Republic of Ecuador
Country Strategy and Programme Evaluation

Main evaluation findings and recommendations
109th session of the Evaluation Committee
IFAD in Ecuador – Overview

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<tbody>
<tr>
<td>IFAD financing</td>
<td>139.9</td>
<td>85.9</td>
</tr>
<tr>
<td>Government</td>
<td>58.0</td>
<td>40.8</td>
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<tr>
<td>contribution</td>
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<tr>
<td>Co-financiers</td>
<td>66.7</td>
<td>17.7</td>
</tr>
<tr>
<td>Beneficiaries’</td>
<td>33.3</td>
<td>15.6</td>
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<tr>
<td>contributions</td>
<td></td>
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<tr>
<td>Total Cost</td>
<td>298.0</td>
<td>160.0</td>
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This CSPE covers two COSOP periods:
- COSOP 2004-2014
- COSOP 2014-2018
  - Updated in 2018
    (period 2018-2021)

CSPE lending portfolio:
- **PISL**: US$ 12.70M
- **PBVTR**: US$ 17.30M
- **PBVTR-extendión**: US$ 10M
- **FAREPS**: US$ 15.90M
- **DINAMINGA**: US$ 25.91M

Nine Grants (USD 13.9 millions):
- Three country specific
- Six regional
IFAD in Ecuador – Overview (2)

IFAD investment support by component (2009-19)

- Project management/ M&E 13%
- Cultural heritage rehabilitation 1%
- Capacity strengthening/ territorial development 20%
- Business development/ technical assistance 25%
- Initiative investment fund 38%
- Environment and natural resource management 3%

Map showing regions in Ecuador with various shades indicating IFAD investment support.
Main evaluation findings – Highlights

Project portfolio – Strengths (1)

- Contribution to improved access to physical assets and resources:
  - Access to productive infrastructure
  - Agricultural diversification
  - Employment generation
  - Increased productivity and food security

- Strengthened production and transformation capacity of producer organizations:
  - increased capacity of small farmers in farm management of diversified practices and as entrepreneurs engaged primarily in food processing cooperatives
Main evaluation findings – Highlights
Project portfolio – Strengths (2)

- Improved natural resource management:
  - Transition from maize mono-cropping to diversified farms
  - Implementation of agro-forestry systems (~ 8,000 ha with two projects; positive perception of farmers about changes in the environment of farms)

- Application of decentralized project implementation system:
  - the creation and successful operation of an implementation system based on territorial liaison units (innovation)
  - creation of local committees that involve small beneficiaries in the local decision-making processes with autonomous governments
Main evaluation findings – Highlights
Project portfolio - Challenges and issues

- Large intervention project zones without overlaps to facilitate synergies
- Limited results on access to markets and financial services
- Producers’ organizations – still limitations related to commercialization, marketing and management capacities
- Lack of a coherent and clear “exit strategy” of projects.
- Good women’s participation (specific activities for women included in projects), but still scope for improvements in relation to their access to services, information, rights, etc.
PISL and PBVTR managing pre-implementation processes efficiently (PBVTR as a good performer in relation to LAC average)

… but FAREPS and DINAMINGA faced long lag between project approval and effectiveness (24.3 and 12.7 months, respectively), and effectiveness to 1st disbursement (19.6 and 21.4 months respectively).

These delays are mainly attributed to:
- weak interministerial coordination
- Institutional changes
- High project staff turnover

Challenges (as of October 2019):
- PBVTR (extension):
  No disbursements, US$10 millions in 2.5 years
- FAREPS:
  US$2 millions disbursed, US$13.9 millions in 2 years
- DINAMINGA:
  US$1 million disbursed, USD 24.9 millions in 3 years
Main evaluation findings – highlights
Non-lending activities

Strengths
- Lessons learned from previous operations were gradually adopted in COSOP and project designs
- Unique space for policy dialogue acquired through the “Rural Dialogue Group” (ex. Contribution to the development of 9 VC plans)
- Partnership with Decentralized Autonomous Governments (GAD), which co-financed territorial investments

Weak areas/ challenges
- Limited participation of private sector to improve market knowledge and access
- Room for better coordination and synergies between investment projects and grants
- Project M&E identified as a weak area
- Lack of structured and coherent KM system that captures and shares experiences from producer organizations
Conclusions

• The strategy and programme are well aligned with government and IFAD’s own policies. However, a better targeting could improve the **relevance** and synergies among IFAD-funded activities.

• Despite **positive results** in supporting rural enterprises and producer organizations, the **sustainability** has been impacted by the limited support in the implementation of commercialization and marketing strategies.

• Suboptimal coordination with strategic partners to develop **policy dialogue** beyond operational issues related to the portfolio.

• Reinforcing **synergies between the lending and non-lending interventions** remains a key challenge for the partnership between IFAD and the Government of Ecuador.
Main recommendations

1. Apply a **differentiated territorial approach** in the implementation of the projects.

2. Enhance **sustainable rural enterprises** through promoting market studies at design phase and updating them during their implementation.

3. Strengthen the **capacity for policy dialogue on** rural transformation of small producers with the Government of Ecuador

4. Strengthen **IFAD's presence in the country** for greater technical and administrative support of the strategy and programme

5. Reconsider the **timing for the design of the next COSOP** considering the national electoral cycle