuing the process of redefining its Democracy SO and designing additional activities. The design document will build on the existing activities and it is therefore expected that the IEE will be in line with the IEE for the predecessor activities: i.e., a categorical exclusion.

(2) COMPLIANCE WITH PREVIOUS IEEs OR EAs - The following table lays out the Threshold Decisions for each of the SOs/SpOs.

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. See (*) below.	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	09-30-00
SO 3 Civil Society	Rule of Law/ Democracy Support (518-0120)	Categorical Exclusion	09-30-00
New, Revised SO 3 Criminal Justice	AMENDMENT ROL/DS (518-0120)	TBD - Categorical Exclusion	09-30-03
SpO 3 Governance	Good Governance (518-0127)	Categorical Exclusion	09-30-00
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)	No IEE prepared	N/A
	PD&S	No IEE prepared	N/A
	Food Aid Local Currency (Section 416 B, Food for Progress, PL-480 Title II)	No IEE prepared	N/A
	ESF Local Currency	No IEE prepared	N/A

* The Environmental Assessments for the activities to be implemented by CARE were sent to the LAC Bureau Environmental Officer (BEO) for approval during the first week of March 1998. Based on BEO comments, Consultant James Tolisano and DOI Scott Lapman assisted the Mission in preparing a response which was transmitted to the BEO on February 14, 1999. BEO responded (1) approving the implementation of all community Forestry Management Plans (FMPs) that were submitted to Washington for review and (2) requiring that the next few FMPs also be submitted for Washington review, but that review of subsequent FMPs would be delegated to the USAID/Ecuador Environmental Officer.

C. MANDATORY ANNEX - UPDATED RESULTS FRAMEWORK

As required by Paragraph III.A.2 of STATE 18819, the following is a simple listing of current SOs/SpOs and IRs:

SO 1 - Biodiversity Conservation

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

- IR 1:** Strengthened capacity of targeted NGOs and CSOs active in biodiversity conservation in selected protected areas and their buffer zones.
- IR 2:** Economically viable natural resource management (NRM) practices adopted in selected protected areas and their buffer zones.
- IR 3:** Key policies and legal frameworks introduced and/or implemented to conserve biodiversity in selected protected areas and their buffer zones.

SO 2 - Family Planning and Health

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

- IR 1:** Increased sustainability of FP NGO partners
- IR 2:** Improved quality and access of family planning services
- IR 3:** Improved quality and access of MCH services
- IR 4:** Increased Sustainability of Health NGOs

New SO 3 - Criminal Justice

Strategic Objective: More effective and fair criminal justice system.

- IR 1:** Improved capacity of government to combat public and private corruption.
- IR 2:** Introduction of accusatory justice system.
- IR 3:** Strengthened constituencies and coalitions among public and private institutions participating in priority reforms.

Old SO 3 - Civil Society Strengthening

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

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

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

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

SpO 1 - Pollution Prevention

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

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

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

SpO 2 - Microenterprise

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

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

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

IR 3: Strengthened institutions implementing village banking programs.

SpO 3 - Good Governance

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

IR 1: GOE efforts to modernize the MOF advanced.

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