

**USAID/Ecuador**  
**ANNUAL REPORT FY 2003**

3/13/2003

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## **A. Program Level Narrative**

### **Program Performance Summary:**

#### A. Program Level Narrative

##### 1. Program Performance Summary:

###### Background:

Situated in the heart of Latin America's most conflictive region and against many odds, Ecuador has managed to remain stable and democratic. The new President-elect Gutierrez will be very hard-pressed to deliver on his bold reform agenda. He promises to increase social spending, modernize the state, renegotiate external debt burden, ensure steps are made to build fiscal balance, providing cheap housing and more jobs. Lucio Gutierrez, ran on a platform that sought root out wide-spread corruption and focus more attention on the needs of the poor. His core backers are members of grass-roots social movements, unions and indigenous minorities. His victory has ushered in a new era that is marked by a push for new social equity and the promotion of transparency at all levels. However, he inherits a very fragile economy plagued by a lack of competitiveness which fuel concerns about the stability and future of dollarization, and further needed macroeconomic reforms. The economic crisis and persistent corruption create an environment for political instability. Clearly, the new Ecuadorian administration is faced with serious, interwoven economic, social and political challenges. A stronger, renewed U.S. Government commitment is needed now to ensure Ecuador remains a regionally stable partner.

The near collapse of the financial system, several years of profligate spending, national corruption scandals and low oil prices nearly brought the economy to the point of collapse in 1999. That year Ecuador's economy contracted more than 7%, capital flight was on the order of \$3 billion (almost 20% of the GDP); 15 banks were taken over by the State; 20% of the country's incorporated companies went out of business and reserves declined by 25%. To contain the economic chaos, the U.S dollar was put in place as the national currency. For the first two years, dollarization seemed to promote economic recovery. Economic growth rates in 2000 (1.9%) and 5.6% in 2001 (the highest growth rate in the entire hemisphere) were experienced. For 2002, indications reflect that while the adoption of the U.S dollar and high oil prices have helped to stabilize the economy, Ecuador's high external debt, and dependence on commodity exports have rendered it vulnerable to external shocks. Dollarization has exacerbated this because the real appreciation of the exchange rate threatens export competitiveness. With the export base dominated by a few primary products (oil, bananas, shrimp, coffee and cocoa), experts agree that if dollarization is to be sustained and a payment crisis avoided, the authorities must instill discipline in the management of public finances. After souring of relations between the IMF and Ecuador due to the lack of progress on fiscal reform, many in the country are uncomfortable with what they believe is a prioritization of foreign bondholders' interests over social spending. The abolition of subsidies on cooking gas and dramatic increases in Government of Ecuador employee wages, major policy recommendations of the IMF, are perennially sensitive issues. The lame-duck President, Gustavo Noboa, fearing the political consequences of such a move, has postponed the discussions and implementation of a revised IMF plan until the new President-elect assumes power.

With an external debt that amounts to 80% of the country's \$20.6 billion GDP and a poverty rate of over 60%, Ecuador's inability to promote fiscal reform puts the population's welfare at great risk. Per capita income has fallen causing significant out migration. Staggering health and education indicators reflect a poor human development. Gutierrez's immediate challenge, therefore, will be to cement a deal with the IMF without unleashing the social unrest that is latent among the population at large. Highlighting the populations' dissatisfaction with the present social and economic system, migration numbers continued to increase sharply in 2002. Ecuador continues to be the highest in the region in illegal immigrants to the U.S. As a result, the country's unemployment rate has fallen to 9.4% as compared to last year's 11%.

Adding to the Government's economic woes, recent election results reflect a significantly divided country. Politics are regionalized and fragmented among many political parties. While there is a broader trust in military institutions, the country experienced perhaps the freest, transparent and fair elections in

Ecuador's entire history. Symbolizing Ecuador's dissatisfaction with traditional leaders and the growing political influence of indigenous groups, the new President-elect, Lucio Gutierrez, will be inaugurated in January 2003. He will face a population with alarmingly low levels of support and confidence in democracy. The new President will also face mounting opposition in congress. His strong anti-corruption campaign platform resonated positively among voters who have not forgotten the abuses and excesses of the past and present.

In addition, while creating important numbers of displaced persons as well as refugees from Colombia, the expansion of the coca/cocaine growing economy (and its related narco-terrorist elements) continues to deteriorate conditions in the country's northern border. The southern border on the other hand, is flourishing under the joint peace initiatives between Ecuador and Peru. Municipal and infrastructure development in the south is serving as example to replicate in the north. Security concerns in the northern border, however, also accompany the deterioration of security conditions in the country as a whole. Guayaquil and Quito, the two principal cities, have experienced marked increase in crime as have other parts of the country. Recently, foreign citizens, both tourists and expatriate workers, have been victims on several occasions; a few have been killed. Popular demonstrations have become a common form of political protest and these frequently involve disruptive roadblocks. Despite improving cooperation between the local security forces and the U.S drug-control authorities, Ecuador remains an important transit route for illegal drugs destined for the US market and elsewhere.

As a result of social and economic pressures, Ecuador's rich biodiversity continues to be under threat. Ecuador's deforestation rate is the second highest in South America and its illegal over-fishing rate in the Galapagos continues to be alarming. A lack of enforcement of environmental laws, weak institutions, and a lack of GOE presence in target areas also make the broader approach of mitigating environmental degradation very challenging.

#### U.S. Interests and Goals:

A democratic, prosperous and secure Ecuador can serve as a bulk ward of Andean stability. To date, the chronic weakness of the country's economy, political institutions, and national leaders has limited its contribution. Even so, Ecuador has provided the USG with a crucial platform for the interdiction of regional narcotics trafficking; its experiment with dollarization has heightened interests in this policy and the constitutional government of President Gustavo Noboa and the peaceful presidential transition underway has kept democracy intact. In order to consolidate modest achievements to date, the USG has prioritized the following areas in order of importance: Regional Stability, Democracy, Economic Development, Fighting Narcotics Trafficking and Terrorisms and Promoting Open Markets.

The Department of State, the Department of Defense, the Drug Enforcement Administration, the Foreign Agricultural Service, the Foreign Commercial Service, and the Peace Corps are all presently working together in the delivery of assistance for the achievement of U.S. objectives while addressing the main challenges confronting Ecuador today.

#### Donor Relations:

Presently, the United States accounts for 48% of the non-reimbursable assistance to Ecuador. The U.S. ranks first followed by the European Union and Japan. Coordination on operational issues occurs at "round tables" organized by the Ministry of Foreign Affairs.

In FY 2002, USAID/Ecuador coordinated with the CAF, IDB, IMF and World Bank in the area of macroeconomic policy reform. In the Debt Restructuring Activity, USAID/Ecuador is the lead coordinator among the most influential donors (IMF, WB, IDB, CAF) for the development of a united front which supports the GOE in this critical effort. Consequently, this very successful donor coordination experience has set the tone for similar efforts across the gamut of macroeconomic initiatives in which USAID/Ecuador will be involved in the future. Under the same program, a committee for the coordination of microfinance activities has been consolidated with all active actors in this area. USAID/Ecuador will continue to build upon its donor coordination initiatives, particularly as it awaits definition on the new Government's development agenda.

Challenges: Ecuador's future lies in its ability to lead and promote significant social, economic and developmental change. Improvement in external competitiveness, exercising fiscal discipline, rooting out corruption, removing state controls on the economy, improving the banking sector and investment climate, and developing programs that focus on reducing pervasive poverty are all key to the new administration's long term success. USAID/Ecuador's program is uniquely positioned to face the challenges of the incoming government with focused activities that effectively respond to many of Ecuador's looming concerns.

#### Key Achievements:

Despite the challenges, however, FY 2002 has been a year of excellent progress for the USAID program in Ecuador. The Mission has built on lessons learned through implementation and has become actively engaged in the critical issues that shape Ecuador's development. Important advances have been made in the protection of vulnerable populations in both the southern and northern borders as well as in the strengthening of local governments for the inclusion of vulnerable and marginalized populations in the local democratic process while accessing services through participation. Additionally important contributions have been made in debt restructuring and poverty reduction. Finally, new environmental policies are being supported for the conservation and preservation of one of Ecuador's most important resources, its biodiversity. The challenge of the future will be to assist Ecuadorian organizations in the expansion of these positive results despite the changing political, economic and social circumstances.

#### 1. Environment

Due to Ecuador high rates of biodiversity depletion, USAID's Biodiversity Conservation program emphasizes protection of biologically important areas within the country's protected areas system, as well as in the buffer zones and other areas of high biological importance. Strategies to promote the conservation of these vital areas include the strengthening of local conservation organizations, the increasing of community participation in natural resource management programs and projects, and the support for the protection of globally significant species and areas.

#### 2. Democracy

A recent survey revealed that Ecuadorian levels of support and confidence in democracy are alarmingly low. To reverse this situation and prevent a return to non-democratic government and its affect on regional stability, the Democracy program seeks to increase support for the democratic system by strengthening the transparency and accountability of democratic institutions, foster greater inclusiveness of key historically disadvantaged groups in democratic processes, and increase consensus on policies key to democratic consolidation. USAID focuses its effort on three sectors, the justice system, anti-corruption, and democratic local governments. The program also supports free and fair elections as a means of reinforcing the legitimacy of democracy. The ongoing justice reform and democratic local governance activities will be consolidated in FY 2003 and FY 2004 and its results will be more visible and measurable. In FY 2004, USAID expects to support the sub-national electoral process.

#### 3. Northern Border

As a result of the spill over effect from Colombia's civil conflict, USAID's Northern Border Program is aimed at improving the lives of people living in six provinces adjacent to Ecuador's northern border. Principal activities include: support for social infrastructure projects, especially potable water and sanitation; productive infrastructure; primarily farm-to-market roads, small bridges and irrigation canals; training activities to strengthen civil society organizations; and assistance to displaced Colombians and receptor communities. An expanded program planned for FY 2003 will incorporate the above activities into a broader long term program to contain spillover and the development of a coca-cocaine economy in Ecuador. Activities to improve local government capacity, strengthen democratic governance and increase employment and income, will be all incorporated.

#### 4. Southern Border

As a result of the peace agreement between Peru and Ecuador, USAID's multi-faceted Southern Border Program has the ultimate goal of promoting border integration through the improvement of social and economic conditions of inhabitants in Ecuador's southern provinces. Program activities include: a) increasing stability and mitigating conflict through bi-national (Ecuador-Peru) coordination and

cooperation; 2) constructing and/or repairing sustainable public health infrastructure (i.e. water systems, sanitation units, garbage collection and/or recycling systems); 3) providing technical assistance and training to increase the level of land titling and conservation of the protected area of the Cordillera del Kutucu; and 4) providing technical assistance to local governments in the areas of participatory strategic planning and administrative management.

#### 5. Poverty Reduction

As an answer to Ecuador's high poverty rates, USAID's Poverty Reduction program addresses the reduction of poverty through a two-prong approach. The program seeks to strengthen the national microfinance sector in Ecuador and to increase access to financial and non-financial services by urban and rural micro entrepreneurs. Interventions, therefore, focus on the institutional strengthening of the microfinance service providers and the creation of a facilitative regulatory and supervisory framework. The program also aims to improve the macroeconomic environment for more equitable growth. Additional activities are designed to help improve tax policy and administration, strengthen the investment climate, promote competitiveness, and develop a strong, liberalized and more transparent financial sector.

**Environmental Compliance:** 1. NEW OR AMENDED IEEs or EAs - An IEE was prepared for the new CAIMAN project slated to begin in FY 2003 under the Environment SO (SO1). Additionally, an IEE and an EA were completed for the Awa Forestry Management activity under the SO1 which includes timber harvest. Further activities may be carried out under SO1, and as appropriate, IEEs will be prepared and submitted. An IEE amendment was prepared for the new Northern Border strategy to include additional activities such as irrigation, small water supply, and small sewage treatment systems. With the Isabela Comprehensive Ecotourism Plan, an EA for the specific projects has been completed and is under review. The Southern Border Integration Program included the completion of two IEEs to address potential impacts from silvopastoral, fisheries and snail production systems at the family and community levels.

2. COMPLIANCE WITH PREVIOUS IEEs and EAs - The Mission is in compliance with previously approved IEEs, CEs and EAs. A monitoring system has been developed to track the design, implementation and mitigation of activities under all SOs to ensure compliance. The following listing displays the Threshold Decisions for each of the SOs/SpOs.

#### SO1 - Biodiversity Conservation:

Galapagos National Park/Charles Darwin Foundation

Threshold decision: Negative Determination; Environmental Assessment required for ecotourism plan.

IEE No. LAC-IEE-00-26 dated May 24, 2000

#### Awa Forestry Management

Threshold decision: Categorical Exclusion, Negative Determination, Positive Determination/Environmental Assessment required.

IEE No. LAC-IEE-02-17 dated April 26, 2002

#### CAIMAN

Threshold decision: Categorical exclusion, Negative Determination, Negative Determination with Conditions, Positive Determination.

IEE No. LAC-IEE-02-44 dated August 8, 2002

#### SO11 - Southern Border Integration:

Threshold decision: Positive Determination/Environmental Assessment required (completed and approved).

IEE No. LAC-IEE-00-50 dated September 5, 2000

#### Agroforestry/Fishculture/Snail Production:

Initial Environmental Examination needed.

#### SO12 - Democracy

Threshold decision: Categorical Exclusion.  
IEE No. LAC-IEE-01-17 dated May 21, 2001

SO13 - Northern Border Development:  
Threshold decision: Negative Determination, Negative Determination with Conditions.  
IEE No. LAC-IEE-02-37 dated July 16, 2002 and amendments.

SO14 - Poverty Reduction:  
Threshold decision: Categorical Exclusion.  
IEE No. LAC-IEE-01-40 dated July 26, 2001

**Country Closeout & Graduation:** Does not apply.

## **D. Results Framework**

### **518-001 Biodiversity conserved in selected protected areas and their buffer zones**

SO Level Indicator: Hectares of biologically important area conserved

IR 1.1 Strengthened capacity of targeted NGOs and CSOs active in biodiversity conservation in selected protected areas and their buffer zones

IR 1.2 Economically viable natural resource management (NRM) practices adopted, in selected protected areas and their buffer zones

IR 1.3 Key policies and legal frameworks introduced and/or implemented to conserve biodiversity in selected protected areas and their buffer zones

**Discussion:** NA

### **518-002 Increased use of sustainable family planning/maternal child health services**

**Discussion:**

### **518-004 Increased access to financial services by microentrepreneurs, with emphasis on women**

**Discussion:**

### **518-005 Improved sustainable capacity of selected public and private institutions to prevent pollution**

**Discussion:**

### **518-011 Improved Social and Economic Conditions of Inhabitants along the Peru-Ecuador Border, thereby Promoting Border Integration**

SO Level Indicator: Number of beneficiaries in the target region whose lives are improved by participation in income generation activities, access to social services, adoption to improved NRM practices, and/or more effective local governments

IR 11.1 Increased access to major infrastructure

IR 11.2 Expanded income-generating opportunities for small and microentrepreneurs

IR 11.3 Increased availability and access to social services, with emphasis on health, water and sanitation

IR 11.4 Improved natural resource management in selected areas along the border

IR 11.5 Increased private investment in the border area

IR 11.6 Improved capacity of local governments to plan projects and implement services

**Discussion:** IR 1 and IR 5 are being addressed by other donors and by the Ecuadorian private sector, without direct support from USAID.

### **518-012 Increased Support for the Democratic System**

- IR 12.1 Improved transparency and accountability of key democratic institutions
  - IR 12.1.1 Implementation of new accusatorial justice system advanced
  - IR 12.1.2 Targeted local governments more effectively respond to community needs
  - IR 12.1.3 Oversight capacity of civil society increased
- IR 12.2 Greater inclusiveness of democratic processes
  - IR 12.2.1 Access to justice improved
  - IR 12.2.2 Broad-based participation in decision-making of targeted local governments increased
  - IR 12.2.3 Leadership capacity enhanced especially among traditionally marginalized groups
- IR 12.3 Increased policy consensus in key democratic areas
  - IR 12.3.1 Justice reform agenda advanced
  - IR 12.3.2 Decentralization for strengthened sub-national government advanced
  - IR 12.3.3 Mechanisms for coalitions and consensus building strengthened

**Discussion:** NA

### **518-013 Improved Quality of Life of Population Living Along the Northern Border**

SO Level Indicator: Number of beneficiaries in the target region whose lives are improved by participation in access to social and infrastructure services

- IR 13.1 Health conditions improved in vulnerable villages and towns
- IR 13.2 Roads and related infrastructure improved in vulnerable areas
- IR 13.3 Civil society strengthened to better respond to local needs and to the challenges of Plan Colombia
- IR 13.4 As appropriate, needs of displaced persons met without destabilizing the local social infrastructure

**Discussion:** NA

### **518-014 Increased Economic Opportunities for the Poor**

SO Level Indicator: Key governmental institutions strengthened for an improved macroeconomic environment

SO Level Indicator: Number of microfinance credit clients increased by approximately 350%

- IR 14.1 Increased access to microfinance services
  - IR 14.1.1 Facilitative financial policy and regulatory environment created
  - IR 14.1.2 Strong, sustainable microfinance institutions developed
  - IR 14.1.3 Availability of debt and equity financing for microfinance institutions expanded
- IR 14.2 Macroeconomic policies/environment for more equitable growth improved

**Discussion:** NA

### **518-0154 Increased access to microfinance services.**

- IR 14.1 Increased access to microfinance services.

**Discussion:**

### **518-XXX Economic Growth**

**Discussion:**

## Selected Performance Measures - Ecuador

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Indicator (all data should pertain to FY or CY 02)	OU Response	Significant Result: Description of the significant result for a strategic objective	Data Quality Factors: Information relevant to the collection of this indicator data, e.g. "this data was not collected last year because it is only collected every five years."
<b>Pillar I: Global Development Alliance</b>			
Did your operating unit achieve a significant result working in alliance with the private sector or NGOs?			
518-014 Increased Economic Opportunities for the Poor	Yes	A DCA was approved on September, 2002 to provide a 50% guarantee on \$4 million in international bank lending for Banco Soidario's micro-credit portfolio.	
a. How many alliances did you implement in 2002? (list partners)	1		
b. How many alliances do you plan to implement in FY 2003?	3		
What amount of funds has been leveraged by the alliances in relationship to USAID's contribution?	4		\$4 million has been leveraged using \$198,000 DCA guarantee authority.
<b>Pillar II: Economic Growth, Agriculture and Trade</b>			
<b>USAID Objective 1: Critical, private markets expanded and strengthened</b>			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
<b>USAID Objective 2: More rapid and enhanced agricultural development and food security encouraged</b>			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
<b>USAID Objective 3: Access to economic opportunity for the rural and urban poor expanded and made more equitable</b>			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
518-014 Increased Economic Opportunities for the Poor	Yes	After six months of assistance thru September, 2002 eight selected microfinance insitutions enjoyed an increase in credit clients served of almost 25%, already exceeding the December 2002 goal of 72,000.	
<b>USAID Objective 4: Access to quality basic education for under-served populations, especially for girls and women, expanded</b>			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
a. Number of children enrolled in primary schools affected by USAID basic education programs (2002 actual)	Male	Female	Total
b. Number of children enrolled in primary schools affected by USAID basic education programs (2003 target)	Male	Female	Total
<b>USAID Objective 5: World's environment protected by emphasizing policies and practices ensuring environmentally sound and efficient energy use, sustainable urbanization,</b>			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			

518-011 Improved Social and Economic Conditions of Inhabitants along the Peru-Ecuador Border, Thereby Promoting Border Integration	Yes			The Southern Border Program initiated the Preliminary Studies on Biodiversity to develop a baseline of priorities for conservation in the Cordillera del Kutuku. At the same time local technicians from the Shuar Federations are attending seminars on conservation and management of natural resources. During the reporting period, 14 workshops on Initial Environmental Assessments were carried out with the participation of approximately 300 farmers. The mitigation measures for the Cordillera del Kutuku were implemented to mitigate the environmental impact on flora and fauna, as well as socio-economic impacts of natural resource management activities.	
a. Hectares under Approved Management Plans (2002 actual)	2				2.2 million hectares
b. Hectares under Approved Management Plans (2003 target)	20000				20000

Pillar III: Global Health

USAID Objective 1: Reducing the number of unintended pregnancies

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Percentage of in-union women age 15-49 using, or whose partner is using, a modern method of contraception at the time of the survey. (DHS/RHS)

%			
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USAID Objective 2: Reducing infant and child mortality

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Percentage of children age 12 months or less who have received their third dose of DPT (DHS/RHS)

Male	Female	Total	
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Percentage of children age 6-59 months who had a case of diarrhea in the last two weeks and received ORT (DHS/RHS)

Male	Female	Total	
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Percentage of children age 6-59 months receiving a vitamin A supplement during the last six months (DHS/RHS)

Male	Female	Total	
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Were there any confirmed cases of wild-strain polio transmission in your country?

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USAID Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Percentage of births attended by medically-trained personnel (DHS/RHS)

%			
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USAID Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

a. Total condom sales (2002 actual)

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b. Total condom sales (2003 target)				
National HIV Seroprevalence Rates reported annually (Source: National Sentinel Surveillance System)	%			
Number of sex partners in past year (Source: national survey/conducted every 3-5 years)per DHS or other survey)				
Median age at first sex among young men and women (age of sexual debut) ages 15-24 (Source: national survey/conducted every 3-5 years) per DHS or other survey)	Male	Female	Total	
Condom use with last non-regular partner (Source: national survey/conducted every 3-5 years)per DHS or other survey)	%			
Number of Clients provided services at STI clinics				
Number of STI clinics with USAID assistance				
Number of orphans and other vulnerable children receiving care/support				
Number of Orphans and Vulnerable Children programs with USAID assistance				
Number of community initiatives or community organizations receiving support to care for orphans and other vulnerable children				
Number of USAID-supported health facilities offering PMTCT services				
Number of women who attended PMTCT sites for a new pregnancy in the past 12 months				
Number of women with known HIV infection among those seen at PMTCT sites within the past year.				
Number of HIV-positive women attending antenatal clinics receiving a complete course of ARV therapy to prevent MTCT (UNGASS National Programme & Behavior Indicator #4)				
Number of individuals reached by community and home-based care programs in the past 12 months				
Number of USAID-assisted community and home-based care programs				

Number of clients seen at Voluntary Counseling and Testing (VCT) centers				
Number of VCT centers with USAID assistance				
Number of HIV-infected persons receiving Anti-Retroviral (ARV) treatment				
Number of USAID-assisted ARV treatment program				
a. Number of individuals treated in STI programs (2002 actual)	Male	Female	Total	
b. Number of individuals treated in STI programs (2003 target)	Male	Female	Total	
a. Is your operating unit supporting an MTCT program?				
b. Will your operating unit start an MTCT program in 2003?				
a. Number of individuals reached by community and home based care programs (2002 actual)	Male	Female	Total	
b. Number of individuals reached by community and home based care programs (2003 target)	Male	Female	Total	
a. Number of orphans and vulnerable children reached (2002 actual)	Male	Female	Total	
b. Number of orphans and vulnerable children reached (2003 target)	Male	Female	Total	
a. Number of individuals reached by antiretroviral (ARV) treatment programs (2002 actual)	Male	Female	Total	
b. Number of individuals reached by antiretroviral (ARV) treatment programs (2003 target)	Male	Female	Total	

**USAID Objective 5: Reducing the threat of infectious diseases of major public health importance**

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

a. Number of insecticide impregnated bed-nets sold (Malaria) (2002 actual)				
b. Number of insecticide impregnated bed-nets sold (Malaria) (2003 target)				
a. Proportion of districts implementing the DOTS Tuberculosis strategy (2002 actual)	%			
b. Proportion of districts implementing the DOTS Tuberculosis strategy (2003 target)	%			

**Pillar III: Democracy, Conflict and Humanitarian Assistance**

**USAID Objective 1: Strengthen the rule of law and respect for human rights**

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

518-012 Increased Support for the Democratic System	Yes			Mission has played a leading role in evaluating bottlenecks to implementation of the new code of criminal procedures, and feeding this information back to policymakers. Training on the code continued and a public education campaign and a first specialized manual for lawyers was designed.
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USAID Objective 2: Encourage credible and competitive political processes

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

518-012 Increased Support for the Democratic System	Yes			USAID was the lead donor in supporting free and fair elections, which are critical to the number one democracy problem in Ecuador - political instability. USAID support resulted in elections characterized by their transparent and relatively effective administration.
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USAID Objective 3: Promote the development of politically active civil society

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

518-012 Increased Support for the Democratic System	Yes			USAID promoted the formation of 21 public-private partnerships in which 64 organizations has participataed to promote justice reform and anticorruption. USAID led donor support for the start-up of a national non-partisan domestic observation organization, "Participacion Ciudadana (PC)", the first in Ecuador history. PC observed elections and developed other key initiatives in support of democracy strengthening.
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USAID Objective 4: Encourage more transparent and accountable government institutions

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

518-012 Increased Support for the Democratic System	Yes			USAID support to the Anti-Corruption Commission (CCCC) continued during this reporting period, and has been key to helping the CCCC become a progressively more important player in the fight against corruption. The Commission has played a leading role in exposing banking scandals, municipal budget transfer scandal, and illicit enrichment of public officials.
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USAID Objective 5: Mitigate conflict

Did your program in a pre-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

518-013 Spread of the Andean Regional Coca/Cocaine Economy into Ecuador Contained	Yes			The program successes to date were accomplished within a broader context of multiple and growing spillover effects from the Colombia conflict affecting the northern border region. USAID support has assisted the GOE to strengthen state presence and community structures in the north; and by generally fortifying a more licit social, economic, and political environment.
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Did your program in a post-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

Number of refugees and internally displaced persons assisted by USAID	200 Male	615 Female	815 Total	
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USAID Objective 6: Provide humanitarian relief

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Number of beneficiaries				
Crude mortality rates	%			
Child malnutrition rates	%			
Did you provide support to torture survivors this year, even as part of a larger effort?				
Number of beneficiaries (adults age 15 and over)	Male	Female	Total	
Number of beneficiaries (children under age 15)	Male	Female	Total	