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# The Productive Network Project

FY09 Semi-Annual Report: October 1, 2008 – March 31, 2009

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## List of Acronyms

ACUDIR – Agencia Cuenca para el Desarrollo e Integración Regional  
ADET – Agencias de Desarrollo Económico Territorial  
ADPM – Agencia de Desarrollo Provincial de Manabí  
APRI – Agencia de Promoción Regional de Inversiones  
APRIM– Agencia de Promoción Regional de Inversiones de Manabí  
ART– Articulando Redes Territoriales  
BPA – Buenas Practicas Agrícolas  
CAF– Corporación Andina De Fomento  
CEDET – Comité Ecuatoriano de Desarrollo Económico Territorial  
CEMDES –Consejo Empresarial para el Desarrollo Sustentable del Ecuador  
CFN– National Finance Corporation  
CNPC – Consejo Nacional para la Reactivación de la Producción y Competitividad  
CODECOB – Corporación De Desarrollo Económico Y Competitivo De Bolívar  
CODEPYME – Consejo de Desarrollo de la Pequeña y Mediana Empresa  
CODERIOS –Corporación de Desarrollo de Los Río  
CONCOPE - Consorcio de Consejos Provinciales del Ecuador  
CORPEI – Corporación de Promoción de Exportaciones e Inversiones  
CRECER – Corporación Regional Económica Empresarial  
DCA – Development Credit Authority  
FIE – Fondo Italo-Ecuatoriano  
FTE – Full time equivalent  
FUNORSAL– Fundación de Organizaciones Campesinas de Salinas  
GDA – Global Development Alliances  
GOE – Government of Ecuador  
GTZ – Deutsche Gesellschaft für Technische Zusammenarbeit (German Technical Cooperation)  
IDB – Inter-American Development Bank  
INVEC – Corporación de Promoción de Inversiones de Cuenca  
IPR – Intellectual property rights  
MAGAP – Ministry of Agriculture  
MCPCC – Ministerio de Coordinación de Producción, Competitividad y Comercialización (formerly MCP)  
MIPRO – Ministerio de Industrias y Productividad (formerly MICIP and MIC)  
MOU – Memorandum of Understanding  
MSME – Micro, small, and medium-sized enterprise(s)  
SENPLADES – National Secretariat for Planning and Development  
SENACYT – National Secretariat for Science and Technology  
SRI – Servicio de Rentas Internas  
TIMOs – Timberland Investment Management Operators  
REDET – Red de Gestores de Desarrollo Económico Territorial  
UNDP – United Nations Development Programme  
USAID– United States Agency for International Development  
UTPL– Universidad Técnica Particular de Loja

## Executive Summary

Mid-FY09 marks nearly two years of implementation for Productive Network and we are now witnessing the evolution of the project partners that we helped create and the impact of our ten Global Development Alliances and other activities previously initiated. From October 2008 through March 2009 Productive Network focused on providing targeted technical assistance, monitoring and oversight support to our partners to ensure impact beyond our direct beneficiaries.

CEDET, Productive Network's grantee and key partner, continued its consolidation and entered into significant relationships that contribute to its long-term sustainability. Most notably, CEDET was awarded a \$94,000 institutional strengthening grant from the UNDP ART program and is being sought by multiple government agencies as an administrator of program funds. CEDET and the ADETs focused their efforts on strengthening their role as public-private dialogue mechanisms and established roundtables in each of their regions to lead policy and sector discussions. The relationship between CEDET and the ADETs and among the ADETs also evolved into one of true mutual support and exchange—this period saw the launch of a project for regional mapping in Loja province jointly implemented by CEDET and two ADETs. In the border regions, Productive Network efforts led to public and private sector commitments for the launch of an ADET in Esmeraldas province and, despite a heady electoral season, interest and some commitments from Zamora-Chinchipec, Los Ríos, and El Oro among others. Productive Network's primary role has been to support our partners in their growth through technical leadership and funding that can in turn leverage additional support from other sources.

In the area of programmatic reform, Productive Network partners have now taken on a life of their own and are spearheading efforts to build bridges between public and private actors. The two national agencies and the two regional agencies related to investment promotion that Productive Network helped create are leading dialogue tables, facilitating new and re-investment, and taking on obstacles to economic growth. It is safe to say that the majority of these bridges and dialogues would not be taking place if it were not for Productive Network's seed or on-going involvement.

The near completion of most GDAs implies significant results in the Productive Sector component including increased employment for over 12,000 people, increased productivity and sales for micro, small and medium-sized enterprises and producers, and a marked transformation in the relationship between actors in each of the ten value chains that we supported. In early FY09 Productive Network began leading activities that allow for knowledge sharing across GDAs and other development actors that have the potential to replicate the project's methodology and impact.

Communications efforts to publicize Project and partner activities as well as technical assistance to develop this capacity in our partners had a cross-cutting impact. During the past six months, we estimate that we reached over 440,000 Ecuadoreans with news of our partners' activities or results from the GDAs. Through on-site technical assistance on communications tools and strategy to CEDET, the ADETs, and the regional investment promotion agencies, and inputs to the development of a web portal for CEDET, we expect that our partners will multiply their outreach beyond the life of Productive Network.

The Productive Network Project met or exceeded nearly all of its full FY09 indicators during the first half of the year and assumes the challenge of generating an impact beyond its expected results in the remainder of this year.

## Component 1: Support to Private Sector-Civil Society Council (CEDET)



During the first half of FY09, Productive Network supported continued consolidation of CEDET which resulted in noteworthy recognition by local and national actors of its role as a link between the public and private sector and the national government and the regions outside of Guayas and Pichincha provinces. CEDET has also been recognized for its ability to develop and implement projects. CEDET's growing role as a private sector representative is evidenced in its selection to the Executive Board for the National Program to Simplify Business Transactions as well as its leadership of the recently formed "DET" advisory committee (DET for regional economic development in Spanish) for the Ministry for Coordination of Production, Competitiveness and Commercialization (MCPCC).

Productive Network also continued support to CEDET-member regional economic development agencies (ADETs for their Spanish acronym) through the execution of grants that improve their leadership in their respective regions, and various trainings, including project development and communications. New this reporting period is the focus on developing ADETs in the northern border, which resulted in stakeholder agreement to create a new ADET for Esmeraldas province. Continued efforts to strengthen public-private dialogue that could lead to the creation of ADETs in Zamora, Guayas, El Oro and Los Rios provinces, resulted in commitments by local stakeholders.

### Major Accomplishments: Support to Private-Civil Society Council (CEDET)

- The United Nation's *Articulando Redes Territoriales* (ART) program awarded \$94,000 to CEDET and the ADETs for institutional capacity building.
- Through a joint project with the *Corporación Andina de Fomento* (CAF) and the Ministry of Industry and Production (MIPRO), CEDET formed public-private dialogue tables in select provinces of its member ADETs.
- CEDET signed an MOU with the MCPCC to conduct regional and sector mapping in Loja as part of a \$30 million local development project.
- Productive Network launched creation of new ADET in Esmeraldas.

### A. Institutionalization, Positioning, and Sustainability of CEDET

CEDET is increasingly recognized by local, national, and international actors as demonstrated by their invitations for CEDET to participate in, lead and manage economic development projects throughout Ecuador—a solid sign of the organization's strategic role. CEDET's key developments in the first half of FY09 are as follows:



*Representatives of CEDET and the ADETs meet with the Minister of the MCPCC, representatives from MIPRO, the Director of the Productive Sector Development Program, and the Sub-Secretary for Planning from SENPLADES.*

- Awarded a \$94,000 sustainability project through the United Nation's ART program, which aims to: provide long term strategic leadership for regional development;

coordinate ADET proposals with provincial strategies, programs and projects in accordance with Ecuador's national development plan; coordinate ADET proposals and identify new projects with international development organizations; systemize organizational tools for existing and/or new ADETs; assist in development of new ADETs; implement training programs for improved planning and management; create international linkages with ADETs around the world; systemize ADET strategic planning tools and regional initiatives; develop proposals to implement regional marketing strategies; and develop local capacity for business linkages. CEDET is currently designing the scope of their first activities to implement public-private roundtables and three pilot projects for regional branding and marketing. The roundtables will be implemented in Loja, Azuay, and Pichincha to address public policy, industrial/productive sectors, and tourism and in Manabí to address business climate issues.



*CEDET Executive Director, Sergio Ochoa, forms part of a national committee to coordinate implementation of a \$30 million local development project in Loja.*

- Through a joint project with the CAF and the MIPRO, CEDET established a uniform methodology to assure consistency in the ADETs' implementation of public private dialogue roundtables. The CAF-MIPRO project funded the first phase of implementation of these tables in early FY09 and the ART and Productive Network projects will continue with phase two as of April. The ART program is supporting roundtables as mentioned in the above bullet and the Productive Network is supporting roundtables in Ambato, Imbabura, and Chimborazo provinces as described further in section "C. Strengthening ADETs."
- Contracted a consulting firm to conduct an evaluation of each ADET with funding from the CAF-MIPRO project. The evaluation built on the Productive Network-funded analysis by Fernando Navia, and will be used to highlight support opportunities to the Government of Ecuador (GOE) and donor community.
- Organized the first annual DET-INNOVA (DET for *Desarrollo Económico Territorial*) conference to exchange experiences and lessons learned on innovation in regional economic development. Participants included representatives from key national government agencies, international development organizations, and representatives from local government, non-governmental organizations, the ADETs, and others. Project Chief of Party, Santiago Sedaca, presented on lessons learned from Silicon Valley for Ecuadorian regional development practitioners.
- Partnered with the National Secretariat for Planning and Development (SENPLADES) to define the ADETs' roles in their regional planning process using

#### **CEDET Represents Ecuador Internationally**

- In Peru, CEDET Executive Director, Sergio Ochoa, presented at the 5<sup>th</sup> International Conference on "Experiences and Lessons Learned in Latin America on Local Economic Development and Competitiveness" organized by the Association of Exporters of Peru and the Council of Ministries of Peru.
- In the Dominican Republic, Mr. Ochoa participated in the *Foro Internacional de Agencias de Desarrollo Económico Territorial*, resulting in formation of the "Red-Mosaico de las ADEL Latino-Americanas para el Desarrollo Humano, ReMALDH."
- CEDET hosted a delegation from the Development Agency of Cauca province in Colombia that included mayors and business people.
- CEDET signed an MOU with the National Network of Development Agencies of Colombia to exchange experiences and information.

the project on productive sector mapping in Loja as a model. Currently CEDET, ACUDIR (the ADET for Azuay province), and ADE Loja are conducting this mapping under a Memorandum of Understanding with the MCPCC. This initiative is a first example of a cross-ADET technical team leading an economic development process. Furthermore, CEDET formed part of a national committee to coordinate implementation of the \$30 million local development and competitiveness pilot project in Loja, which is financed by the Inter-American Development Bank (IDB), the MCPCC and SENPLADES. CEDET is responsible for involving other provinces in the process so that the methodology may later be replicated.

- Together with the Coordinating Ministry of Social Development, agreed to implement the following activities: Communicate the impact of the Ministry's "FONINCLUSION" (*Fondo de Cofinanciamiento no Reembolsable de Negocios Sociales Inclusivos*) project, which provides technical and financial assistance for local development projects to benefit small producer associations; Disseminate information on the Ministry's "INFOINCLUSION" program and its web portal, [www.infoinclusion.gov.ec](http://www.infoinclusion.gov.ec), which serves as an informational tool about microenterprise, handcraft, productive sector, and agriculture projects implemented by various ministries in Ecuador; Manage use of FONINCLUSION funds; Participate in the "Socio Jóvenes" program, which will include managing funds for a young entrepreneurs contest that will be used to develop business plans and conduct market studies and research; Participate in the "Youth, Migration, and Employment" project jointly supported by United Nations Development Programme (UNDP) and Ecuador's National Secretary of Migration's (SENAMI for its Spanish acronym); Create an ADET in El Oro province; and Participate in the "Socio Empleo" program that promotes creating employment banks.
- Became a member of a Trade Network called REDCO, which is affiliated with the *Corporación de Promoción de Exportaciones e Inversiones* (CORPEI) and will help create one stop shops and share commercial databases with export businesses.
- Named administrator of the Red de Gestores de Desarrollo Económico Territorial (REDET) for the next two years following administration by the *Consortio de Consejos Provinciales del Ecuador* (CONCOPE) during the first year. Management of this virtual network will allow for improved communication and knowledge sharing and will add another dimension to CEDET's outreach. The Productive Network has since initiated a project to integrate the CEDET and REDET web pages into a dynamic web portal for knowledge sharing between economic development actors across Ecuador.
- Continued to be one of three local operators of "Fondepyme," which is designed to provide technical assistance to small and micro enterprises throughout Ecuador. In late January, received training on the fund's use by representatives of the *Consejo de Desarrollo de la Pequeña y Mediana Empresa* (CODEPYME) of the MIPRO. CEDET, has now obtained approval to implement 25 projects, worth \$1.4 million in funding. After CODEPYME delays within CODEPYME, implementation and disbursement of funds are expected to begin in April.
- Presented a proposal to the Ministry of Tourism to develop a National Plan for the Development of Assets that could be promoted by the ADETs.
- Following a request by the MIPRO and the National Secretariat for Science and Technology (SENACYT for its Spanish acronym) in October, CEDET and the ADETs presented projects that could be considered for the National Innovation Fund.
- With the support of INWENT (a German cooperation program), obtained five slots to participate in an online training program on the fundamentals of sustainable economic development.
- Participated in a work planning meeting with the Vice Minister of the MCPCC, Cornelio Delgado, during which the parties agreed that CEDET will submit a proposal to manage projects approved by a competitiveness fund known as the "*Fondo Mixto de Competitividad Sub-nacional*." The fund, previously managed by the National Council for the Reactivation of Productivity and Competitiveness (CNPC), currently has \$700,000 in approved projects and in the future could have a ceiling of up to \$1.8 million per year.

In addition to the grant covering a portion of CEDET's operational and technical activities, Productive Network contributed to strengthening CEDET as follows:

- Provided guidance for CEDET's preparation of a draft Sustainability Plan, which includes a macro perspective of the activities needed to ensure CEDET's longevity and a prioritized list of short-term activities.
- Participated in the "International Seminar on Employment and Productive Linkages within Local Economic Development" co-hosted by CRECER, the ADET for Chimborazo province.
- Participated in the "Local Networks and Partnerships" module of the certificate course on Regional Development for CEDET and the ADETs. The course was funded through the support program for CEDET sponsored by the MIPRO and the CAF (described above), and some related expenses were covered through the Productive Network grant to CEDET.

**Impact of Grant to Support New ADET in Guayas**

Productive Network's \$20,000 grant to the *Consejo Empresarial para el Desarrollo Sustentable del Ecuador* (CEMDES) helped create an ADET in Guayas province, accomplished through the dialogue and commitments that the grant activities generated and resulted in interested stakeholders signing an Agreement (Acuerdo de Voluntades) for the ADET's creation. Signatories included the Chamber of Commerce of Guayaquil, Catholic University of Guayaquil, and the National Council for the Reactivation of Production. Furthermore, CEMDES contracted the consulting firm that will develop the Competitiveness Agenda for Guayaquil to serve as the foundation for the work of the new ADET.

**B. Strengthening of ADETs**

CEDET's sustainability is directly linked to the relevance and significance of the ADETs as promoters of regional economic development. The technical assistance from Productive Network and the further consolidation of CEDET have, in FY09, improved the ADETs' technical capacity to support and in some cases drive economic development in their regions. During the first half of FY09 the Productive Network delivered or supported the following activities to strengthen the ADETs' ability to design projects and provide services:

- Planned technical assistance to lead permanent public-private sector roundtables in the provinces of Ambato, Imbabura, and Chimborazo that will begin in April. The activity contemplates each province having three monthly roundtables that will address public policy, industrial/productive sectors, and tourism. As mentioned above, complementary assistance is being provided in Loja, Azuay, Pichincha and Manabí by the ART program. In addition, the German Technical Cooperation Agency (GTZ) is strengthening the existing roundtables for coffee, cacao, tourism, and fisheries with the ADET in Manabí (ADPM for its Spanish acronym). Given the common methodology developed by CEDET, the ADETs will later be able to share outputs via the new web portal for economic development actors that CEDET is now managing (mentioned above).
- Supported the ADETs in completing a diploma certificate program on regional economic development at the University of Cuenca. Through this training program, the ADETs improved their capacity to plan and prioritize activities in the development agenda for their regions. Also financed a separate online certificate program affiliated with the *Universidad Politécnica de Madrid* and *Universidad Autónoma de Madrid* for members of CEDET and the ADETs on developing and designing projects to funding entities. The capacity to design projects, especially for the MIPRO's small and medium-sized enterprise (SME) fund, *Fondepymes*, is critical for the ADETs to play a leading developmental role in their regions and ensure their self-sustainability.
- Continued exploring possible alliance with CRISFE, the Bank of Pichincha foundation, for its *Faro del Saber Ciudadano* project, which aims to bring internet and educational services to communities. By serving as operators of this project and providing access to internet and online courses, the ADETs could play a greater role in their regions and

would receive fees for their services. Next steps will depend on the final version of CRISFE's annual work plan and interest by the ADET members of CEDET.

- In December, in conjunction with PROIMBABURA, the regional economic development agency in Imbabura province, organized a talk on the US-Ecuador Bilateral Dialogue. David Edwards, Economic Counselor at the U.S. Embassy, and Cornelio Delgado, Vice-Minister for the MCPCC spoke about the current state of the dialogue, the

**Impact of Grant to ADE Loja**  
 The USAID-funded \$20,000 grant to ADE Loja directly contributed to development of a manual that will allow other agencies to replicate ADE Loja's success in establishing a One-Stop Shop of business registration services within its office. The ADETs in Azuay and Esmeraldas will make use of this manual in 2009.

importance of ADETs in local economic development, and the opportunities for ADETs to insert themselves in the work plan of the MCPCC. Guests included the mayor of Ibarra, the Prefect, the Dean of the *Universidad Técnica de Imbabura*, and many key private sector actors.

- Continued technical assistance in the area of communications to all ADETs and CEDET (see details under component 4).

### C. Supporting Public-Private Dialogue in the Border Regions

This reporting period the project put a new emphasis on fostering public-private dialogue and in some cases, the creation of ADETs, in border regions, resulting in launching the creation of the new ADET in the Esmeraldas province. Strides were also taken in the provinces of Zamora and El Oro. Results for each ADET are highlighted below.

#### C.1 Supporting Creation of a New ADET in Esmeraldas

For Esmeraldas, the launch ceremony was attended by nearly 60 leading representatives from universities, municipal offices in the eight cantons in the province, courts, business chambers, banks and other private sector enterprises, and national government agencies such as Plan Ecuador and the Ministry of Tourism. Progress towards creating the ADET includes:

- Realized partner commitments, resulting in announcements by the Prefect of an \$80,000 annual budget for the ADET and a donation of office space by the Chamber of Commerce as well as a \$12,000 annual commitment from the *Fondo Social de Progreso de Esmeraldas*, which is made up of the port authority, the mayor's office, and the *Consortio Puerto Nuevo Milenio*. The Catholic University of Esmeraldas also committed to provide space and the technical assistance of its faculty to establish a business incubator as part of the new ADET.
- Met with local businesses (TermoEsmeraldas; the oil refinery; Bank of Pichincha; and CODESA, a wood company in Esmeraldas) to garner their interest in participating in the creation and operation of the ADET. All agreed to participate in the public-private dialogue table and TermoEsmeraldas is currently reviewing the possibility of providing financial support. CODESA expressed a willingness to provide financial support dependant on the outcomes of the first meetings of the ADET.
- Worked with Luis Sper, the former Director of the ADET (when it was financed through the UNDP) to gather lessons learned on creating the ADET and working in the region. As per the FY09 Annual Work Plan decided to implement two or three projects that will yield short or medium-term impact to provide the ADET with results that can help consolidate regional support.



- Evaluated proposals from development agencies and other organizations to implement the 'quick impact' projects: a business incubator, a one-stop shop for business registration, and a job bank. Visited Riobamba, ADE Loja, and Conquito, three regional entities with business incubators to view their operations. Met with Miguel Angel Peñarreta, Acting Director of ADE Loja, as well as other ADET staff, to better understand the development, current performance and results of their business incubator, job bank, and one-stop shop.
- Reviewed the proposed ADET statutes prepared by the Prefect. The statutes stipulate that the board will include private sector representatives, such as the Chamber of Commerce of Esmeraldas, the Chamber of Construction, and universities, among others. The Provincial Council formally approved creation of the ADET and the legalization process is underway.
- Met with Marlon Mejía and Alberto Almeida of Plan Ecuador, Gian Marco Agostini and Elizabeth Diaz, co-directors of the *Fondo Italo-Ecuatoriano* (FIE), and Lucia Sosa, Prefect of Esmeraldas province to discuss the creation of the ADET and how to coordinate the work of pre-existing programs with the new agency. The FIE is interested in having the ADET administer its projects in the region.
- Met with the Prefect of Esmeraldas and the Ministry of Agriculture (MAGAP for its Spanish acronym) to identify areas where the ministry can support the new ADET-Esmeraldas and how the ADET can be of service to the ministry in the region.

## **C.2 Fostering Public-Private Dialogue in Other Border Regions**

Productive Network efforts to strengthen dialogue and/or create and reactivate ADETs in other border regions resulted in:

- Met with Steve Vergara, a leader in regional economic development in Carchi province, to discuss the possibility of creating a new ADET for Carchi.
- Confirmed interest in the creation of a new ADET to serve Zamora-Chinchipe Province through a meeting with senior representatives of the *Universidad Técnica Particular de Loja* (UTPL) and two board members of ADELoja.
- Met with Martha Aguirre of the *Universidad Técnica de Machala* to discuss the creation of an ADET for El Oro province. The University in collaboration with the Prefecture has convened a group of regional stakeholders to further analyze and develop the possibility.

## **D. Supporting Creation of New ADETs Outside Guayas and Pichincha Provinces**

From CEDET's inception, Productive Network assumed the commitment to assist the nascent organization to serve as a representative of actors outside of Guayas and Pichincha provinces. Progress this reporting period is highlighted below.

### **D.1 Guayas**

During this reporting period, Productive Network's outreach efforts have fostered support for the creation of the ADETs in Guayas through the completion of a \$20,000 grant to the Consejo Empresarial para el Desarrollo Sustentable del Ecuador (CEMDES) with the objective of fostering dialogue and interest in Guayas province for the creation of an ADET. As a result of multiple stakeholder meetings between the Chamber of Commerce of Guayaquil, Catholic University of Guayaquil, and the CNPC among others, an Agreement was signed to pursue creation of the ADET (see more details in the textbox below).

### **D. 2 Los Ríos**

During this reporting period, Productive Network's outreach efforts have fostered support for the reactivation of the ADET in Los Ríos. In early February, the Provincial Council of Los Ríos approved a motion to reactivate the ADET that they had previously converted into a department of the provincial government. This decision followed a meeting in January between the Prefect of Los Ríos, Marcela Correa, Project Deputy Chief of Party, and Sergio Ochoa, the Executive Director of CEDET, where the advantages of a public-private regional economic development agency were discussed. Los Ríos accepted CEDET's offer to provide the technical assistance

necessary to reestablish the ADET. A memorandum of understanding (MOU) was signed on April 3<sup>rd</sup>.

### E. Increasing Regional Profiles for ADETs

During FY08 and FY09, the Productive Network Project awarded grants to the ADETs to increase their profile in their regions. The impact of these grants to date has been increased recognition by regional actors of the ADETs' activities and future plans. The table below details the expected deliverables and progress to date for each grant and the textboxes on Loja's and Guayas' experiences highlight the impact of two grants whose deliverables were completed this reporting period.

**Table 1: Summary grants to ADETs**

Grantee	Province	Deliverables	Progress to date
1. ADE Loja	Loja	<ul style="list-style-type: none"> <li>• Publication &amp; distribution among private sector of ADELoja's memoirs and One-Stop-Shop Manual</li> <li>• Training program for ADELoja's technical team on community participation, productive clusters, and rural development.</li> <li>• Creation of 10 productive associations and incubation of three firms</li> </ul>	<ul style="list-style-type: none"> <li>• Completed all deliverables (see textbox for results and impact)</li> </ul>
2. CODECOB	Bolívar	<ul style="list-style-type: none"> <li>• Marketing and information plan for CODECOB's services to the community</li> <li>• 8 strategic meetings with public-private actors &amp; 4 business roundtables w/ regional producers &amp; national investors</li> <li>• Creation of a webpage</li> <li>• Training program &amp; seminars for local private sector on various themes, incl. SME Start-up; Customer Service; Tourism &amp; Environment; Land, Tech Tools to Improve Market Access</li> </ul>	<ul style="list-style-type: none"> <li>• Completed all deliverables</li> </ul>
3. CODERIOS	Los Ríos		<ul style="list-style-type: none"> <li>• Cancelled due to the ADET's integration into the regional government</li> </ul>
4. ADPM	Manabí	<ul style="list-style-type: none"> <li>• Strategic Plan for ADPM</li> <li>• Incorporation of private sector in agency's Board of Directors.</li> <li>• Plan for investment and export promotion of regional products</li> </ul>	<ul style="list-style-type: none"> <li>• Completed all deliverables</li> </ul>
5. CEMDES	Guayas	<ul style="list-style-type: none"> <li>• Awareness campaign and workshops targeting local MSMEs &amp; stakeholders</li> <li>• Study tours to more experienced Development Agencies</li> <li>• Formation of the Guayas-Guayaquil Economic Development and Territorial Competitiveness Agency</li> </ul>	<ul style="list-style-type: none"> <li>• Completed all deliverables (see textbox for results and impact)</li> </ul>
6. Consejo de Cámaras	Pichincha	<ul style="list-style-type: none"> <li>• Communication and Promotion Plan</li> <li>• Communication tools &amp; strategy for utilization</li> <li>• Public presentation of progress of <i>Quito-Pichincha Work Plan</i> incl. advances in tourism, agro-industrial, and investment attraction projects</li> </ul>	<ul style="list-style-type: none"> <li>• Work plan and implementation schedule prepared</li> <li>• Communication and marketing plan presented</li> </ul>
7. CRECER	Chimborazo	<ul style="list-style-type: none"> <li>• Start-up of Business Leadership Program</li> <li>• Support to the Entrepreneurship contest</li> <li>• Web page launch plan &amp; identification of economic, political and academic actors</li> <li>• Meetings and round tables w/ local entrepreneurs, local &amp; national investors</li> <li>• Investment &amp; Export Promotion Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Work plan and implementation schedule prepared</li> <li>• Business Leadership Program started</li> <li>• Roundtables with local and national private sector underway</li> </ul>
8. Prolmbabura	Imbabura	<ul style="list-style-type: none"> <li>• Census and updating of regional private, public and academia actors database</li> <li>• Development of strategic and promotion plans</li> </ul>	<ul style="list-style-type: none"> <li>• Grant recently approved by USAID/Productive Network grants committee and the</li> </ul>

		and promotional material <ul style="list-style-type: none"> <li>• Sector round tables</li> <li>• Update content of PROIMBABURA and five strategic sector Web Pages</li> </ul>	Contracting Officer. Implementation will begin in April.
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## Component 2: Policy Reform

The four agencies related to investment promotion created in FY08 continued to evolve in FY09 and produce significant results in their areas of influence. Limited financial support and targeted technical assistance from Productive Network leveraged significant buy-in from partners (Government of Ecuador, the Chamber of Commerce of Cuenca and the Provincial Council of Manabí) that has led to transformational results in the areas of regional and national business climate, facilitating investment, and public policy reform. Activities and advances in some of these areas are the first of their kind in over 10 years.

### Major Accomplishments: Policy Reform

- With Productive Network direct technical assistance, Invest Ecuador is launching a national tax administration roundtable between top public sector officials (represented by the SRI Director and the Minister for the MCPCC) and approximately 30 of the country's top corporations and multinationals.
- The Productive Strategies agency hosted two large meetings between the private sector and President Correa to address bottlenecks. The first meeting in November resulted in identifying over 100 bottlenecks that the private sector wanted addressed. By the second meeting in January, with the help of the Productive Strategies agency, 67% of those concerns had been addressed and a third meeting is now being planned for April.
- Promoters for the regional investment attraction agency for Manabí carried out two international marketing trips: one to Florida to meet with tourism and related real estate investors and a second to Chile to promote the aquaculture, forestry and mining sectors.

## A. Strengthening New Investment Attraction Agencies

The results of Productive Network support are evidenced below in detailing the activities and impact of the two new Agencies for Regional Investment Promotion (APRIs for their Spanish acronym) and the two new national agencies—Invest Ecuador, dedicated to investment promotion, and Productive Strategies, dedicated to development of key sectors for investment.

### A.1 Early APRI Impact

After helping create the APRIs in Manabí and Azuay (now referred to as APRIM and INVEC for their respective acronyms in Spanish) in FY08, Productive Network provided a comprehensive proactive investment attraction training program for the agencies concluded by a study tour to regional investment promotion agencies in Mexico in early FY09. Participants cite the study tour as a unique learning experience that allowed them to see firsthand the application of the methodologies they learned. A key asset was the knowledge sharing from Productive Network consultant, Manuel Alderete who is the former APRI Director for the state of Chihuahua, Mexico, and led the study tour. The trip included site visits to over 20 public and private sector entities involved with investment attraction including promoters, facilitators, and firms that have established operations in the two regions as a result of these efforts. Specific visits included:

- In Campeche: *Secretaría de Fomento Industrial y Comercial*, *Secretaría de Turismo*, and Grupo Karim (textile and apparel manufacturer), among others.
- In Chihuahua: *Secretaría de Desarrollo Industrial*, *Instituto Tecnológico de Chihuahua*, *Dirección de Fomento Económico Municipal*, and several industrial parks, among others.

Productive Network continues to support the agencies' through grants for institutional strengthening and the funding of international marketing trips. In the case of INVEC, grant funding covered the costs of defining a corporate identity including obtaining a tax identification number and a trading name as well as the preparation of a comprehensive communications

plan and respective communications materials. The grant to APRIM has so far covered the development of the agency's manuals, internal regulations, and the annual operating plan. In both cases the grants allowed the agencies to develop the inputs necessary to negotiate alliances with strategic partners that can provide financial resources and institutional support that strengthen sustainability of the agencies. In addition, APRIM took its first Productive Network funded international marketing trip to Chile, detailed further below. This reporting period, Productive Network also helped the APRIs in:

- Realizing support leveraged from CORPEI in FY08 to obtain select investor database licenses, which allow the APRIs to directly contact potential investors and take full advantage of the methodology in proactive investment attraction.
- Facilitating coordination with Invest Ecuador through a workshop that included presentations by each organization of its respective work plans and three working tables on the topics of promotion, investment facilitation, and public outreach. Each table agreed to a joint work plan and to continued coordination.

Overall, Productive Network training and support have helped these young agencies achieve significant impact to date, as follows:

**INVEC:** Now legally registered, INVEC has successfully sought support and buy-in from leader organizations in its region, from the private and public sectors and academia. It continues to receive operational funding from the Chamber of Commerce of Cuenca and has a commitment for \$100,000 in funding from the Prefect in addition to other financing prospects from local universities, which are expected to come to fruition after the upcoming elections. It named Dr. Rafael Vega as its provisional President and formed its board of directors, which is made up by the municipality, prefecture, three universities, chamber of commerce, council of chambers, and chamber of industry. The Mayor and Prefect have expressed interest in the Presidency of INVEC, a position that the agency has established will have a two year term. They are now beginning to implement their business plan, as follows:



- Developing Subsectors: INVEC is joining efforts with strong local actors to focus on the development of the biotechnology, software and technology, jewelry, mining, industrial park/zones, and tourism subsectors. For mining, they plan to support a backward linkages analysis that will allow Azuay to respond to new demand for local goods and services required by new investment in the industry in the region. For software, Productive Network is helping plan a strategic workshop in April for industry leaders to prepare a proactive plan for investment attraction.
- Marketing trips: INVEC possesses a reliable biotechnology sector study and may initiate Productive Network supported investor targeting trips in the second half of FY09 to Spain and/or France.
- Improving regional marketing: INVEC is negotiating with competitive local companies such as GRAIMAN and COLONIAL to market Cuenca in their advertising. INVEC is also looking into the impact of having the region host a holiday or festival following a study by the Prefecture on the impact of Pauto and Gualaceo (tourist destinations in Azuay) hosting 200,000 visitors this past Carnival holiday.
- Investor support: INVEC is facilitating potential investments in mining, the Chaullabamba Mall, Air Cuenca (worth approximately \$10 million), and the Chaullabamba real estate and country club facility (worth approximately \$35 million). In the case of the latter, INVEC put Cuenca investors in contact with influential investors based out of Quito—Grupo Wright and Equinoccio—who expressed interest in becoming involved.
- Business climate: The municipality has transferred its initiative to establish a one stop shop for business registration to ACUDIR, which is also one of INVEC's board members. INVEC is committed to lobbying for necessary policy and structural changes, as determined by the one-stop shop, to improve the business climate, using combined funding from the IDB, CNPC, and CAF, which are providing approximately \$40,000 for structural improvements, \$35,000 for promotion, and \$5,000 in equipment. INVEC also aims to make the registration services available online in collaboration with the municipality's "Cuenca Digital" program. In addition, INVEC is supporting the creation of a one-stop information center where local

entrepreneurs and investors alike can access publically available statistics in one central location.

- Promotional Materials: INVEC now has a colorful and informative brochure with text in Spanish and English. The brochure was financed by CORPEI with funds leveraged by Productive Network in FY08. INVEC continues to work on the development of its web page.

INVEC's needs for the remainder of FY09 include support for the development of the software sector (mentioned above) as well as assistance in developing re-investment indicators to share with potential investors.

**APRIM:** Now legally recognized by the Procurer's Office of the Provincial Council of Manabí, the agency has established operational procedures and is implementing the following investment promotion activities:



- Developing Subsectors:
  - Cacao: Approached Nestlé, Pronaca, and Ferrero Rocher to market Manabí as a site for additional investments in cocoa production. APRIM also hosted a three day visit by Jose Rojas of the World Cacao Plan to cacao associations and is now a partner in a project to “modernize the cacao value chains” that focuses on improving infrastructure and cacao quality.
  - Fisheries: Participated in EXPOPESEA, the South Pacific's bi-annual fisheries expo in November with the participation of 14 countries and numerous potential investors. Through an intervention by Productive Network's Communications Manager, the organizer of the trade fair introduced the Invest-Manabí team to each of the exhibitors. The agency also took advantage of the fair to sign an agreement with the Vice Minister for Fisheries to share investment information and contacts. Lastly, INVEC is also working with Atunec, the leading association for the tuna industry in Ecuador, and on a joint venture in Manta for investment in buoys.
  - Transport and Logistics: Took leadership in lobbying for a free trade zone for Manta's airport and port. Also advocating for the airport to become a hub for cargo transport for the region. The agency is striving to become a promoter for the airport and is involved in the process of identifying a new operator for the port.
  - Forestry: Conducted extensive research on Timberland Investment Management Operators (TIMOs) and took an international marketing trip to Chile in March to identify potential targets for investment in forest management. Since its creation, APRIM has become involved with several projects with potentially large impact in the medium and long term. One such project calls for the creation of a trust fund with local land owners for investors to reforest 45,000 hectares. The reforested land is expected to be worth \$20,000 per hectare in five years. The agency is targeting 20 companies for this project in the United States, Chile and Canada. To this end, APRIM gave a presentation in a regional conference organized by CORPEI and the IDB on the investment climate in the forestry sector focused on the reforestation potential in the region.
  - Tourism: The agency's investment promoters traveled to Miami to meet with over 15 potential investors in the tourism and related real estate subsectors. The team also participated in a cruise operator fair in Miami to promote Manta as a tourist destination (read further details below).
- Promotional Materials: The agency's web page is now operational ([www.investmanabi.com](http://www.investmanabi.com)) and APRIM is working to produce a labor guide to serve as a reference for investors as well as a video (with assistance from the Productive Network Communications Manager) to highlight success stories and testimonies from local and international investors based in Manabí.
- International Marketing Trips: As noted above, in mid March, the agency's two Investment Promoters traveled on an APRIM-financed trip to Florida to meet with tourism and related real estate investors, during which they had an extensive meeting with the Vice-President for Projects, the Vice-President of Port Operations and the Manager of Itineraries of

Norwegian Cruise Line to discuss their experience with the previous operator of Manta's port and desired improvements, as well as opportunities for more regionally integrated tour options for cruise ship tourists. In Florida they also attended the "Sea Trade Cruise Shipping Miami 2009" Trade Fair where APRIM officers met over 500 exhibitors in the areas of port management, cruise lines, service providers, shipyards, etc. and had one-on-one meetings with the CEOs of Royal Caribbean International, Carnival Cruise line, *Corporacion de Puertos del Cono Sur*, and Cochín Port (from India) among others. Two APRIM officers traveled to Chile from March 25<sup>th</sup> to April 3<sup>rd</sup> on a Productive Network-funded marketing trip focused on the aquaculture, forestry and mining sectors. Early reports indicate that potential investors are more interested in the latter two sectors.

- **Hosting Investors:** APRIM is the designated organization to receive trade missions to the province and has already hosted large scale investor delegations such as the Ambassador of Indonesia, a ferry operator from Korea, government representatives of Finland interested in the bio-fuels sector, and the Chamber of Commerce for Tourism from the Canary Islands. They have also hosted smaller investors from the United States and Brazil interested in the forestry and agriculture sectors respectively.

## A.2 Early Impact of National Agencies

Both national agencies, Invest Ecuador and Productive Strategies (now branded as e2 and e+ respectively), which Productive Network helped create last year, are now functioning as bridges between the government and private sector with the former currently focused on promoting re-investment and improving the national business climate and the latter implementing its strategy for sub-sector development. Highlights of each agency's activities during this reporting period follow below:

**Invest Ecuador (e2):** Starting in October and under the leadership of Carlos Serrano (the Executive Director recruited by the Productive Network), the agency immediately positioned itself with chambers and investors throughout the country. By focusing on investor after care and business climate improvements, the agency is expanding current investment and promoting reinvestment. Having met with 82 private businesses to date, the agency identified 11 strong leads for potential investment in the cacao, tourism, mining, and cosmetics sectors, among others, representing \$330 million for the 2009-2010 period. The agency currently uses a comprehensive operations system to track investor relationships and is developing promotional tools, such as an interactive web page, a promotional tourism video, and an information system for investors. As expected, Invest Ecuador works closely with the Productive Strategies agency and is specifically involved in developing a proactive tourism strategy as well as projecting new growth estimates for all sectors.

The agency's focus on business climate improvements led to spearheading a fiscal pact between large tax contributors and the Internal Revenue Service (SRI for its Spanish acronym) and helping design the new national investment law, which will address investor incentive policies and the institutionalization of the country's investment system (i.e. who will supervise incentives, etc). In addition, with Productive Network direct technical assistance, Invest Ecuador is launching a national tax administration roundtable between top public sector officials (represented by the SRI Director and the Minister for the MCPCC) and approximately 30 of the country's top corporations and multinationals, which will be facilitated by a Productive Network consultant. The first meeting, planned for April 16<sup>th</sup>, will begin the process to establish sub-committees to prepare proposals to improve the application of tax law and a tax culture in Ecuador. In the future, the Productive Network may support similar roundtables on labor issues and investor rights.

**Productive Strategies (e+):** Officially staffed and operational as of October 1st, 2008, the agency first helped address a series of immediate sector needs related to the international financial crisis, resulting in gaining the trust of its public and private sector stakeholders and helping create new financial products (draw down and factoring) through the National Finance Corporation (CFN for its Spanish acronym). The agency then formed public-private partnerships for each of the 10 priority sectors (aquaculture, bio-fuels, consulting/software, flowers, fruits/vegetables, metal workings, fisheries, forestry, transportation/logistics, and tourism). Holding meetings at least once weekly for each sector, the agency's leadership started with broad meetings with the heads of chambers for each sector and then met with specific private

sector companies, which resulted in an agenda and work plan for each sector (each with its own set of objectives and indicators). Starting this month, work plan implementation is underway for all sectors. The agency's overall goals are to increase sales, attract new investment, and create jobs throughout the Ecuadorian economy in the 10 priority sectors.

On a broader level, the agency is addressing cross-cutting productive sector needs, including improvements to the legal framework, public policies, financial products, training programs, market intelligence, innovation, and information systems. To this end, the agency hosted two large meetings between the private sector and President Correa to address bottlenecks. The first meeting in November, resulted in a list of over 100 bottlenecks that the private sector wanted addressed. By the second meeting in January, with the help of "e+," 67% of those concerns had been addressed and a third meeting is now being planned for April. The agency continues to be involved with changes to or the creation of: a Services law, Customs Law, Industrial Policy, Agricultural Policy, and Logistics Policy.

Productive Network supported the agency's progress over the past six months by kicking-off a three-day Strategic Planning exercise for its staff early on to explain the background and methodological assumptions underpinning the creation of the agency. Productive Network's guidance set the strategic and operational framework for the agency's sub-sector development plans. In addition, Mr. Sedaca also led an all-day meeting on the medium- and long-term strategy for the Agency to develop an Operational Plan during which Productive Network and e+ agreed to hold ongoing working sessions.

## **B. Supporting the Financial Sector**

Following substantial technical assistance in FY08, the Productive Network continued supporting key financial institutions in FY09, as follows:

- In early FY09, Andrés Ribadeneira, Component Manager, and Elena Almeida, Communications Manager, supported the Superintendence of Banks to form a consulting team that will help the institution increase public understanding of financial sector concepts. Productive Network identified a public relations firm to help develop the needed communications materials to disseminate information of financial sector concepts and to assist the Superintendence of Banks with its public outreach strategy.
- Productive Network and USAID representatives met with the General Manager of the National Development Bank (*Banco Nacional de Fomento*) to discuss opportunities to provide technical assistance to the Bank in the areas of microfinance development, delivery, and monitoring.
- Mr. Sedaca reviewed and provided comments on the new draft Investment Law.

## **Component 3: Support to the Productive Sector**

### **Major Accomplishments: Support to Productive Sector**

Through implementation of 10 Global Development Alliances (GDAs):

- Provided greater employment for 12,430 people;
- Nearly doubled producer association membership (increasing membership from 1,319 to 2,084 people); and
- Promoted new anchor firm investment of approximately \$229,900 (beyond GDA project counterpart contributions).

This reporting period Productive Network concluded the majority of training and technical assistance under its 8 remaining GDAs with anchor firms and their respective micro, small and medium enterprise (MSME) suppliers. The GDAs described below have transformed their respective value chains and now offer a replicable model for other implementers throughout

Ecuador and the region. In all, the GDAs have provided greater employment for 12,430 people and created 888 formal full time equivalent jobs<sup>1</sup>.

Productive Network technical assistance allowed MSMEs to make upgrades and transform their production by introducing new technical capacities that lead to increased productivity that often times resulted in better quality and lesser environmental impact. Small producers and business owners are now working together in groups - fundamental to forming associations and small businesses, and they are more integrated into their value chains with stronger ties to the anchor firms and the end market. This is evidenced by anchor firms' new longer term vision, willingness to offer fair prices, desire to be in continuous contact with providers, and provision of direct support to help suppliers improve quality through the use of market standards. This new type of relationship and transparency has generated trust among stakeholders and an awareness of their need to cooperate in order to stay competitive and sustainable.

The impact of the GDAs extends well beyond the MSMEs that benefited directly from the projects. In the case of *paja toquilla*, for example, improved weaving practices are spreading throughout the communities surrounding the 225 weavers trained by the project. To help disseminate project methodologies in the areas of marketing, production, value chain linkages, and business management, case studies and videos on each GDA are being prepared, which the Productive Network will share with implementers at a conference and technical workshop planned for May 20<sup>th</sup>. The Productive Network will also continue to host observational study tours to the GDA projects.

#### **A. Implementation and Support to GDAs**

The following is a summary of the Productive Network's 7 GDA projects, followed by a summary of the 3 pilot GDA projects (in section B). Each GDA summary describes the stakeholders, expectations upon project start up, amount of USAID financing, geographic area of impact, project goals, and finally the results as well as a summary of activities implemented during the current reporting period.

##### **1. Footwear GDA "Developing human resources to improve quality in the value chain"**

*Key Stakeholders:* 1 anchor firm, 8 MSME suppliers, and 1 foundation for persons with disabilities

*Expected job creation:* 34

*Expected sales increase:* 2-6%

*USAID Contribution:* \$32,114

*Areas of impact:* Tungurahua province

**Goals:** Streamline the supply chain to improve supply volume for anchor firm, improve work conditions, and incorporate people with disabilities into the workforce.



*Footwear anchor firm employee assembles canvass shoes.*

##### **Final Project Results:**

- Full-time Equivalent (FTE) jobs created: 208<sup>2</sup>, including 63 for people with disabilities.
- Certified 13 microenterprises and the *Fundación Cuesta Holguín* (an organization that provides training and job placement services for workers with disabilities) in the "6S" Quality System, which resulted in a 15% increase in productivity among these suppliers and training to 521 people.
- Decreased manufacturing defects and therefore rejections due to quality shortfalls by 90%.
- Improved worker relations.

<sup>1</sup> The indicator for number of people with greater employment should not be added to the indicator for full-time equivalent employment because the latter is calculated based on the total hours worked by multiple individuals, therefore, each job may represent the labor of more than one person.

<sup>2</sup> We report increases where we have documentation of them past the closing of the project. To this end, the number reported for footwear is greater than reported at the time of project close-out in January.

**Activities completed this reporting period:**

- Quality Component: Improved quality across the supply chain through training in the “6S” system; made progress toward ISO 9001 certification; and trained MSME suppliers and implemented quality control systems at the supplier level.
- Human Resources & Management Component: Developed human resources systems at the supplier level; developed delegation matrices; restructured management functions; and trained anchor firm on workforce development and relations.
- Social Responsibility Component: Developed a Strategic Plan for the Cuesta Holguin Foundation, the local subcontractor that trains people with disabilities to enter the anchor firm’s workforce; established workflow processes; designed a quality control system; trained people with disabilities on quality control and personal development.
- Prepared Project Case Study

**2. Heart of palm GDA “Accessing export markets through international certification programs”**

*Key Stakeholders*: 1 anchor firm, 6 SME suppliers and 8 micro producers

*Expected job creation*: 100

*Expected sales increase*: 50%

*USAID Contribution*: \$58,768

*Area of impact*: Pichincha, Esmeraldas, and Santo Domingo provinces

**Goals**: To improve quality and production among micro, small and medium-sized producers, and to obtain ISO 22000 certification at the anchor firm.



*Heart of palm production at the anchor firm, Tropical Foods.*

**Results to Date:**

- Number of people with greater employment: 406
- FTE jobs created: 57
- Increased market access and export sales. In 2007, the anchor firm shipped 2 containers on average per month and as of August 2008, they were shipping 18 containers per month. By end of 2008 the sales reached the US\$2M. New markets include Mexico and the U.S. Passover market, which requires a specific certification in addition to the kosher certification that allows them to enter the Israeli market.
- Implemented cost management and financial analysis systems at the anchor firm and trained management on their use.
- By improving cooperation across the value chain, the project led to negotiations between input providers and the anchor firm such that their MSME heart of palm suppliers can now purchase seedlings for \$0.13—35% less than retail price—and agrochemicals for reduced costs.
- Completed a sociological study of the workforce, which allows the anchor firm and other interested stakeholders such as the local government to design workforce development, education, and health programs that respond to the most acute needs of the labor force.
- The board of the anchor firm approved the Workforce and Social Development Plan, designed under the GDA, to be launched in October 2009. This program includes workforce training, preventive health, basic health services, scholarships for the children of employees, and some financial services.
- Established a pricing system based on output and a quality control system across the supply chain.

**Activities completed this reporting period:**

- Quality Component: Improved quality in the organic supply chain; applied for ISO 22000 certification and are in final stages of obtaining the certification; established a workforce training program; trained anchor and supplier workforces.
- Marketing & Finance Component: *Marketing*: Conducted market intelligence; established contact with potential clients; developed a benchmarking system to compare competitors and clients; designed strategic maps; conducted value chain

analysis. *Finance*: Designed a costing system; established an inventory control system; improved financial management.

- Social Responsibility Component: Conducted analyses of work conditions and employees; designed a social intervention program in the areas of health and education for employees of the anchor firm and their families.
- Prepared Project Case Study

### **3. Aromatic herbs and jewelry GDA “Using innovation to access specialized market niches”**

*Key Stakeholders*: 1 anchor firm, 650 MSMEs and producers

*Expected job creation*: 11

*Expected sales increase*: 20%

*USAID contribution*: \$46,218

*Area of impact*: Azuay, Bolivar, Sucumbíos, and Esmeraldas provinces

**Goal**: To increase exports of essential oils and jewelry produced by small artisans and producers specifically by developing innovative products that are responsive to consumer demand and utilize traditional inputs from indigenous communities.

#### **Results to Date:**

- Number of people with greater employment: 169
- FTE jobs created: 25
- Established a relationship between the anchor firm, the MSME specializing in design, and the University of Cuenca for the innovation of new jewelry designs. The anchor firm and the University signed an MOU agreeing to jointly host an annual jewelry design contest that will contribute to the professional development of the university students and will supply the anchor firm with fresh designs that are responsive to market trends.
- Formalized the relationship between the anchor firm and its key supplier of essential oils committing the two companies to the sale and purchase of 16 types of aromatic herbs thereby stabilizing the anchor firm’s supply volume.
- Given improved product quality the anchor firm is working towards obtaining the Good Manufacturing Practices certification.
- Expanded clients in the United States, Chile, and Canada.

#### **Activities completed this reporting period:**

- Quality & Production Component: Improved jewelry quality; developed designs for new jewelry collections; developed a jewelry design contest for university students; improved jewelry finishing; developed new aromatic and medicinal herbs products.
- Marketing Component: Conducted market intelligence; conducted potential client analysis; developed corporate brand and product packaging for export market; registered corporate brand (*Makinti*) in the European Union; developed marketing strategies; obtained sanitary registrations for new essential oils; participated in trade fairs.
- Prepared Project Case Study

**Pending activity**: Jewelry design training

### **4. Paja Toquilla GDA “Improving product quality and work conditions for weavers”**

*Key Stakeholders*: 1 anchor firm, 4 exporting firms, and 2 weaver associations with approximately 200 producers

*Expected job creation*: 170

*Expected sales increase*: 11%

*USAID contribution*: \$76,602

*Area of impact*: Azuay and Cañar provinces

**Goals**: To improve work conditions and income for weavers’ and increase production and improve marketing for the value chain.

#### **Results to Date:**

- Number of people with greater employment: 900

- FTE jobs created: 170
- Incorporated a third association, Delegsol, into the GDA project, with approximately 45 members.
- The four exporting firms, including the anchor firm, agreed to conduct joint market intelligence. This is a significant success because it marks the first instance of collaboration amongst firms in this sector.
- The four exporting firms, developed a joint commercial strategy to develop a web page and select products to design annual collections together.
- Improved weaver's business administration skills.
- Jointly held a weaver chair design contest with the University of Azuay, resulting in a new chair design offering ergonomically correct positioning for weavers, decreasing the risk of health problems. Following the design of the new chair, the Productive Network Project together with the export firms, and the USAID small grants program contributed \$18,480 in funding to provide 126 weavers with a complete weaving kit that will significantly improve working conditions for the women in the region – including the 91 active members of the Cañari, Puzhio and Delegsol weaver associations that form part of the GDA project. Each kit contains a newly designed ergonomically correct weaving chair, hat molds, towel, hanging rack, ruler, pitcher and lighting. In addition, 200 more weavers in the region will receive a mini kit consisting of hat molds, a ruler, and a water dispenser.



*Paja Toquilla weaver association member demonstrates use of newly designed chair that will improve position and decrease health risks.*

**Activities completed this reporting period:**

- Production Component: Improved production quality among weavers; strengthened weaver associations through training on management, accounting, and value chain dynamics; established a collection center; improved production processes at the plants of the exporting firms; and trained weavers on use of new tools, such as molds for international markets and new weaver chair.
- Marketing Component: Conducted market intelligence; conducted potential client analysis; developed a brand for the cluster; prepared marketing plan for the cluster brand; participated in trade fairs; and developed new designs and finishes for exporters.
- Related activity: Supported the contest for the design of an ergonomic chair for the weavers through the USAID small grants program.
- Prepared Project Case Study

**5. Mushroom GDA “Integrating management of mushroom production”**

*Key Stakeholders:* 1 anchor firm, 240 mushroom collectors

*Expected job creation:* 151

*Expected sales increase:* 33%

*USAID contribution:* \$51,483

*Area of impact:* Bolivar province

**Goals:** To integrate more community members into the collection of mushrooms to increase volume and to train collectors to improve mushroom quality.



*Mushroom dehydration at anchor firm.*

**Project Results:**

- Number of people with greater employment: 2,360
- Jobs created using FTEs: 216
- Improved collection practices and post-harvest handling; and incorporated additional collectors into the supply chain. Also improved product quality and processing at the anchor firm.

**Activities completed this reporting period:**

- Production Component: Trained approximately 300 mushroom collectors from 9 communities and employees of the anchor firm in management of mushroom nurseries, and pine cultivation and management (proximity to these pines is necessary for mushroom production). Incorporated strategic planning to strengthen and expand suppliers.
- Management & Marketing Component: Trained anchor firm on good business management practices; and improved processes related to dehydration, classification, and marketing of mushrooms. Provided technical assistance regarding structure and financial management of anchor firm and dehydrator plant.
- Related Activity: The anchor firm planted 22,000 pine trees in a nursery, which will later be distributed to the communities for reforestation. This will multiply the results of the Productive Network's training on mushroom production, which requires pine trees for shade.
- Prepared Project Case Study

**6. Hot pepper GDA "Using Good Agricultural Practices to access export markets"**

*Key Stakeholders:* 1 anchor firm, 7 MSMEs and approximately 238 producers

*Expected job creation:* 214

*Expected sales increase:* 270%

*USAID contribution:* \$77,532

*Area of impact:* Santo Domingo, Manabí, and Los Ríos provinces

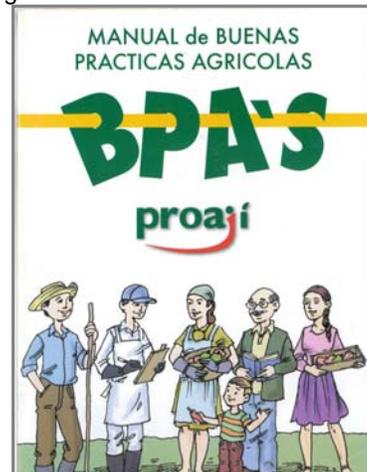
**Goals:** To implement best practices at the anchor firm, 7 collection centers, and the farms of over 200 small producers, and improve the technological inputs used by the producers.

**Project Results:**

- Number of people with greater employment: 7,196
- FTE jobs created: 71
- Increase in producer income: 50%
- Strengthened linkages between the producers, the collection centers, and the anchor firm leading to improved product quality and responsiveness to consumer demand.
- Improved hot pepper nursery management and agrochemical management. While improved environmental practices formed a part of the training program from the start of the project, following the recommendations of the USAID Environmental Officer, Productive Network's subcontractor also included guidelines from the Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP) for hot peppers developed in Colombia.
- Improved agricultural practices of hundreds of producers, resulting in the anchor firm obtaining ISO 20000 certification.
- Developed guide on pesticide and chemical use, used to train 285 producers over 6 months in harvest and postharvest activities. The guide will continue to be used for future training. The guide was incorporated in the Good Agricultural Practices manual and will continue to be used in future training.

**Promoting GAP**

The hot pepper project developed a "Good Agricultural Practices" manual (GAP in English and known as BPA for the Spanish acronym) that serves as an easy to understand guide targeted at small producers. The guide includes the anchor firm's innovative approach to encourage producers to improve their agricultural practices—a crossword puzzle that tests producers' understanding of the material and served as an entry for a raffle of an agricultural starter kit.



**Activities completed this reporting period:**

- Production Component: Designed a production toolkit and disseminated good agricultural practices for the production of hot peppers; provided technical assistance to hot pepper producers; identified, selected, and trained promoters and extension officers; established seven collection centers; designed a monitoring and evaluation program to track the progress of the hot pepper producers. The work towards the ISO 22000 certification impacted each link in the value chain including improved nursery management, improved grinding processes at the collection centers, and implementation of a quality control system at the anchor firm. Trained producers in proper pesticide, fertilizer, and chemical use and improved environmental management. To this end, brochures, manuals and radio messages were developed relying on some of the guidelines from USAID/Colombia's environmental management manuals.
- Monitoring Component: Established a monitoring system to track hot pepper production and producer incomes per collection center.
- Quality & Environmental Management Component: Improved quality of the water used in the production process; improved residual water treatment; developed a system for air extraction and purification.
- Prepared Project Case Study

**7. Ceramic tile installation GDA "Providing training and certification to installers to improve quality"**

*Key Stakeholders*: 1 anchor firm, 180 MSMEs and installers

*Expected job creation*: 70

*Expected sales increase*: 12% (distributors)

*USAID contribution*: \$53,402

*Area of impact*: Manabí, Zamora Chinchipe, Santo Domingo, Tungurahua, Imbabura, Loja, and Pichincha provinces.

**Goals**: To improve the quality of installation by tile installers, improve the technical know-how of the vendors and managers of the hardware stores related to business administration, interior design, and inventory control, and implement a pilot training school for installers

**Project Results:**

- Number of people with greater employment: 480
- FTE jobs created: 70
- The anchor firm committed to investing approximately \$20,000 for the creation of an installer school in Guayaquil to continue implementing the certification program.
- Improved quality of installation and ability to provide more comprehensive customer service, which will lead to increased sales and ultimately greater income for all involved. This was made possible by training 40 vendors and 120 installers in business administration, accounting, inventory control, cost management, customer service, marketing, and interior design.
- Installed inventory control systems in 5 pilot distribution centers, which has facilitated expediting orders between the distribution centers and the anchor firm.
- Installed showrooms in participating hardware stores.

**Activities completed this reporting period:**

- Marketing & Management Component: Trained installers on finance and administration; trained hardware store salespeople on marketing; trained hardware store management on strategic planning and customer relationship management.
- Production Component: Implemented the pilot XYLON distribution system and the GRAIMAN approved business model at selected hardware stores; designed product exhibits; designed and established a training center for installers and salespeople.
- Prepared Project Case Study

**B. Pilot GDAs**

**1. Leather pilot GDA "Using a commercial franchise strategy"**

*Key Stakeholders*: 1 anchor firm and 10 MSMEs

*Expected job creation*: 37

*Expected sales increase: 50%*  
*USAID contribution: \$1,52,385*  
*Area of impact: Azuay province*

**Goals:** To strengthen the linkages between the MSMEs and the anchor firm, increase access to export markets, and establish a franchise store.

**Results to date:**

- FTE jobs created: 8
- Strengthened 10 MSMEs, including 4 new MSMEs incorporated this reporting period.
- Designed a brand name, QIWA, to be shared by all the firms involved in the project for joint marketing of their products.
- Opened the franchise store that will market the products of the joint brand.

**Activities completed this reporting period:**

- Marketing component: inaugurated leather franchise store, QIWA, in Cuenca.
- Production component: provided training on purse, shoe and jacket designs for cluster members to support launching a new collection.

**Pending Activities:** Completion of Production Component to improve product design, design a new collection and samples, and improve productivity in footwear and other leather product production.

**2. Dairy pilot GDA “Introducing new technology to improve quality and increase productivity”**

*Key Stakeholders: 2 anchor firms and 351 MSMEs and producers*  
*Expected job creation: 68*  
*Expected sales increase: 7% to 10%*  
*USAID support: \$165,650*  
*Area of impact: Imbabura and Carchi provinces*

**Goals:** To create employment among rural dairy producers, improve product quality, strengthen linkages between the micro and small producers and the anchor firms, and formalize and strengthen producer associations.

**Final Project Results:**

- Number of people with greater employment: 543
- FTE jobs created: 63
- 53% increase in income per association member, from \$141/month to \$269/month, due in part to improved milk quality.
- Three producer associations formalized.
- Transformed relationship between producers and the anchor firms. Four producer associations secured buyer contracts with the anchor firms.
- Both anchor firms invested in 2 new cooling tanks for use by two associations (one for each anchor firm).
- Strengthened producer associations through support with strategic planning, training on costs and financial management, and guidance on production. Also, assisted with restructuring the association’s bylaws.

**C. Leveraged Resources**

After the GDA selection phase was completed in FY08, the Productive Sector team worked to identify other funding opportunities for the nearly 30 clusters that received project design assistance from Productive Network but were not selected as GDAs. In addition, the productive sector team also sought to share the value chain methodology being implemented with other projects to encourage a more market-oriented approach in development projects. Specific activities included:

## 1. FONINCLUSION

The Productive Network identified designed two projects (a sugarcane and a community tourism project) to CORPEI, which received approval to be financed through an IDB fund. The Ingenio Azucarero del Norte (IACEN) sugarcane refinery project will likely now be implemented by CORPEI/IDB without further Productive Network support, however, the Productive Network's financial commitment to *Strengthen community tourism in Salinas, Guaranda* is to provide \$7,000 in technical technical assistance and training through a subcontract with *Fundación de Organizaciones Campesinas de Salinas* (FUNORSAL) in the areas of tour guiding, gastronomy, and handicrafts made of tagua (a locally grown ivory palm nut that is used to make fashion jewelry) for which the project has already selected specific consultants and prepared their respective work plans. The purpose of the tourism project is to: (1) identify, develop, and market cultural and other attractions in the community of Salinas; and (2) train local youth in administration, finance, and good tourism practices. The anchor firm is the *Fundación Juvenil de Salinas de Guaranda* and the foundation members with tourism and related businesses are the suppliers. The beneficiaries are contributing \$8,000 in counterpart funding for the implementation of this project. Expected results include more stable employment for youth in the community, improved quality of the tourism attractions and products and thereby increased tourism sales.

## 2. Provincial Council of Pichincha

In FY08 Productive Network signed an MOU with the Provincial Council of Pichincha to strengthen their technical capacity. To date, under this MOU, Productive Network has provided on-site assistance with marketing, good practices and production for the Provincial Council's experimental farm in Pedro Vicente Maldonado. This farm has emphasized production in the absence of any market linkages.

## 3. Knowledge Transfer Across GDAs

On March 26th and 27th, Productive Network hosted an observational study tour (see adjacent photo) for dairy industry and interested public sector stakeholders from the province of Chimborazo and the anchor firm from the hot pepper GDA to meet with Productive Network's dairy project team leader, Carlos Batallas, and dairy project anchor firm, Floralp. Participants also took site visits to meet with producers from the dairy associations to see the application of the dairy project's replicable value chain methodology first hand. Participants from the anchor firm included the General Manager and two agricultural field officers.

Participants from Chimborazo included representatives of the Chamber of Agriculture, two dairy producers, the Dean charged with the dairy sector for the National University of Chimborazo, and a representative of the municipality of Guano. A follow on activity is being planned for the dairy cluster producers to visit hot pepper producers to share field level experiences.



*Chimborazo dairy stakeholders and hot pepper anchor firm employees visit the dairy producer association in Buenos Aires during study tour.*

## D. Strengthening of local service providers for monitoring and evaluation

Concurrent to the execution of the cluster projects, Productive Network is contributing to the institutional strengthening and capacity to deliver business development services of the ADETs responsible for monitoring of the projects. During this reporting period the project provided constant oversight of their services and visited those responsible for monitoring tasks to provide follow up, further training, and additional guidance when needed (such as when ACUDIR had a change in personnel, for example). ACUDIR successfully monitored three projects in Azuay (Paja Toquilla, leather, and aromatic herbs and jewelry GDA projects) while CODECOB, the ADET for the Bolivar province, monitored the mushroom GDA project in Bolivar. In the case of CorpoAmbato, the Productive Network assumed their monitoring responsibilities for the footwear project given the significant delays experienced in signing the respective subcontract and initiating work when required.

ACUDIR and CODECOB have demonstrated growth in their ability to perform as a service provider of monitoring services and have demonstrated a better understanding of the productive capacities of their regions. They now have a skill sets that will allow them to market themselves as project monitors in the future.

#### E. Development Credit Authority (DCA)

During this reporting period, DCA efforts were focused on maximizing use of the DCA and making adjustments based on the performance of the three DCA holders—Pichincha Bank, ProCredit, and FINCA. Efforts were led by Bernai Velarde, Productive Network CTO, and the expected result of the measures taken this period is continued accelerated utilization of the DCA. Specific activities and successes include:

- USAID responded to a formal request by Pichincha Bank to increase the amount of its DCA guarantee by giving them access to \$1.25 million in USAID/Ecuador’s DCA reserve fund. Utilization may commence once the Bank has made the requisite fee payment.
- Pichincha Bank confirmed that as a result of its participation in the DCA program and the drive to increase credit for MSMEs in selected sectors, they issued \$1,312,243 in loans beyond their \$6 million guarantee. This money represents leveraged funding by USAID that allowed for the issuance of 138 additional loans.
- By mutual agreement between FINCA and USAID, FINCA is no longer a DCA holder. FINCA’s delay in using the DCA was a bottleneck for the program and the return of these funds to USAID opens up possibilities for its use including handover to Pichincha Bank who has already expressed interest.
- With the plus-up to Pichincha and continued implementation by ProCredit, we expect to meet the FY09 target of 2,000 MSMEs with access to loans through the DCA. The reporting deadline for the DCA holders is in April and therefore no figures are available at this time for FY09. Productive Network will strive to include updated figures in the final submission of our SAR.

Financial institution	With DCA		With value-chain methodology, not applying DCA	
	# of loans	\$ amount of loans	# of loans	\$ amount of loans
Pichincha	721	\$6,000,000 <sup>3</sup>	138	\$1,312,243
ProCredit	148	\$455,846	720	\$2,160,000

FY08 Reporting Revision: In the September FY08 SAR we reported 957 loans made using the DCA guarantee. We should have reported 1,727 loans made “with USG assistance,” which includes all the DCA-backed loans and those made using the value chain methodology for which Productive Network provided training..

<sup>3</sup> In the September FY08 SAR, Productive Network reported \$7,312,243 in DCA loans made by Pichincha Bank. This figured was reviewed in early 2009 given that Pichincha received only \$6 million for its DCA guarantee fund. Pichincha did indeed place over \$7 million in credits to MSMEs in the sectors supported by USAID in hopes that all would be guaranteed by USAID. Given that USAID can only guarantee \$6 million as per the DCA agreement, the remainder are being treated here as leveraged funds.

## Component 4: Communications

### Major Accomplishments: Communications

- 55 media appearances including newspapers, magazines, television, & radio
- 441,316 people reached through media coverage of Productive Network and partner activities over the past 6 months
- Productive Network and CEDET websites continuously up to date
- Integrating CEDET-REDET websites
- Providing direct TA on public relations and communications strategies for CEDET, the ADETs, APRIM and INVEC.

Starting in FY09, the Productive Network readjusted our communications strategy back to direct management by an in-house Communications Manager instead of a subcontractor. Elena Almeida, the new Communications Manager, continued to position the project and its beneficiary organizations in all important media outlets, both regionally as well as nationally. We experienced continued success in communicating project activities and faced challenges in transferring this capacity to our partners—nearly all of whom have limited human resource capacity. Despite the challenges, the latter half of the six-month period demonstrated that our direct and proactive support to our partners is finally generating some demand for these services and has led to improvements in the communications capabilities of our partners (which was also aided by leveraging funds for communications capacity-building from the CAF-MIPRO project for CEDET and its members).

#### A. Public Outreach

The results of Productive Network's communications efforts are evidenced by 55 media appearances in over 23 media outlets (see Annex 4: Summary of Media Appearances and Annex 5: Press Clippings). By Productive Network estimates we reached nearly 441,000 people.<sup>4</sup> Continuous communications efforts including contact with the media, issuance of press releases, and updating of the project website are prerequisites to achieve these results. In addition to these ongoing efforts, Ms. Almeida was involved with the following specific activities:

- Led or supported public relations efforts related to event planning for numerous partner activities throughout the reporting period, including:
  - The talk on the US-Ecuador Bilateral Dialogue hosted by PROIMBABURA in December, which resulted in an article in *El Norte* newspaper, "*Diálogo bilateral para mejorar la producción*" that discussed the event and the subsequent lunch meeting between the Embassy officials and the board of directors of PROIMBABURA, the ADET of Imbabura province who co-hosted the event.
  - The first annual DET-INNOVA (DET for *Desarrollo Económico Territorial*) conference hosted by CEDET and ACUDIR in January.
  - The "International Seminar on Employment and Productive Linkages within Local Economic Development," which CRECER co-organized. This included facilitating cooperation among the organizers to publicize the event, reviewing a draft press release, sharing a distribution list of national media contacts to publicize the event, and confirming attendance by national media with ongoing relationships with Productive Network. These efforts resulted in an announcement of the event in *El Telgrafo* (the State newspaper).
  - PROIMBABURA's breakfast conference on "Strategies and Tools for the Development of Family-owned Enterprises" that took place on October 30th.
  - APRIM's participation in EXPOPESCA 2008. Ms. Almeida secured a stand for the agency and worked closely with APRIM to take advantage of this event to promote the new agency within Manabí and within Ecuador.

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<sup>4</sup> The Performance Monitoring Plan (PMP) Progress Report details the conservative methodology used for this estimate.



- Prepared press bulletin on CEDET's anniversary and first year's accomplishments and distributed it to media outlets. Resulted in *Radio Quito* interviewing CEDET's Executive Director, Sergio Ochoa.
- CODECOB's fifth anniversary celebration in November.
- MOU signing between the APRIs and the MCPCC and CORPEI in October.

➤ Throughout the reporting period met continuously with media outlets including TV Ecuatoriana, *El Telegrafo*, *La Hora*, *El Diario*, *Manavisión*, *El Mercurio Manta*, *El Comercio*, *Lideres*, *Dinero*, *El Mercurio Cuenca*, *El Tiempo Cuenca*, *La Verdad Imbabura*, *Diario Los Andes Riobamba*, *Diario El Norte*, *El Agro*, *MIPYMES*, *Diario La Verdad Esmeraldas*, *El Universo*, *Gestión*, *Vanguardia*, and *América Economía*, among others, to present Productive Network, CEDET, ADET and APRI activities and develop ongoing relationships.

- Focused outreach efforts on the impact of Productive Network's GDA activities, which led to the following media coverage:
  - *Closing ceremony of the aromatic herbs and jewelry GDA*. Reporters from *Lideres* and *Dinero* magazines conducted one-on-one interviews with the president of the anchor firm and the Productive Network Productive Sector Component Manager. *Dinero's* coverage appeared on December 19 in an article titled, "Aroma de la selva envuelve al mundo."
  - *Closing ceremony for the footwear GDA project in Ambato*. Hosted media representatives from the *Diario La Hora Tungurahua*, *Diario El Heraldo* (of Ambato), and *Diario El Comercio*. Also sent a press release about the event to the *Diario El*



U.S. Ambassador Heather Hodges inaugurates the Qiwa store, a franchise established under the pilot leather GDA project.

*Comercio Revista Lideres, Diario Hoy Revista Dinero, and Diario La Prensa.*

- *Paja Toquilla weaver chair design contest award ceremony.* Met with press in Cuenca and circulated a press release to solicit coverage resulting in the following articles: “*Premian a ganadores de diseño de silla para tejedores de sombreros*” in *Diario de la Tarde*, on February 3<sup>rd</sup>, 2009; “*Estudiantes ganaron concurso de diseño*” in *Diario El Tiempo*, on February 3<sup>rd</sup>, 2009; and “*Diseñan banco de trabajo para las taquilleras*” in *Diario El Mercurio*, on February 3<sup>rd</sup>, 2009 (see image above).
- *Inauguration of the leather franchise store and U.S. Ambassador’s visit.* Collaborated with the U.S. Consulate in Guayaquil to manage press coverage. Joint efforts resulted in attendance by eight media representatives and the following media appearances:
  - Article titled, “*Qiwa tienda del cluster de cuero,*” in *El Mercurio* newspaper;
  - Article titled, “*Embajadora de Estados Unidos, Heather Hodges, destaca clima de confianza en Cuenca,*” in *El Tiempo* newspaper;
  - Article titled, “*Red Productiva apoya a artesanos,*” in *El Tiempo* newspaper; and
  - Mention in *Telerama’s* evening newscast.
- Developed the concept for a new television program with Mathias Spatz of *Ecuavisa Internacional* that will feature Productive Network GDA projects - sharing our project methodology and technical assistance provided throughout Ecuador.
- Hosted stands for Productive Network, CEDET, and the ADETs at CONCOPE’s Productive and Regional Development Conference (see photo below). During this conference, Ms. Almeida was able to put international business representatives in touch with local investment attraction agencies.
- Began planning for a final GDA conference and technical workshop tentatively planned for May 20<sup>th</sup>. Oversaw production of productive sector videos that demonstrate Productive Network’s value chain methodology and which will be displayed during the conference.
- Initiated coordination of Productive Network’s participation in the “Ecuador Produces” fair (known as “*Ecuador Si Produce*” in Spanish) which will be held from June 18<sup>th</sup> – 20<sup>th</sup> in Quito. Other sponsors include the MCPCC, MIPRO, CORPEI, the Ministry of Foreign Relations, FEDEXPOR, Supermaxi, and the Chamber of Industry of Pichincha, among others. The Productive Network’s role will be to help publicize the event and obtain participation of private sector firms—including the anchor firms with which we have implemented GDA projects. The Productive Network will also have its own stand to share our productive sector methodology.
- Coordinated GDA close out events for the aromatic herbs and jewelry and footwear projects and began coordination for up-coming close outs planned for April for the heart of palm, hot pepper, and ceramic installer certification GDA projects.

## **B. Public Relations Technical Assistance to Partners**

In addition to Productive Network’s direct efforts to promote the activities of CEDET, the ADETs, APRIM, and INVEC, the project also provided direct technical assistance to these organizations to develop their own communications capabilities, strategies and work plans, highlighted below:

- Worked in conjunction with Sergio Ochoa, CEDET Executive Director, and OPPIMMUS, the consulting firm implementing the CAF-MIPRO funded institutional capacity building project for CEDET and the ADETs, to prepare a media coverage strategy for CEDET and the ADETs. Also worked directly with OPIMMUS consultant, Cesar Mantilla, to assure continued coordination of complementary communications training and support.



*Productive Network held workshop for ADET communications specialists in Quito on March 4<sup>th</sup> regarding web page management, public relations, and communications strategies.*



*Communications Manager, Elena Almeida presents Productive Network materials at the Productive and Territorial Development Conference.*

- In March, held a communications workshop for representatives of the ADETs on web page management, day to day public relations, and communication strategy development (see above photo). This session was fourth in a series of technical assistance seminars that began in FY08. Trainees included representatives from CEDET and the ADETs in Chimborazo (CRECER), Bolívar (CODECOB), Imbabura (PROIMBABURA), Tungurahua (CorpoAmbato), and Loja (ADELOJA). The content of the workshop was coordinated with Cesar Mantilla of OPIMMUS, which also led activities focused on communications.
- Provided demand-driven on and off-site technical assistance on overall communications strategies and materials to CRECER, CODECOB, INVEC, APRIM and ADPM.
- Collaborated with CEDET, the ADETs, and OPIMMUS on the integration of web pages for CEDET and the REDET. The new web portal will serve as a virtual community for the ADETs. Follow-on training regarding use of the web portal is being planned for the ADETs in the latter half of FY09.

**Table 2: Summary of Media coverage from October 2008 – March 2009**

<b>Main Themes of Press Appearances</b>			
INVEC	8	LEATHER GDA	10
APRIS	1	FOOTWEAR GDA	5
CEDET	3	DAIRY GDA	2
CODECOB	5	HEART OF PALM GDA	1
		AROMATIC	
PROIMBABAURA	3	HERBS/JEWELRY GDA	2
CRECER	6	PAJA TOQUILLA GDA	4
PRODUCTIVE NETWORK	1	ACUDIR	4
<b>Grand Total: 55 (14 National and 38 Regional)</b>			

## **List of Annexes**

- Annex 1: Performance Monitoring Plan (PMP) Report
- Annex 2: PMP Progress Report
- Annex 3: Counterpart funding leveraged to date
- Annex 4: Summary of Media Appearances October 2008 – March 2009
- Annex 5: Press clippings on Productive Network and Partners' events and activities
- Annex 6: Summary of subcontractor deliverables submitted October 1, 2008 – March 31, 2009
- Annex 7: Quarterly financial report (FY09 2<sup>nd</sup> quarter)
- Annex 8: Subcontractor deliverables submitted October 1, 2008 – March 31, 2009 (see attached CD)