

profile

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Ecuador Country Programme Evaluation

Ecuador has experienced five years of political and economic stability relative to most of the preceding decade, which was marked by political instability, economic crisis, financial volatility and a succession of seven presidents. But since the adoption of the new constitution in 2008, increased political and economic stability have led to steady improvement in economic, poverty and social-development indicators. Ecuador was classified as a low-income country in 2000, but in 2010 it advanced to upper middle-income country status with a per capita GDP of US\$5,425. The new constitution reflected a profound change in the political, legal, institutional and social frameworks in favour of the poor. Poverty fell from 36.0 per cent to 25.5 per cent nationally between 2009 and 2013. But the rural poverty index remains high at 42.3 per cent in 2013.

Ecuador has benefited from eight projects financed by the International Fund for Agricultural Development (IFAD) since the start of its operations in the country in 1978, amounting to US\$220.9 million. Apart from a loan granted on concessional terms – US\$14.8 million for the Development of the Central Corridor Project – IFAD's financing was provided on intermediate lending terms until 2008, and on ordinary terms after 2009. The Government and beneficiaries contributed US\$70 million in counterpart funds, and IFAD mobilized US\$66.7 million in cofinancing from multilateral and bilateral sources – the World Bank, the Inter-American Development Bank, the Global Environment Facility and the Spanish Food Security Cofinancing Trust Fund. IFAD carries out direct supervision in the country: it has had a part-time liaison officer in Quito since 2008 and a country programme manager at the sub-regional Office in Lima since March 2013.

This profile summarizes the main conclusions and recommendations from the 2013/2014 country programme evaluation (CPE) by IFAD's Independent Office of Evaluation. The CPE evaluated the country strategic opportunities paper (COSOP) agreed with the Government in 2004, four projects and eleven grants approved during 1997–2012. The main objective was to analyse results, draw conclusions and generate recommendations for the next country strategic opportunities programme to be prepared by IFAD and the Government of Ecuador in 2014.



Regarding the promotion of alliances and partnerships, progress has been made in relation to the private sector through support to value chains such as dairy, cocoa and sugar cane, guinea pigs, and tourism.

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ECUADOR AT A GLANCE

Population: **15.9 million (2014)**

Population growth average: **1.6% (annual)**

Rural population: **4.96 million (2012)**

GDP per capita: **US\$5,425 (2012)**

Poverty headcount ratio at national poverty line (% of population): **25.5% (2013)**

Human development index: **0.724 (2012)**

Ranking = 89, classified as a high level of human development (2012)

Source: Instituto Nacional de Estadística y Censos (INEC), United Nations Development Programme and World Bank.



A farming family has used credit acquired from an IFAD-funded project to build the greenhouse where they grow tomatoes.

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Main evaluation findings

The results of the IFAD-supported programme in Ecuador were limited between 1997 and 2007. The economic crisis at the end of the 1990s, an unstable political and institutional environment until 2008, a weak cooperation framework and fragile institutional support for projects led to overall poor results. Nonetheless, the programme achieved positive outcomes in areas such as small-scale social and productive investments, credit unions, legalization of landholdings, and non-lending activities, especially the promotion of partnerships and knowledge management.

The partnership between IFAD and the Government has improved considerably since 2008. Policy dialogue on rural poverty, territorial development and the environment during the design of the *Buen Vivir* in Rural Territories Programme as well as the launching of the Rural Dialogue Group - which promotes dialogue between civil society, the Government and IFAD on rural development policy - reflected the alignment between IFAD's objectives for rural poverty reduction and the objectives of the present Government. IFAD enjoys a special position in Ecuador as a flexible United Nations organization and a trusted partner, particularly in view of its recognition as the only financing agency focusing on smallholder farming, which is at the heart of efforts to reduce rural poverty in the country.

IFAD has invested a considerable effort in responding to the institutional and legal changes in Ecuador in the form of enhanced direct supervision, including more frequent supervision missions, and - as indicated earlier - the deployment of an in-country liaison officer and a country programme manager at the sub-regional office in Lima in 2013.

Despite the above, the CPE also did find some weaknesses. These include: (a) the 2004 COSOP lost relevance when the new constitution was adopted in 2008, leaving IFAD's strategic role undefined in the context of the new priorities; (b) the realignment of the portfolio during the political and institutional transformation entailed frequent changes in implementing institutions; this in turn delayed the implementation of projects, thereby increasing administrative costs and reducing the impact of ongoing projects; and (c) limited information from programme monitoring and evaluation prevented managers from making timely adjustments, improving impacts and acting on lessons learned.

Key recommendations

- **Reinforce the institutional positioning of the programme.** IFAD should increase its coordination with ministries and government bodies associated with the programme and involve them more closely in programme supervision. Moreover, the programme management unit, while operating within the framework of the current legislation, should have the necessary autonomy to operate following pre-established norms and agreements.
- **Increase non-lending activities.** IFAD should strengthen its activities in knowledge management and dissemination of successes and good practices in programme implementation reinforcing the work of FIDAMERICA in Ecuador. In view of the promising progress in recent policy dialogue through the design of the *Buen Vivir* in Rural Territories Programme and the successful exchanges in the rural dialogue group, support for such activities should be continued.
- **Strengthen monitoring and evaluation.** With IFAD's support, the Government should improve the monitoring and evaluation system, including strengthening impact assessment, and ensure its alignment with the monitoring and evaluation mechanisms of the National Secretariat for Planning and Development, as well as with those of local government.

Further information:

Republic of Ecuador, Country Programme Evaluation, Report No. 3378-EC, June 2014, ISBN 978-92-9072-474-2, Independent Office of Evaluation of IFAD, Via Paolo di Dono, 44, 00142, Rome, Italy. The full report, Profile and Insights are available online at: www.ifad.org/evaluation; email: evaluation@ifad.org.