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# COUNTRY STRATEGY OUTLINES

## Agenda item 4



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# COUNTRY STRATEGY OUTLINE - ECUADOR (1999-2003)

## ABSTRACT

Ecuador is a low-income, food-deficit country. In 1996, the rate of mortality in children under five years of age was 40 per 1,000 live births. In 1997, the country occupied 72<sup>nd</sup> place in the UNDP's Human Development Index. FAO's Global Aggregate Household Food Security Index established an index for Ecuador of 86.4 out of 100, indicating a lack of family food security.

The annual rate of demographic growth is 2.2 percent. It is estimated that for each of the 12 million Ecuadorians there is a corresponding quota of 1,200 dollars of external debt, whose amortization requires 33 percent of the national budget, leaving very little for education and health.

WFP supports the government institutions that aim to eradicate poverty. The methodology of Vulnerability Analysis and Mapping (VAM) will be used to identify those most in need. The poorest zones west of the mountains have already been identified. These areas have the highest concentrations of the indigenous population. The WFP projects will focus on vulnerable groups of women and children of school age.

The WFP office in Ecuador proposes the creation of a new instrumentality to respond to the problem of food insecurity. A Fund for Food Supplementation (FOCAL) would be created and its resources would derive from government funds and those of other donors. The mitigation of hunger in the short term, and the improvement of the food security and nutrition of vulnerable groups, pre-school children and schoolchildren, particularly indigenous, would be the focus of WFP's future strategy in Ecuador. This strategy will be carried out by supporting school feeding in areas identified by the highest poverty incidence and malnutrition rates along with a high density of indigenous population. A phase out strategy is included in which the Government will progressively take over the whole programme. WFP will also promote adult literacy for women in cooperation with UNESCO, the Ministry of Education and NGOs, and will support health and sanitation activities in shantytowns for vulnerable groups. Agricultural productivity will be encouraged by maximizing local purchase of commodities to be distributed in WFP projects.

The CSO envisages a commitment of five years to over 100,000 beneficiaries from 1999 to 2003. The Government has set in motion a Plan for Social Development, a strategy covering the period 1997 to 2007. UNDP has a rolling cycle of three years until the year 2000. The CSO coincides with UNICEF's cycle, as well as that of the UN system Country Strategy Note (CSN). A WFP contribution totalling 10 million dollars for the five year period will be combined with a Government commitment of 33 million dollars. WFP's contribution would be divided thus: 7.2 million dollars for school feeding in indigenous poor areas, 1.4 million dollars for women's literacy and 1.4 million dollars for health programmes for vulnerable groups in urban shantytown areas.

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## NOTE TO THE EXECUTIVE BOARD

**This document is submitted for consideration to the Executive Board.**

Pursuant to the decisions taken on the methods of work by the Executive Board at its First Regular Session of 1996, the documentation prepared by the Secretariat for the Board has been kept brief and decision-oriented. The meetings of the Executive Board are to be conducted in a business-like manner, with increased dialogue and exchanges between delegations and the Secretariat. Efforts to promote these guiding principles will continue to be pursued by the Secretariat.

The Secretariat therefore invites members of the Board who may have questions of a technical nature with regard to this document, to contact the WFP staff member(s) listed below, preferably well in advance of the Board's meeting. This procedure is designed to facilitate the Board's consideration of the document in the plenary.

The WFP focal points for this document is:

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## INTRODUCTION

1. Agriculture is the predominant sector of Ecuador's economy, contributing more than any other sector to the gross domestic product (GDP). During the period 1992 to 1995, this contribution amounted to 17.3 percent. A comparison with other important sectors shows manufacturing at 15.3 percent, commercial activities at 15 percent, government service at 13.8 percent and petroleum production at 13.4 percent.
2. Of the country's territory of 270,790 square kilometres, agricultural land accounts for 30 percent of the total. Most of the cultivated area is devoted to the production of food. Productivity is lower than that attained by farms in countries with a similar level of economic development. According to the statistics of 1985 to 1993, production and yields of the areas cultivated with grains have shown a downward trend, despite the fact that many of the crop areas have increased in size.

## FOOD INSECURITY AND THE POOR AND HUNGRY

### Food insecurity at the national level

3. An analysis of the agricultural sector indicates that approximately 67 percent of the farms are of less than five hectares. These represent seven percent of the total agricultural area of the country.
4. During the last eight years, the area dedicated to the production of crops such as rice has doubled, but the yield has diminished. Rice is the main product of the *Costa* (coastal area). In the *Sierra* (mountains), potatoes are the principal product in terms of volume, along with the different varieties of maize. Wheat production is insignificant.
5. In the urban and rural *Sierra*, the availability of food is conditioned by: a) the scarcity of cultivable land; b) a low capacity of the inhabitants to produce subsistence food; c) limited access to land and inputs; d) a high percentage of post-harvest losses; e) the predominance of a monoculture, which fosters soil erosion; f) inadequate technical support and high production costs; and g) limited access to credit, compounded by the high rates of interest, estimated at 50 percent annually. Farmers who cultivate less than one hectare of land find this rate very difficult to pay.
6. Food is imported to satisfy national food requirements. The principal import is wheat. Annex II lists the products imported from 1990 to 1996. The FAO Global Aggregate Household Food Security Index is 86.4 out of 100 for Ecuador. Because of its geographical location and the existence of three different ecological zones, Ecuador can produce a wide range of agricultural products. This, however, gives a misleading picture of the food security of the country. On the surface, the national production should easily supply the population's food needs, but the prevailing socio-economic structure and the chronic crisis that afflicts the country have determined that most people cannot acquire even the basic food basket for their families.
7. Data from FAO show that imports of food in 1960 represented eight percent of the available food for human consumption. This figure rose to 20 percent in the early eighties, having grown at the rate of seven percent a year. By 1996, with the population of Ecuador at 11.5 million inhabitants, it is calculated that per capita consumption was 496 kilograms



per year, equivalent to 1,358 grams per day, calculated from the total food considered in the Food Balance Sheet of that year. The products that contribute most to the theoretical availability of nutrients are grains and their derivatives, roots and tubers, sugars, oils, fruits and meats, which, taken together, amount to 2,695 calories per day. The poor consume only 1,600 calories a day on average. However, these averages conceal great differences in real access to food for the families of different social groups.

8. For a description of the availability of foods for human consumption, those products that can be considered “basic foods” were taken from the Food Balance Sheet to represent the most important components of local food preferences and how such foods contribute to caloric sufficiency in the diet. These calculations are based on production, imports and exports, donations and losses.

PER CAPITA NET AVAILABILITY OF FOODS WITH  
GREATEST NUTRITIONAL VALUE - 1996

Food	Net available total food (tons)	Per capita		Calories	Proteins (g) Per capita per day	Fat (g)
		kg/year	g/day			
Grain and derivatives	1 000 711	85.7	235	826	19.6	2.78
Roots and tubers	399 207	34	93.5	278	1.8	0.2
Sugars	388 117	33	91	351		
Legumes	50 913	4.35	12	40	2.7	0.2
Oils	302 414	25.7	71	325	5.35	29
Vegetables	162 054	14	38	20	0.7	0.4
Fruits	1 527 154	131	358	337	3.35	1.9
Coffee, tea	125 867	10.7	29.4	128	4.15	5.6
Spices	193	0.02	0.05	0.16		
Meat, etc.	1 841 543	157	431	390	30	22
Total	5 798 174	496	1 358	2 695.8	67.10	61.6

Source: Food Balance Sheet, 1996. Agricultural Information Administration, Project for Retargeting the Agricultural Sector.

9. The country is self-sufficient in the production of rice and can export it in years of good harvest. Production is concentrated mainly in the hands of large producers rather than with small farmers. Ecuador exports rice to Colombia during the Ecuadorian harvest and imports from Colombia during the Colombian harvest. Wheat production is irregular and ninety percent of wheat is imported. In 1995 79,762 tons of wheat were produced while in 1996 production was only 27,600 tons. The country is a net cereal importer and a net total food importer.
10. Price instability affects the national food supply, especially in short-cycle products, to the extent that their seasonal nature concentrates the major part of annual production within a few months.



11. In the foods of the basic food basket, the inefficiency of the market often causes sharp fluctuations in prices. The existence of monopolies and oligopolies distorts prices and gives “false signals” to the market.
12. An excess of middlemen in the commercial process, inadequate storage infrastructure and climatic changes affect the crop yields and availability, causing an almost permanent state of insecurity in supplies and the accessibility of food. Buffer stocks have never been fully put into practice in Ecuador.
13. Ecuador has received food aid for the past 30 years. The European Union, the United States of America, Canada and WFP are the principal donors of food. Between 1990 and 1995, WFP provided 36 percent of Ecuador’s food aid, with quantities that vary annually from 12,000 to 30,000 tons.
14. Food aid programmes have played an important role in the struggle against poverty and in the development of nutritional programmes. Food constitutes a mechanism of social compensation necessary to assist the poorest sector of the population—those most affected by the measures to adjust the economy, or those who are suffering from the effects of recent emergencies.
15. In cases of scarcity, Ecuador has a limited capacity to provide for the food needs of the population in a coordinated and coherent manner. It does, however, have laws and regulations that constitute a framework that can be better utilized.
16. Ecuador is located in part of the Pacific Rim of Fire and has numerous active volcanoes, namely Cotopaxi and Guagua Pichincha, which are constantly monitored for possible eruptions. These would affect important centres of population and production. In addition, the country regularly suffers from drought and floods and is not sufficiently prepared to prevent these disasters. The phenomenon of “El Niño” frequently affects Ecuador.

### The target population

17. Low incomes among poor families have imposed a structure of expenditure in which the principal preoccupation is to satisfy food needs and to ensure, through purchases, farming or mutual dependence, a minimum food supply for family consumption. The following table shows how high expenditure on food is as a proportion of total household expenditure among the poor families of Ecuador:



ECUADOR: DISTRIBUTION OF HOUSEHOLD EXPENDITURE IN 1994  
(POOR HOUSEHOLDS)

Item	Percentage of expenditure
Food	54.8
Gas for cooking	18.2
Health	10.7
Housing	8.2
Education	5.2
Water	0.9
Electricity	1.1

Source: World Bank "Ecuador: Report on Poverty. Volume I: Components of a Strategy to Alleviate Poverty," Quito, 1995, p.3. Prepared by WFP

18. In 1994, poverty was defined as the condition of those households who consume per month less than the level established as the line of poverty. In the third trimester of 1994, this level was estimated at 90,982 sucres per family (42 dollars<sup>1</sup>). Extreme poverty was defined in the same year as the condition of those families who cannot satisfy their food needs even though they spend all of their incomes on food purchases. At that time, the average income for those in extreme poverty was estimated at 61,486 sucres per month (28 dollars).
19. A large number of people do not have incomes sufficient to purchase the basic food basket. It is estimated that approximately 4 million Ecuadorians, who represent 35 percent of the population, live in poverty. In addition, another 17 percent run the risk of falling into poverty. It is estimated that 1.5 million people live in extreme poverty. The principal indicators that identify the poor population of Ecuador are: a) the average family has 5.8 members; b) scarcely four years of education have been completed; (c) only 29.4 percent of the poor have access to health care; d) informal employment represents 39.2 percent and formal employment 8.6 percent; e) 29.8 percent have access to adequate sewage disposal facilities and 75 percent to electricity; f) 34.8 percent have access to potable water and 23.5 percent to garbage collection services; g) households where an indigenous idiom is spoken tend to be poorer; and h) it is estimated that the poor consume on average 1,600 calories a day. For the period 1990-96, 30 percent of the Ecuadorian population was living on less than one dollar a day, which represents only about 20 percent of the per capita income of 1,390 dollars for 1995.
20. The Ecuador Report prepared by the International Conference on Nutrition (ICN, 1993) noted that the information available did not permit a systematic evaluation of the effects of structural adjustment policies. Nonetheless, it can be said that the deterioration of pre-schoolers' nutrition seems to be one of the most visible effects of the programmes of structural adjustment. The prevalence of protein-energy malnutrition, expressed in height-for-age terms, affects 50 percent of the school population; in the rural areas, this figure rises to 60 percent. The overall malnutrition (weight for age) affects 37 percent of the population. Iron deficiency anaemia is present in 70 percent of children between 6 and 12

<sup>1</sup> All monetary values are expressed in United States dollars, unless otherwise stated. One United States dollar equalled 4,524 sucres in March 1998.



months, 45 percent of children between 12 and 23 months and 60 percent of pregnant women. Between 15 and 30 percent of babies have low birth weights.

21. An ongoing study of overall malnutrition and socio-economic conditions in Ecuador noted that the prevalence of malnutrition in the urban *Sierra* reached an average of 45 percent in 1994. In the rural *Sierra*, chronic malnutrition (low height for age) reached 67 percent and overall malnutrition 48 percent. On the urban coast, the figures were 34 percent and 26 percent respectively. The corresponding figures for the rural coastal areas were 43 percent and 37 percent respectively.
22. In the eighties, women represented 60.2 percent of the total illiterate population. Since the Literacy Campaign this figure has gone down but not in the rural areas; 24.5 percent is the overall figure for women, but for indigenous women it is still 45 percent.
23. According to recent studies at the rural level, three factors are linked to the problem of poverty: the lack of land, education and employment. These directly affect the ability of the rural population to attain an adequate diet.
24. There is an inverse relationship between land tenure per capita and poverty, so that the smaller farmers are generally poorer. Land tenure in recent decades has been characterized by continuous fragmentation. Where the *small holding* predominates, small producers cultivate small properties and have scarce economic resources at their disposal.
25. The participation of peasant women in the Economically Active Population (EAP) is 71.8 percent in the *Sierra* and 47.9 percent on the *Costa*. The National Report prepared by the Fourth Women's Conference in Beijing (1995) noted that in rural areas, 55.2 percent of the women engage in agricultural activities and 39.1 percent in other types of productive activities not related to the land. Despite this participation, women farmers have in the past been excluded from the policies and programmes of the agricultural sector. Although Ecuador is recognized as a multicultural and multilingual country and approximately 1.9 million indigenous women play an important role in food production, the contribution of these women to the country's development is not given due consideration.
26. Despite their role in guaranteeing the food security of the family, women who are less well off, and especially those among the poorest families, find themselves in an inequitable position in comparison with men. The differences are apparent in terms of access to education and health care, employment opportunities, in the level of political participation and decision-making, and in terms of access to technology, credit and land. In general, it can be said that women's economic participation has an inverse relation to the size of the farm. The women work on small parcels of land. Many women also carry out post-harvest tasks, food storage and marketing. They manage the family garden and provide vegetables and fruits for family meals. Their nutrition level is generally insufficient and their level of remuneration for agricultural work is lower than that of men.
27. In terms of food consumption, women and children tend to suffer when there are constraints on the household increases. The nourishment of the men of working age is given priority. Nor is housework distributed equitably among the members of the household, with the larger burden falling on the women.
28. The break-up of the family, which is common among the poor, places an extra obligation on the women, who must take responsibility for the children.





## GOVERNMENT PRIORITIES AND POLICIES ADDRESSING POVERTY AND FOOD INSECURITY

29. The Government has begun a process of modernization of public management that will help to remove obstacles to development in the medium term if citizens participate in the process and the capacity to accomplish this change persists in the coming years.
30. To this end, the Social Front has been created, uniting the ministries responsible for the social sector (education, health, labour, housing and welfare). Meetings are held, together with the Ministry of Agriculture, to coordinate efforts to improve social policies and programmes and to conduct studies in the sector under the Technical Secretary of the Social Front.
31. A Fund for Social Infrastructure has been created to carry out small infrastructural projects in poor areas. These projects aim to provide services that are currently lacking and promote the participation of those who will benefit.
32. This process of modernization is based on decentralization of the state administration. The measure is now being discussed in the legislative body and will have direct repercussions on local governments and poor social groups.

### Overall policies

33. Since 1996, measures have been taken to alleviate poverty through an improvement in education. An increased investment in education of 2.5 percent of GDP over a five-year period will make it possible for a quarter of a million workers to be integrated into the modern sector of the economy, with a 40 percent improvement in their incomes.

### Primary School

34. Schooling begins for children at five years of age. The ratio of pupils to teachers is 30.4 to 1 and the cost is 81.9 dollars per student per year. The enrolment of pupils doubled in the decade 1981 to 1991. The Ministry of Education and Culture (MEC) budget for primary education is designed to benefit the poorest sectors of the population most. This is called "variable access" to education. Primary school enrolment is improving and covers 90 percent of the population, but attendance levels are not high, and hunger hinders concentration and reduces the attention span, and ability to recall the material later. By 1996 over 2,000,000 children were enrolled in primary schools.
35. The challenge is to improve the quality of education. Because of the high enrolment figure 80 percent of the MEC budget is designated for teachers' salaries and very little remains for books, school buildings, etc. But the situation is improving.
36. The National School Feeding Programme covers 500,000 pupils. WFP's presence ensures that priority is given to the poorest areas and indigenous population. The school feeding programme not only improves the nutrition of the children, but also reduces absenteeism and the rate of grade repetition. The schoolchildren have improved their attention span and their capacity to learn has increased, but much scope for improvement exists.
37. A study of counties with more than 50 percent of indigenous people found a 40 percent rate of illiteracy together with the lowest indicators of health and education. Fifty-three percent had no education at all, and rates of malnutrition and infant mortality were much higher than those of the poorest rural counties.





38. As regards the situation of the indigenous population, the State Constitution (Art. 1) recognizes Ecuador as a multicultural and multiethnic country. Nevertheless, the National Council of Indigenous Ecuadorians (CONAIE) considers these peoples permanently marginalized. Agreements have been reached between CONAIE and the Government to improve the situation of the indigenous peoples, but at present there are no coherent policies in place to deal with the problem.

### *Gender policies*

39. In the wake of the Women's Conference in Beijing, the Government has established the following strategic objectives and goals to improve the condition of women in Ecuador:

- a) diminish levels of poverty;
- b) eliminate violence against women;
- c) secure the participation of women in the benefits of development; and
- d) overcome the unequal participation between men and women in the exercise of power and decision-making at all levels.

40. The creation in 1997 of the National Council for Women (CONAMU), an entity appointed by the President of the Republic, was meant to help improve the condition of women in general and to coordinate and implement the public policies dedicated to them.

### *Policies in favour of children*

41. In November 1990, Ecuador adhered to the World Declaration on the Survival, Protection and Development of the Child in the Decade of the 1990s, adopted at the 1990 World Summit for Children. The Government agreed in its Plan of Action of 1993 to 1996 to give priority to children by adopting measures to alleviate the present situation. The following goals were established: a) to reduce infant mortality from 52 to 46 per 1,000 live births; b) to reduce the rate of mortality in children from one to four years of age from 17 per 1,000 by 10 percent, and mortality in infants under one year caused by preventable diseases from 36 percent to 30 percent; c) to reduce the chronic malnutrition rate from 50 to 40 percent, the overall malnutrition rate from 37 to 30 percent and the acute malnutrition rate from four to three percent; d) to reduce the rate of malnutrition in pregnant women by 15 percent; e) to increase pre-school enrolment, both formal and informal, to include at least 70 percent of six-year-olds, f) to improve the quality of basic education; and g) to consolidate the school programmes and projects, giving more attention to children in difficult circumstances.

42. Various measures have been adopted to accomplish these goals. Among these is support to the institutional programmes directed to children between 0 and 6 years of age who come from poor households. This will be done through an Operation Rescue Programme for Children, which helps 99,000 children, the Programme of Child Development, which reaches 36,000 children and the continuation of the School Feeding Programme, supported by WFP, which assists 500,000 children.

### *Health and nutrition policies*

43. The national development plan promotes improved health and adequate nutrition for all Ecuadorians. To accomplish this objective, a National Plan of Action for Food and Nutrition was established containing a number of components. Among these are the following: a) support for the processing of mixed foods with high nutritive value and low



cost; b) an organic garden project; c) the production, storage and marketing of food in the rural zone of the *Sierra*; d) a programme of micro-enterprises for women in the marginal urban zones of the *Costa*; e) support for a national system of food security; and f) a programme to enrich flour with iron and sugar with Vitamin A. The aims of strengthening the health centres and improving the coverage and quality of the assistance to mothers and children are also included in the national plan.

### Food security policies

44. There is not yet a national policy on food security, although legislation dealing with the subject is on the way. Various public and private groups are involved in food security at different levels and with distinct specializations, such as the National Development Council (CONADE) and the Food Security Committee. The Ministry of Health has programmes such as Strengthening and Enhancing Basic Health Services in Ecuador (FASBASE) and the Ministry of Education and Culture has its National School Feeding Programme.

### Food aid policies

45. Food aid began to play a predominant role in the country as a result of disastrous floods produced by El Niño at the beginning of the eighties. However, this aid has been diminishing. The volume of assistance of 71,523 tons in 1991 dropped to 11,332 tons in 1993; it increased to 26,941 tons in 1994 and again dropped to 20,000 tons in 1995. The principal donors have been the European Union, the United States of America and Canada. In the past few years, WFP has been the principal source of food donations for direct distribution, with an average of 26,000 tons annually in the period 1995-97.
46. The Government is aware of the strong impact of food aid on the strategic sectors and geographical areas in which it is used, particularly school feeding and food aid to the most vulnerable groups of the poor.
47. The monetization of imported wheat in order to buy food in the national market has demonstrated to the Government that: a) local production can be improved through food aid; b) expenditures for transport to the poorest beneficiaries in high mountain areas can be considerably reduced; c) development of the poorest sectors can be promoted through food aid; and d) greater access to food for the persons most affected by food insecurity can be achieved.

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## ASSESSMENT OF WFP'S PERFORMANCE TO DATE

48. WFP's cooperation with Ecuador began in 1965 and to date a total of more than 75 million dollars has been made available to support development projects (70 million dollars) and five Emergency Operations (5.5 million dollars). To this figure must be added the contribution of non-food items, estimated at one million dollars. The development projects were implemented in the sectors of health (37 percent of the development assistance), education (34 percent), community development with emphasis on the rural sector (27.6 percent) and reforestation (one percent). Emergency operations were approved to assist persons afflicted by natural disasters (floods, drought, earthquakes). In addition to these operations, on many occasions, food from the development projects was utilized to provide rapid assistance to people who were affected by relatively minor natural disasters.



With the experience gained over the years, WFP has been able to focus its efforts exclusively on the sectors of health and education in the poorest areas.

49. WFP is now giving assistance to two development projects implemented by the Government and is analysing two requests: one to expand the school feeding project and the other for emergency assistance related to the El Niño phenomenon and longer term contingency planning for disaster preparedness. In addition, WFP is monitoring and supporting an investment fund in the dairy sector, generated by project No. 2770.

## ANALYSIS OF PROJECTS IN ECUADOR

### *Primary health care and improved health sanitation (No. 4463)*

50. The project was designed to relieve the effects of structural adjustment on the most vulnerable groups, through three components: a) integrated family health care for 36,700 high risk families; b) training workshops for 3,760 voluntary health workers, 3,760 traditional midwives and 1,092 community leaders; and c) construction of basic sanitation infrastructure (82,665 latrines and 545 rural water supply systems). These activities were carried out in counties of five of the poorest provinces: Azuay, Cotopaxi, Chimborazo, Esmeraldas and Manabí, selected on the basis of socio-economic and epidemiological criteria.
51. The project has not escaped the negative effects of a series of political, administrative and financial difficulties that have marked the entire public sector and the Ministry of Health (MSP) in particular in recent years. As a result, despite the efforts and dedication of the executing unit, the project could not reach the level of outputs that had been foreseen. At 45 months since its start, it has completed 65 percent of the programmed activities for integrated family health care, 51 percent of its training activities and 8 percent of the construction of basic sanitation infrastructure. Despite the low percentage of achievements, it is clear that the Health Units are now providing improved health care and the MSP programmes now have better coverage. Expectant mothers are attracted to the programme at much earlier dates in their gestation. On two occasions, food from the project was used in a timely manner to assist people affected by different emergencies—a border conflict and a natural disaster.
52. The search for alternatives to improve the project's performance has yielded positive results. Resources were allotted for a pilot project of rehabilitation and development of the villages Shuar-Achuar, thus complementing the activities carried out by UNDP-UNFPA-UNIFEM. With the Community Self-Management Project of UNDP/Habitat, an agreement was signed to support a series of activities meant to improve environmental conditions and to strengthen the self-management capacity of various groups in the marginalized areas of Cuenca, Riobamba and Guayaquil. In the same manner, it was agreed to coordinate activities with the Project for Education and Equality for Rural Women (PROCALMUC-UNESCO-UNDP) whose objectives are to impart literacy and training to the rural women of Ecuador, to promote their active participation and enhance their leadership skills, thus increasing the equality of opportunity and contributing to improving the quality of their lives. The MSP plans to request WFP to field an evaluation/technical review mission to assist in redesigning the basic strategy concerning vulnerable groups, which will be implemented on a pilot basis under project No. ECU 4463.



### *School feeding programme in depressed areas (No. 3096, Exp.)*

53. The project is an extension of a first phase carried out from 1990 to 1993. The present phase has as its immediate objectives: a) to promote more effective assistance to the children of poor families in primary schools of priority areas; b) to provide additional nourishment to alleviate hunger in the short term, thus improving the primary schoolchildren's capacity to learn; and c) to establish an effective school feeding programme in support of the educational system that can be continued by the Government.
54. The selection of schools assisted under the project is based on indicators of poverty and the prevalence of malnutrition. The project delivers daily to selected schools a provision of food that includes a 60-gram biscuit and 35 grams of a local drink (*colada*), supplying approximately 400 calories a day. The ration is enriched with micronutrients (vitamins A, B1 and B2, folic acid, calcium and iron). Five private companies participate in the manufacture, transport and delivery of the food. UNDP participates in the management of the resources of this project and in contracting the companies.
55. The project began its activities in December 1995. During its implementation, more than 95 million rations have been distributed to an annual average of 520,000 beneficiaries (500,000 pupils and 20,000 teachers). The Government strongly supports the project, transferring the counterpart funds foreseen in the plan of operations. These funds make up more than 70 percent of the programme costs. During a new extension of WFP aid to this project, requested by the Government, the project management and WFP are seeking an effective way of ensuring the continuation of the programme when international assistance terminates.

### Effectiveness of the food aid focus

56. The focus of WFP projects in Ecuador has progressively improved. In the case of project No. 4463, the beneficiary provinces were selected according to a map of poverty prepared by the Government with the support of IFAD. It is based on infant mortality rates, the number of births without professional assistance, levels of illiteracy and unemployment, and access to health services, water and basic sanitation. For project No. 3096 (Exp.), Nutritional Vigilance System (SISVAN) data were used to select all the schools in communities (*parroquias*) with an overall malnutrition level higher than 65 percent. In other communities, single-teacher schools in rural and urban marginal zones and those that have fewer than 30 children were selected first.

### Achievements and sustainability

57. In general, the projects assisted by WFP in Ecuador have contributed to mitigating the negative effects of structural adjustment programmes implemented by different government administrations. More specifically, WFP evaluation reports confirm that the projects have had a positive impact on family incomes and on the nutritional status of the beneficiaries, and have helped to reduce rural unemployment and migration, mainly male. Some have also contributed to the consolidation of communities, but in the majority of cases, these effects were not quantified.
58. In some cases, project management by public institutions was so poor that it became necessary for grass-roots organizations to assume a direct responsibility in project implementation, especially where the planning of civil works and the contribution of technical and financial assistance was concerned.



59. Women have played a role in improving monetary and non-monetary incomes and thus have contributed to the sustainability of the projects. They have participated actively in the community works, supported by food from WFP, particularly in those communities where there has been a high rate of male migration. Their contribution approaches 80 percent in those activities linked to the roles traditionally played by women, such as managing water and the construction of small irrigation works.
60. The different activities undertaken in the food-for-work projects have also had a very important impact on uniting communities where self-management is being promoted in anticipation of the end of the project. However, much of this work has not resulted in an increase in production, owing, in part, to limited technical assistance, difficult access to credit and other factors such as adverse climate.

## Strengths and weaknesses in implementation

### *Cost-effectiveness*

#### *Effects on the market and national production*

61. Food aid provided by WFP to Ecuador in the past five years has had little impact on the net food supply because the shipments have not been so large as to interfere with the mechanisms of self-sufficient agriculture. WFP's local purchase policies have stimulated secondary markets and promoted agricultural production in outlying areas. On the other hand, the products supplied by WFP are designed to satisfy the needs of families who are in a situation of food insecurity and who spend almost all of their incomes on food purchases. Therefore, while food aid increases the availability of food, it does not cause displacement of the local markets.

#### *Monitoring and reporting*

62. The monitoring and evaluation system of project No. 3096 (Exp.) includes: a) preparation and distribution of a Manual of Procedures; b) permanent monitoring of the companies involved to observe the completion of the signed contracts; c) technical control of the quality of the food at different stages; d) verification of the deliveries to schools; and e) the management and distribution of the products as well as monitoring their acceptability. A more formal evaluation of the effects on training will be carried out in the coming months.
63. For project No. 4463, the indicators include an increase in health coverage, regularity of preventive examinations, the educational activities undertaken and activities to provide basic sanitation. The sub-projects mentioned previously have been the object of separate studies by UNESCO and HABITAT.
64. Each project has a budget for monitoring and evaluation activities. Most of these resources were utilized to furnish the implementing agencies with computer equipment and to instruct local personnel in the use of forms designed to gather data on each project. These contributions have a significant impact on the quality and timeliness of the reports.

## FUTURE ORIENTATION OF WFP ASSISTANCE

65. WFP sees this as a particularly opportune moment for Ecuador to establish innovative efforts to promote the right to food of all the population, particularly the children. WFP intends to continue its efforts to support the national school feeding programme and food



security; to support women's literacy with UNESCO; and urban community sanitation programmes with ILO/WHO.

66. The Social Agenda for Ecuador 1997-2007, prepared by the Technical Secretary of the Social Front, identifies as fundamental the need for a food, nutrition and education policy aimed at mothers and children living in extreme poverty. The actions required to put such a policy into effect will be accompanied by "educational campaigns for preventive health care, reproductive health and a healthy life style."

### Target groups and geographical focus

67. The assistance of WFP in the coming years will focus on the poorest, prioritizing indigenous groups located in three regions of the country, and giving most emphasis to pregnant women and pre-school and schoolchildren, women who are heads of households, the unemployed, and landless peasants. The greatest priority will be given to the population living in the central and western *Sierra* where the largest numbers of indigenous people are found.

### WFP programme strategy

#### *Education sector*

68. **School feeding.** WFP plans to spend 7.1 million dollars over four years in support to school feeding programmes in counties with poverty rates between 78.0 and 82.5 percent, and an incidence of malnutrition between 45 and 65 percent. Single-teacher schools in rural zones and urban shantytown schools will receive priority selection. WFP support will represent 18, 15, 10 and 10 percent of the Government's planned investment in 1999, 2000, 2001 and 2002 respectively. The Government phases in as WFP phases out. By 2003 the Government will take over the programme completely. It has expressed its intention to guarantee the sustainability of the project with its own resources. The gradual phase out of WFP will give it more time to do this. Schools with a high proportion of indigenous children will also be prioritized. Studies show the indigenous population constitutes 43 percent of Ecuadorians, and that the illiteracy rate of these people is 36 percent. The Government is expected to invest 34.2 million dollars over the same period (1999-2002) in this sector. The Government contribution will be five times that of WFP. WFP's presence guarantees the programme's outreach to the poorest and hungriest children when the Government's resources are not sufficient to allow all the children to be reached.
69. **Adult literacy.** Another 1.4 million dollars will be used to support women's adult literacy programmes. Pilot experiences to date with UNESCO have proven successful. Ninety percent of the participants have been indigenous women, whose illiteracy rate is 45 percent. In one or two years the women are able to count and keep accounts for the cooperatives for which they are working.

#### *Health sector*

70. A total of 1.4 million dollars will be invested in shantytown public sanitation and health programmes. These are organized through community groups, the Ministry of Health and NGOs, and are supported by ILO and WHO. It is planned to continue the work of Project No. 4463 through which health workers, midwives and community workers have been trained and water supply systems and basic sanitation infrastructure constructed. Women's





groups play a leading role in implementing this project and infants and pre-school children receive the food through the mothers' work.

### *Creation of FOCAL*

71. WFP has been involved in creating a new structure for food aid. In its strategic role as coordinator of food aid and resources for the poorest and hungriest, WFP is initiating a new quasi-Governmental foundation to be called FOCAL. FOCAL literally means Food Compensation Fund. WFP's country strategy will be administered through FOCAL.
72. This proposal is based on the need to respond effectively to the food and nutritional needs of the poorest and hungriest. FOCAL is an autonomous structure for social investment that will be based on full social participation, mutual dependence and decentralization of resources. Ecuadorian authorities have used this kind of mechanism before and it has proven effective. They have studied the proposal and agree with it in principal. The Ministries of Planning and Finance are supporting it. Consultation and coordination with the technical ministries is built into the FOCAL structure.

### *General objective of FOCAL*

73. FOCAL has been established to attract food and financial resources that will be combined in a coordinated manner and utilized in food and nutritional programmes and projects aimed at the population groups identified as priorities under the social and food policies of the country. FOCAL's resources will be provided by the Government, WFP, ILO/WHO and eventually all food aid donors.

### *Specific objectives*

74. FOCAL aims to contribute to the improvement of the food and nutritional security of the country, assisting programmes that intervene directly in the alleviation of hunger and malnutrition, which afflict the poorest and most vulnerable sectors of the population.
75. FOCAL would constitute a strategic food reserve to respond efficiently and in a coordinated way to immediate needs for food resources in cases of disaster and emergency. The strategic aspect means it is part of a contingency plan for response to disasters.
76. The first aim of FOCAL will be to finance national programmes that support the training of human resources, such as school feeding carried out by MEC, components of the National Plan for the Protection of Children of the National Institute for Children and the Family (INNFA), the Assistance to Vulnerable Groups programme (aimed at expectant and nursing mothers and children below five years of age) run by the Ministry of Public Health and food components of programmes of the Ministry of Social Welfare (such as the Operation for Saving the Children) that offer a food and nutrition supplement containing micro-nutrients.
77. FOCAL's second aim will be to support local initiatives to alleviate poverty and promote food security, such as projects for the production and processing of foods, the improvement of access to food for families in need and the education and training of women. These projects would also strengthen local organizational structures.
78. FOCAL's third aim will be to establish a strategic reserve to manage food resources efficiently and in a coordinated way, allowing rapid and effective interventions disaster and emergency situations.

### *Principal functions of FOCAL*

79. FOCAL's principal functions will be as follows:





- a) prioritize and focus its activities in accordance with the maps of poverty and vulnerability, and on the basis of levels of food security;
- b) coordinate and develop mechanisms of agreement between participating institutions to guarantee the harmony, efficiency and effectiveness of the projects to be financed;
- c) attract and assign the resources of the General State Budget, of ministerial allowances, of bilateral and multilateral organizations of cooperation and other sources which jointly make up the Fund;
- d) monitor and control the application of decisions and new directions and principally the assignment of resources; and
- e) revise and evaluate programmes and projects, re-orient and introduce corrections when necessary and discontinue those that are not achieving the proposed objectives.

#### *Organizational structure*

80. WFP will assume a catalytic role in the creation of FOCAL. To that end, it will convene meetings at various institutions to create this Fund which will lay down an autonomous, administrative structure, composed of a collegiate body (Board of Directors) with representatives of public institutions (Ministries of the Social Front, INNFA, The Ministry of Agriculture) and private institutions (NGOs) whose work is related to the problems of hunger and poor nutrition, joined by specialized agencies of the United Nations System. FOCAL will not directly implement the programmes and projects but will be the umbrella under which WFP will carry out its programme to assist the illiterate, the urban and rural poor and school and pre-school children.

#### *Financial aspects*

81. FOCAL will be funded by WFP contributions, the amount being equivalent to the annual allotment of resources for the Ecuador programme and totalling 10 million dollars between 1999 and 2003, and by Government contributions for the implementation of the WFP programmes and projects. The Government's contribution would be triple that of WFP. Initially, these resources will be obtained from the budget of the Ministry of Education for the School Feeding Programme, as well as from the National Fund for Child Nutrition and the Solidarity Fund. The Ministries of Planning and Finance are fully involved in creating the structure of FOCAL.

## PROBLEMS AND RISKS

82. The strategy proposed requires conviction at the highest political levels of the country and among the participating institutions to secure political support for and confidence in the objectives propounded. It also requires sufficient consensus on the importance of this organizational and financial structure as part of the national process of modernization of state management and decentralization in the planning and implementation of the actions.
83. The creation of FOCAL will be carried out in a climate of trust. The Government will guarantee the formation of the fund as a foundation with sufficient resources, to be made available as agreed, and the necessary autonomy.
84. FOCAL must be initiated in pilot form in a number of zones of extreme poverty in Ecuador to test the instruments, methodologies and the relevance of the agreements on social and institutional participation with the entities who work in these zones.





## ANNEX I

## LIST OF ACRONYMS

<b>ALADI</b>	Latin American Association for Development and Cooperation
<b>IDB</b>	Inter-American Bank for Development
<b>IBRD</b>	International Bank for reconstruction and Development
<b>ICN</b>	International Conference on Nutrition
<b>CONADE</b>	National Council for Development
<b>CONAIE</b>	National Council for Ecuadorian Indigenous Groups
<b>CONAMU</b>	National Council for Women (former DINAMU)
<b>DINAMU</b>	National Directorate for Women
<b>IRD</b>	Integrated Rural Development
<b>ENAC</b>	National Company for Storage and Trade
<b>ENDES</b>	National Company for Semen
<b>ENSEMILLAS</b>	National Company for Seeds
<b>EMPROVIT</b>	National Company for Vital Products
<b>EMADE</b>	State Fertilizer Company
<b>FAO</b>	Food and Agriculture Organization of the United Nations
<b>FASBASE</b>	Strengthening and Expansion of Basic Health Services in Ecuador
<b>IFAD</b>	International Fund for Agricultural Development
<b>FISE</b>	Social Investment Emergency Fund
<b>UNFPA</b>	United Nations Fund for Population Activities
<b>FONNIN</b>	National Fund for Child Nutrition
<b>FOCAL</b>	Food Supplement Fund
<b>AHFSI</b>	Aggregate Household Food Security Index
<b>HDI</b>	Human Development Index
<b>INIAP</b>	National Institute for Agricultural Research
<b>INNFA</b>	National Institute for Family and Childhood
<b>MAG</b>	Ministry of Agriculture and Livestock
<b>VAM</b>	Vulnerability Analysis and Mapping
<b>MBS</b>	Ministry of Social Welfare
<b>MEC</b>	Ministry of Education and Culture
<b>MSP</b>	Ministry of Public Health
<b>ORI</b>	Operation for Saving the Children
<b>LIFDC</b>	Low-income, Food-deficit Country
<b>EAP</b>	Economically Active Population
<b>CSO</b>	Country Strategy Outline
<b>GDP</b>	Gross Domestic Product
<b>WFP</b>	World Food Programme
<b>PROCALMUC</b>	Project for Training and Literacy for Rural Women
<b>PRSA-MAG</b>	Project for Re-targeting the Agricultural Sector
<b>SISE</b>	Integrated Social Indicator System for Ecuador
<b>SECAP</b>	Ecuadorian Training Service
<b>SISVAN</b>	Nutritional Surveillance System
<b>EU</b>	European Union



## ANNEX II



IMPORTS (1990-96) OF PRINCIPAL FOOD COMMODITIES (in tons)

<b>Product</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>Total 1990-96</b>
Wheat	369 792.53	389 032.73	257 939.03	216 529.29	248 177.48	133 772.25	351 020.00	1 966 263.31
Rice	19 218.90	-	640.00	1 056.22	100.00	420.00	-	21 435.12
Skimmed milk	-	-	2.80	26.99	-	6.80	-	36.59
Whole milk	0.02	510.00	536.00	279.21	909.11	536.16	-	2 770.50
Beans	-	-	-	7.19	64.13	-	-	71.32
Kernel corn	22.89	145.09	585.92	8 277.06	11 504.73	-	26 306.00	46 841.69
Wheat flour	-	0.50	40.54	4 828.31	52 700.69	3 103.01	-	60 673.05
Oil of soya	68 915.21	41 804.22	31 098.22	7 502.98	27 752.85	10 599.65	54 589.00	242 262.13