

## Data Sheet

<b>USAID Mission:</b>	Ecuador
<b>Program Title:</b>	Northern Border Development
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	518-013
<b>Proposed FY 2004 Obligation:</b>	\$15,000,000 ACI
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2005 Obligation:</b>	\$15,000,000 ACI
<b>Year of Initial Obligation:</b>	FY 2001
<b>Year of Final Obligation:</b>	FY 2006

**Summary:** USAID's Northern Border Program is aimed at containing the spread of a coca/cocaine economy into Ecuador, by strengthening northern border communities through an integrated strategy of preventive development. Activities funded under this program include: 1) support for social infrastructure projects (mainly potable water and sanitation); 2) productive infrastructure (primarily farm-to-market roads, small bridges, and irrigation canals); 3) strengthening of local government capacity and citizen participation; 4) increasing employment and income through licit productive activities, including a new Global Development Alliance (GDA) project for cacao; 5) and a communications/public diplomacy strategy to create support for these activities.

### Inputs, Outputs, Activities:

#### FY 2004 Program:

Improve living conditions of the northern border citizens (\$9,000,000 ACI). USAID will support the construction of water and sanitation systems for approximately 37 communities, which will bring clean water to 70,000 beneficiaries in at least five provinces. USAID will provide technical assistance and training to build community and municipal government capacity for the sustainable management of these systems and for building more effective participation of communities in local government decision-making. This activity will help up to ten municipalities address a wider range of governance issues democratically, including: participatory planning; budgeting and financial management; transparent contracting in public services; and land titling. USAID will expand community organizations' strengthening activities by building the capacity of local indigenous, Afro-Ecuadorian groups, and other community-based organizations to participate effectively in local government planning, decision-making, and oversight. The prime implementer is the International Organization for Migration (IOM) and the sub-implementers for the Local Governance Improvement Programs will consist of private voluntary organizations.

Create Employment Opportunities (\$5,600,000 ACI). USAID will fund productive activities and infrastructure. The latter primarily consists of farm-to-market roads, small bridges, and community irrigation systems. USAID plans to continue this component with completion of ten new bridges and a major irrigation project unifying several traditional canals in Carchi Province, benefiting at least 20,000 people. USAID will fund efforts to increase competitiveness of existing rural enterprises by mitigating constraints to increasing licit jobs and incomes. USAID will develop competitive productive activities to help prevent activities related to the drug economy. In addition to increasing income and employment, USAID will help increase agricultural and non-agricultural products and productivity; strengthen the financial viability of enterprises; consolidate business linkages; increase economic investment in the region; and reduce or eliminate selected policy and regulatory bottlenecks. USAID will identify and select five to seven promising product clusters within the geographic region and will design the interventions in the most critical segments of the value chains included in the clusters. Cacao has already been selected as the first priority cluster, due to its high and growing demand in the international markets. To further support this cluster, USAID recently jointly funded a private sector counterpart to focus primarily on expansion of purchase of cacao from small northern border farmers and marketing a specialty chocolate product for export. Prime implementers are ARD and Yachana.

Expand public awareness about coca/cocaine threat (\$400,000 ACI). USAID will implement two related but distinct activities: 1) educating the Ecuadorian public about the potential coca/cocaine threat and build awareness about the efforts by the U.S. Government and UDENOR to address the multiple spillover effects from Colombia; and 2) a community-based communications program that enhances the effectiveness of interventions in water, sanitation, health, and community development through radio and other mass media as well as face-to-face education and community promotion efforts. The Embassy Public Affairs Section (PAS) is the prime implementer.

**FY 2005 Program:**

Improve Living Conditions of the Northern Border Citizens (\$9,000,000 ACI). USAID will continue to assist the construction and rehabilitation of water systems and other infrastructure in six provinces, aimed at demonstrating to the population that their government works and provides useful services. USAID will also expand local government development and improved governance activities to other municipalities. Same implementers as above.

Create Employment Opportunities (\$5,800,000 ACI). USAID will expand into three or four additional sub-sector clusters, such as vegetables or tropical fruits, with intensified technical assistance, training and grants to strengthen farm-to-market linkages in support of improved rural competitiveness and increased employment and incomes. Support for complementary productive infrastructure such as small bridges, farm-to-market roads, and irrigation systems will also be continued. Same implementers as above.

Expand Public Awareness About Coca/Cocaine threat (\$200,000 ACI). Funding of a public diplomacy program through PAS and communications activities in support of infrastructure and local government interventions will continue with emphasis on evaluation of the program's impact. Same implementers as above.

**Performance and Results:** In FY 2003 over 110,000 poor, marginalized beneficiaries were provided with potable water and improved roads, bridges, and irrigation channels, in addition to the less visible, but equally important institution-building activities implemented in communities and municipalities. Fourteen water systems were built or improved, while municipal sewage disposal systems in two of the largest border towns were completed. Sustainability of these systems was a priority focus, with 29 local water boards trained to manage and operate systems. USAID also provided technical and management training and resources to five larger municipalities. Other important results included training for community organizations aimed at strengthening leadership and organizational capacity building benefiting thousands of indigenous groups and Afro-Ecuadorians in the Esmeraldas and Carchi provinces. Meanwhile, youth were targeted for drug prevention activities that reached more than 11,000 high school students, parents, and teachers. USAID's licit economic activities and public diplomacy efforts were designed and contracted near the end of FY 2003, but significant efforts to obtain baseline data, establish partners in the field, and develop working groups for implementation were all successfully accomplished. By the end of FY 2006, USAID's northern border program will have reached over 500,000 beneficiaries, strengthened at least ten local governments and 70 community water boards, and constructed over 70 water and sanitation systems. Other expected results are: a substantial increase of income for poor families, paralleled by an increase of licit on-farm and off-farm employment; the efficient functioning of five to seven product clusters based on profitable and sustainable products; and strengthening of producer organizations.

## US Financing in Thousands of Dollars

Ecuador

	ACI	Plan Colombia
518-013 Northern Border Development		
<b>Through September 30, 2002</b>		
Obligations	10,000	8,000
Expenditures	3	7,824
Unliquidated	9,997	176
<b>Fiscal Year 2003</b>		
Obligations	15,896	0
Expenditures	8,313	176
<b>Through September 30, 2003</b>		
Obligations	25,896	8,000
Expenditures	8,316	8,000
Unliquidated	17,580	0
<b>Prior Year Unobligated Funds</b>		
Obligations	0	0
<b>Planned Fiscal Year 2004 NOA</b>		
Obligations	15,000	0
<b>Total Planned Fiscal Year 2004</b>		
Obligations	15,000	0
<b>Proposed Fiscal Year 2005 NOA</b>		
Obligations	15,000	0
Future Obligations	14,104	0
Est. Total Cost	70,000	8,000