

## Migration & Development Linkage in Ecuador

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**Migration & Development Linkage in Ecuador**

**Andrea Gallina**

# **Research Report 3/2007**

## **Migration & Development Linkage in Ecuador**

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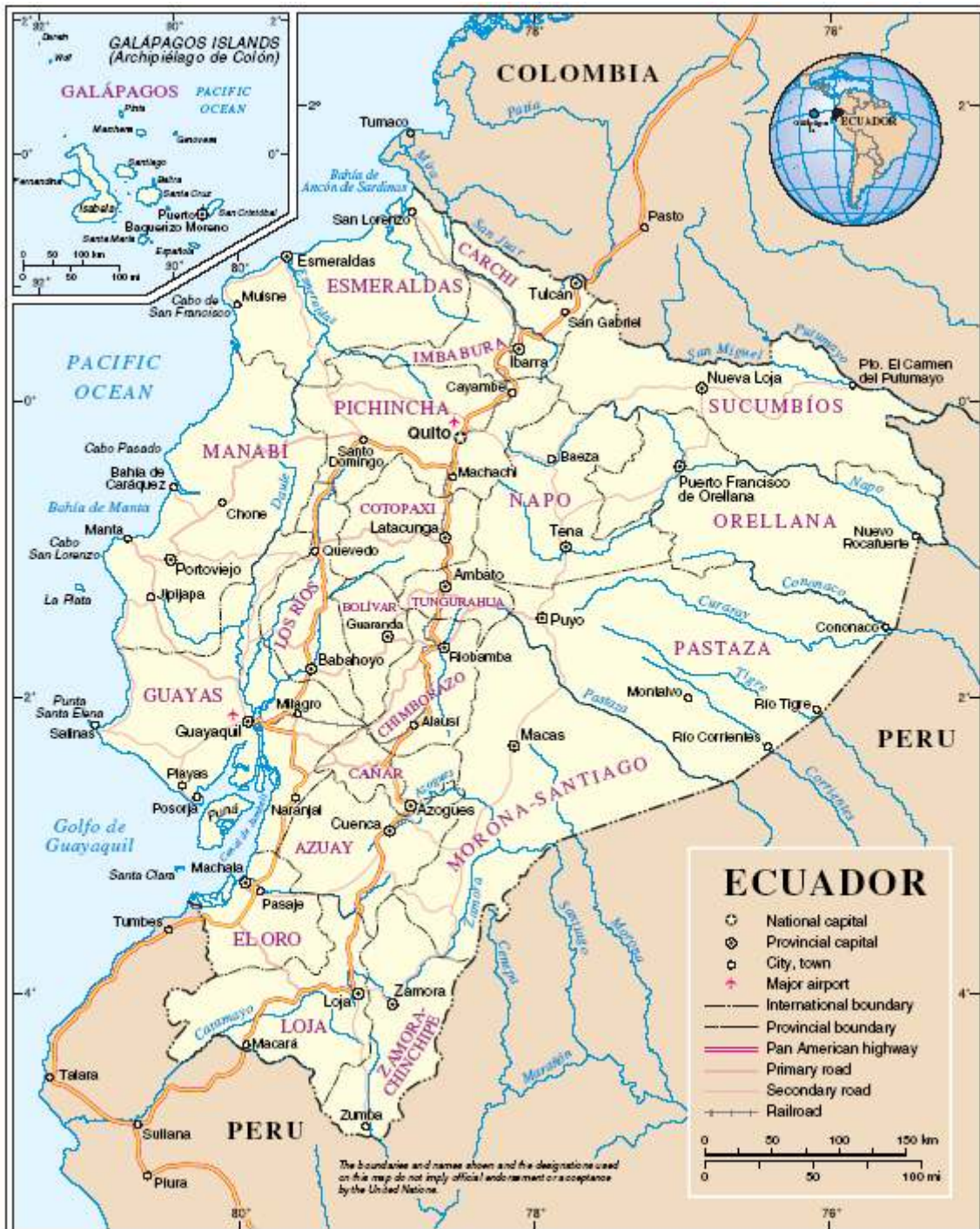
### **BACKGROUND COUNTRY REPORT FOR THE EUROPEAN COMMISSION DG AIDCO:**

**“Study on the linkage between migration and development – operational implications for  
programming and project development”**

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# MAP OF ECUADOR



Map No. 3879 Rev. 3 UNITED NATIONS  
June 2004

Department of Peacekeeping Operations  
Cartographic Section

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## **Abbreviations**

<b>BID</b>	<b>Banco Intereamericano de Desarrollo</b>
<b>CDM</b>	<b>Casa del Migrante</b>
<b>FDIs</b>	<b>Foreign Direct Investments</b>
<b>MTOs</b>	<b>Money Transfer Operators</b>
<b>NGOs</b>	<b>Non Governmental Organizations</b>
<b>INGOs</b>	<b>International Non Governmental Organizations</b>

## 1. Introduction

Ecuador is a country with a large cultural, ethnic, climatic and geographical diversity. With about 12.1 million people, according to the latest census of 2001, it is the second smallest Latin American country. The country is divided into four main geographical regions: The Andean region in the center, which includes Quito, the Pacific coastal region in the western part of the country, with a developed industrial and trade center (Guayaquil, the largest port and biggest city in the country), the Amazonian region, which covers more than 50 percent of the national territory, and features extensive reserves of wood and oil, and the island region of the Galápagos Archipelago, a nature reserve dedicated to tourism and fishing<sup>1</sup>.

According to the World Bank Poverty Assessment (2004), the number of poor increased from 3.5 to 5.3 million during the period between the last two censuses. Further figures from the Central Bank of Ecuador show that during the period 1995-2000 the number of poor grew from 3.9 to 9.1 million (from 34 to 71 percent of the population), while extreme poverty grew from 2.1 to 4.5 million people (from 12 to 31 percent)<sup>2</sup>.

Poverty increased especially in the urban areas, mostly affected by the bank crisis of 1999 and also in the mountainous areas where an increase of 15 percent of people living in poverty was recorded during the same period. Poverty is also associated with an alarming and increasing gap in wealth distribution. During the period 1995 to 2000, the richest quintile increased its share of income from 52 to 61 percent of the total, whereas the poorest quintile of the population went from 4.6 to 2.5 percent<sup>3</sup>.

During a long period, almost two decades, the economy has recorded very low growth rates (a 0.3 percent annual average). In 1999, GDP fell by 6.3 percent in constant Sucres (the national currency) and 28 percent if calculated in US dollars. GDP per capita was drastically reduced by a third, going from \$2,035 to \$1,429<sup>4</sup>. Social expenditures were cut in order to pay the external debt and bank deposits frozen. In August 1999, even the debt repayments were suspended, the crisis was irreversible.

The crisis was created by bad economic management, coupled with low oil prices, increased external debt and El Niño floods that damaged the export crops and left 20,000 thousand people displaced. During the last years of the 20th century, the national currency lost more than two-thirds of its value and inflation was out of control. On January 9<sup>th</sup> 2000, the Ecuadorian

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<sup>1</sup> The coastal provinces (from north to south) are Esmeraldas, Manabí, Los Ríos, Guayas, and El Oro. Highlands provinces are Imbabura, Pichincha, Cotopaxi, Tungurahua and Chimborazo, in the north, and Bolívar, Cañar, Azuay and Loja, in the south. The Amazon is comprised of the provinces (from north to south) of Sucumbíos, Napo, Pastaza, Orellana, Morona-Santiago and Zamora-Chinchipe. Ecuador's 22nd province the Galapagos Islands.

<sup>2</sup> Banco Central de Ecuador, in Alberto Acosta and Jaime Atienza (2004) *Migraciones y desarrollo. Estudios de dos casos particulares: Ecuador y Marruecos*, Parte II, Centro de Estudios de Cooperación al Desarrollo (CECOD), Madrid, p.11. Similar data are found in Alberto Acosta, Susana López Olivares y David Villamar, 2006, *La contribución de las remesas a la economía ecuatoriana*, CESPLA- Universidad de Cuenca, available at [www.codesarrollo-cideal.org](http://www.codesarrollo-cideal.org) Julio 2006, p.2.

<sup>3</sup> Luis Gualán Japa, *Migración en el Ecuador*, presentation to the Seminario-Taller sobre Primera Jornadas Municipios y Desarrollo, Valencia-España, 2 y 3 de diciembre del 2005.

<sup>4</sup> Banco Central de Ecuador, in Alberto Acosta and Jaime Atienza (2004) *op. cit.*, p.11.

government, unable to face the crisis, decided to adopt the US dollar as the national currency and abandon monetary policy as an instrument for increasing competitiveness. The Central Bank of Ecuador still functions but without any real role to play.

This crisis was directly responsible for a massive wave of migration towards Europe, especially Spain and Italy. It is estimated that in four years (2000-2004) about 1.5 million Ecuadorians left their country<sup>5</sup>. Spain was the main destination, since there was an agreement allowing Ecuadorian passport holders to enter the country as tourists without a visa. Spain began to require Ecuadorian visas in 2003, virtually stopping the immigration. The Ecuadorians living in Spain but without working and residence permits were regularized in 2004 with the Real Decreto 2393/2004. About 400,000 people were granted legal status.

In 2005, Spain counted 487,239 Ecuadorians, the vast majority living in Madrid, Barcelona, Valencia and Murcia, to which about 70,000 undocumented workers should be added<sup>6</sup>. In Italy, there is an official figure of 61,953 Ecuadorians, which is doubled if the estimates on undocumented workers are included, making the most important Latin American immigrant group in Italy. They live mainly in Genoa, Milan and Rome and are mainly women (62 percent)<sup>7</sup>. In Europe, in addition to Spain and Italy, other final destinations were France, the Netherlands, Germany and the United Kingdom.

The traditional destination of migrants from Ecuador before the 1999 crisis was the United States. In 2005, the US Census Bureau estimated there were 436,409 Ecuadorians, 62 percent of whom reside in New York-New Jersey metro area, 6 percent in Miami and 4 percent in Chicago. Nationally they are the eighth immigrant group, while in the New York-New Jersey metro area the third largest behind Mexicans and Dominicans<sup>8</sup>. Other less conservative estimates account for 550-600,000 Ecuadorians in the United States.

The migration phenomenon in Ecuador is made of several historical phases, starting in the 1960s with the decline of the “Panama” hat trade with the US and coming especially from Azuay and Cañar provinces<sup>9</sup>. Young males used the trade routes and connections to migrate mainly to New York. In the 1970s, some migration towards oil-booming Venezuela was recorded, but this mostly ended in the 1980s as oil prices fell.

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<sup>5</sup> Personal communication with Michele Ceccarelli and Marco Venegas Flores, EC Delegation in Ecuador, Quito, 2<sup>nd</sup> April 2007.

<sup>6</sup> Brad Jokish, *Ecuador: Diversity in Migration*, Migration Information Source, Migration Policy Institute, February 2007, accessed on 15 March 2007.

<sup>7</sup> Jokish, 2007, *op. cit.*

<sup>8</sup> Jokish, 2007, *op. cit.*

<sup>9</sup> For over a century (1850-1950) the province of Azuay and its capital, Cuenca, had been exposed to international trade producing the Panama Hat. Contrary to popular belief, these hats were originally made in Ecuador, but they got their name because they were transported through the Panama Canal and were used during its construction. Many households were involved in its manufacturing process and an otherwise isolated region in Ecuador was linked to international markets in many countries of Latin America, in the United States and Europe, especially through importers and middlemen in New York City. When the trade collapsed in 1947, as much as a quarter of the labor force in Azuay and Cañar lost their jobs and started to migrate using the trade routes to enter the US illegally, going mainly towards New York City. Ana C. Melo, 2006, p.20.



The last wave of migration, which started at the end of the 1990s, has been geographically spread over the country and affected urban areas more than before, the Coast more than the Sierra, more people with higher educational levels than uneducated farmers, and more women than men. Recent migrants have not been the poorest in search of any job opportunity available, but the impoverished middle class searching for new opportunities and a brighter future in which they can use their qualifications. This very recent wave headed mostly towards Europe; Spain and Italy in particular.

Overall, about 2-2.5 million Ecuadorians live abroad, corresponding to about 20 percent of the population. Their remittances represented 5.8 percent of GDP in 2003 and are higher than the export revenues from bananas, cocoa, shrimps, tuna fish and fish, put together and second only to oil revenues.

It is in this economic and historical context that recent migration flows and their implications for development can be understood in Ecuador. The report will present and discuss the ongoing debate on the potentially positive impact of migration on local economic development and highlight the promising avenues that the Ecuadorian civil society alone or in cooperation with European organizations are taking to support a better migration process.

## **2. Migration policies and their integration in national and/or international development strategies**

### *2.1 Government Policy and Support Mechanisms for Migrants Seeking Employment Abroad*

The newly elected left-coalition government led by Rafael Correa has made migration policy a key area of its mandate. In December 2006, when in the midst of the Christmas holidays a Spanish airline company went bankrupt leaving more than 4000 Ecuadorians on the ground, the government provided the necessary funds to allow people to go back to Spain.

The Government has established an Office of Migration (Secretaria Nacional del Migrante) led by a young Ecuadorian that lived in New York for 14 years, and appointed the president's sister Pierina Correa as advisor on migration issues. Another plan of the government is to grant Ecuadorians living abroad representation in Congress with three seats. In November 2005, 84,110 Ecuadorians living in 42 countries voted with various orientations: in Spain, the vote went to Correa's opponent while in the United States the president won the majority of the electorate.

One of the proposals put forward by the Department is the introduction of a virtual consulate in which the information about the migrants will be inserted and which will issue a highly sophisticated chip card, a sort of "matricula consular" on the basis of the Mexican model but much more secure (including biometric devices). The card will enable the migrants to print out legal certificates (birth, property, etc.) in authorized service points managed by private companies<sup>10</sup>. The cost of the project is estimated at about \$5 million and is expected to be tested in the U. S. by the end of 2007.

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<sup>10</sup> Personal communication with William, Secretary of the Department of Emigrants, Quito, 2 April, 2007.

### 3. Country migration profile

#### 3.1 Labour Flows Composition. Gender and Skills

There is no precise data on the composition of migrant workers population according to skills. Some reports indicate that in 1997 women accounted for 58 percent of migrants, while in 2003 they were 51 percent. Whereas women were the first to open the migratory process, they were quickly followed by their husbands but not by the whole family. Yet, in some provinces the share of women leaving the children behind is up to 80 percent<sup>11</sup>. Another study by FLACSO shows that the migration from Quito and Guayquil have gender-wise a balanced migration, while from Cuenca two thirds of migrants are men and the remaining third are women<sup>12</sup>.

#### 3.2. Main destination of labour migrants

Ecuadorian migrant workers tend to concentrate in specific cities. In the United States, visual transnational linkages can be especially found in New York, where there is a high concentration of travel agencies, restaurants and banks offering transfer of remittances to Ecuador.

According to the data in Melo (2006), adjusted figure based on the census information placed the Ecuadorian migrant population in the United States at 396,400, the 8<sup>th</sup> largest Latino group. According to these figures, 63 percent (249,732) of these migrants have congregated in the New York City Metropolitan Area, especially in Queens, Corona, Jackson Heights and Elmhurst<sup>13</sup>. In Europe, the last wave of migration tended to concentrate migrant workers and their families in Spain in the city of Madrid, Barcelona and Murcia<sup>14</sup>, and in Italy in the cities of Genoa, Milan and Rome.

Table 1 below shows the main cities of destination of Ecuadorian travellers in 2003. Although on the government website the methodology on how the statistics are collected is not explained, there is the interesting data on Bogotá and Cali, which merits further investigation to understand the regional pattern of migration.

**Table 1 -Main destinations of travellers according to city of destination, 2003**

United States		Spain		Colombia	
<b>Miami</b>	57,010 (29.7%)	<b>Madrid</b>	60,835 (46.5%)	<b>Bogotá</b>	18,126 (27.8%)
<b>New York</b>	21,761 (11.3%)	<b>Barcelona</b>	14,979 (11.4%)	<b>Barranquilla</b>	2,221 (3.4%)
<b>Houston</b>	5,671 (3.0%)			<b>Cali</b>	1,835 (2.8%)
<b>TOTAL</b>	<b>191,863</b>		<b>130,925</b>		<b>65,185</b>

Source: <http://www.inec.gov.ec>, visited on March 23 2007. Absolute number (relative values in brackets)

The main provinces of departure are Pichincha and Guayas (about half of the total migrants), while the Southern Sierra (Azuay, Cañar and Loja) accounts for about 21 percent. In terms of

<sup>11</sup> AECl, Documento de Proyecto Codesarrollo Cañar-Murcia 2006-2009.

<sup>12</sup> Glenda Calvas Chávez (2004) Análisis Ejecutivo Mensual, Febrero 2004, Picaval, Banco del Pichincha.

<sup>13</sup> Melo, 2006, p.23.

<sup>14</sup> AECl, Documento de Proyecto Codesarrollo Cañar-Murcia 2006-2009.

“migration intensity”, i.e. number of migrants with respect to total population, Cañar is the province recording higher rates (about 23 percent of the population migrated) especially to Spain, and in particular in Murcia (70 percent).

### *3.4 Labour recruitment system*

The main country importing labour from Ecuador is Spain. There are quotas which are directly managed by a labour immigration office at the Spanish consulate in Quito. In 2006, quotas were announced for 10,000 permits in various unskilled and semi-skilled professions. Prospective migrants must fill-in a scheme available at the Dirección Nacional de Migración which is under the Ministry of Foreign Affairs of Ecuador and deliver the curriculum vitae with the supporting documents certifying the skills acquired. It should be noted that there is no standard version of the curriculum vitae. Then, once the prospective migrant is selected for a position they are called by the Spanish authorities in Ecuador for an interview.

### *3.5 A country of immigration*

Ecuador is also a country of immigration, struggling with flows of political refugees from Colombia and migrant workers from Peru. It is estimated that in the last five years 36655 people applied for asylum, 97 percent of each were Colombians. A third of this, i.e. about 11,492 people almost totally Colombian, were granted refugee status<sup>15</sup>.

Overall, it is estimated that there is a population of 600,000 Colombians living in Ecuador followed by about 170,000 Peruvians attracted by higher wages and the dollars. The outflow of remittances from these two immigrant groups is estimated at about \$200-250 million<sup>16</sup>. Small but steady flows attracted also by the dollar are arriving from China, about 645 people annually since 2001, opening small discount shops in the main cities.

The cases of Peruvian and Colombian migrants are not really addressed in the country, with the exception of few NGOs that are trying to provide some legal advice and human rights assistance. There is a bilateral agreement between the governments of Ecuador and Peru, signed in December 2006 which regulates and facilitates worker migration in both directions.

### *3.6. Remittances Flows: Consistence and origin, formal and informal transfer mechanisms and utilization*

Remittances to Ecuador have been rising steadily since 1993, with an eightfold increase in 12 years reaching \$1,604 million in 2004 (Graph 1). In the following years, remittances have continue the upwards trend and estimates record a top \$2.9 billion figure in 2006<sup>17</sup>.

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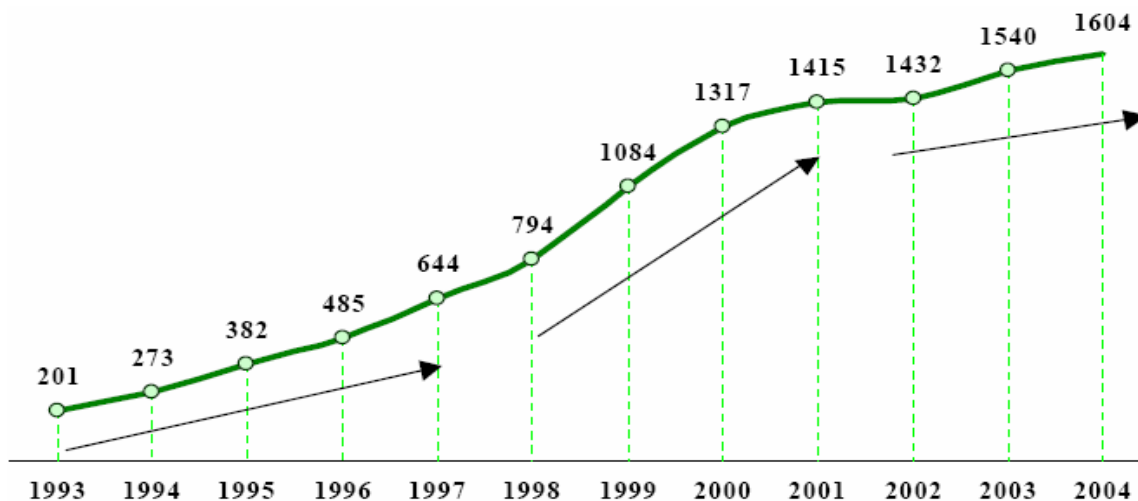
<sup>15</sup> Jokish, 2007, *op. cit.*

<sup>16</sup> Acosta *et al.*, 2006, p.5.

<sup>17</sup> Personal communication with Marco Macías, BID FOMIN, April 3, 2007.

It is no surprise that migration in Ecuador is an issue that strongly influences political parties and electoral campaigns.

**Graph 1- Remittances transfer to Ecuador, in million of \$, 1993-2004**

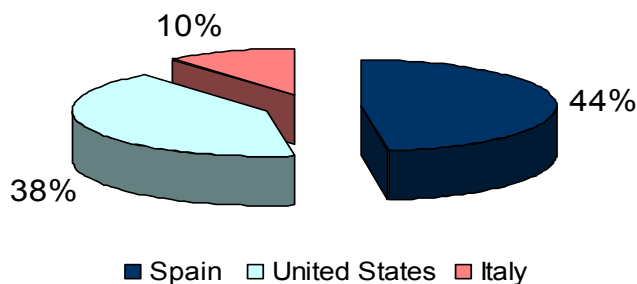


Source: Banco Central del Ecuador, in Alberto Acosta et al., 2006, p.4.

What emerges from Graph 1 is that after a period of stabilization, remittances again gained impetus in 2003. This was due to the devaluation of the dollar against the Euro (which favoured migrants in Europe for about 200 million dollars) and to the higher amount sent for covering the expenses related with family reunifications, in view of the introduction of restrictive migration policies in Spain.

The main remitting country towards Ecuador is Spain, for which remittances towards Ecuador represent about a third of total remittances. Italy accounts for 10 percent of remittances to Ecuador while the United States 38 percent.

**Graph 2 – Main countries from which remittances originate**



Source: own elaboration from data from Luis Gualán Japa, 2005.

Some have argued that the high dependency of the government on remittances to finance the social expenditure can create distortions in the economy. In fact, taking into account that the

heyday of Ecuadorian migration towards Europe has been reached, and that migrants living in Spain and Italy are likely to stay, remittances may decline over a number of years inflicting an extra burden on the state budget.

Another aspect that is not analyzed in depth in the literature about Ecuador is that the net inflow of remittances is about ten per cent lower than what it seems. In fact, there is an increasing number of Peruvian and Colombian workers are remitting about \$250 million/year, which implies a net loss for the state reserves.

### *Formal transfer mechanisms*

Remittances are transferred mainly through banks and especially (about two thirds) through MTOs such as Western Union, Delgado Travel and MoneGram<sup>18</sup>. NGOs and Rural Credit Cooperatives are organizing transfer mechanisms to reduce the costs. From Spain, the estimated cost of transfer ranges from 14.4 to 3.7 percent. From the United States the costs are much higher, from 10 to 30 percent<sup>19</sup>. According to Pedro de Vasconcelos, in 2004 the cost of sending remittances to Ecuador was on average 5.36 percent<sup>20</sup>.

### *Informal transfer mechanisms*

It is estimated that about 10 to 30 percent of remittances are transferred via informal channels, usually utilizing friends or family members<sup>21</sup>. However, it seems that informal transfers do not represent a major concern for financial institutions. Yet, what is relevant is that the informality of transfer is not only due to the speed but also to the lack of confidence that exists among many migrants towards financial institutions<sup>22</sup>.

### *Remittances are not for the poorest*

Contrary to common belief, the bulk of remittances are not received by the poorest groups of societies. While the migration in the 1960s and 1970s was an exodus from the poor rural areas of Loja, the last massive wave of migration in Ecuador involved mainly the middle and lower-middle classes, who were able to afford a migratory project.

The income group living with \$250-500 dollars per month has received 51 percent of remittances sent to Ecuador. If the group having a monthly income between \$500-1500 is included then 40 per cent of the population is receiving 70 percent of total remittances. The poorest group with an

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<sup>18</sup> Marco Guerrero (2006) *Migraciones, liderazgos y desarrollo*, Quito, Imprefepp.

<sup>19</sup> Acosta et al, 2006, p.23.

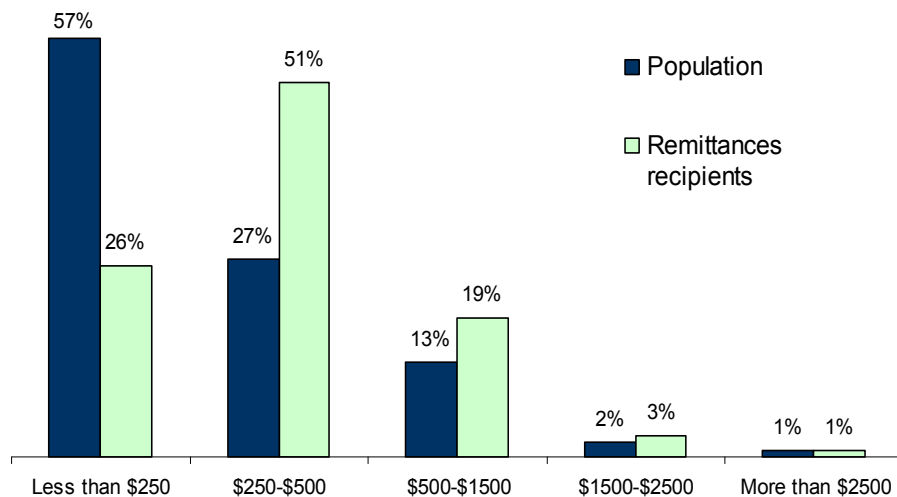
<sup>20</sup> Pedro de Vasconcelos (2005) *Sending Money Home. Remittances as a Development Tool in Latin America and the Caribbean*, New York City, June 6-8 2005, IADB, MIF FOMIN.

<sup>21</sup> References on the 10% estimates can be found in Melo (2006) quoting a IADB report of 2006, and of the 30% from personal communication with Richard Salazar, 4<sup>th</sup> April 2007.

<sup>22</sup> Personal communication with Marco Macías, 3<sup>rd</sup> April 2007.

income of less than \$250 per month, corresponding to 57 percent of the population receives only 26 percent of remittances (Graph 3).

**Graph 3 - Distribution of remittances according to level of income, in percentage**



Source: BID-FOMIN, INEC, Censo Nacional de Población 2001, in Alberto Acosta *et al.*, 2006, p.14.

Remittances are thus less for the livelihood of the poorest groups of society and more for the consumption of the middle classes. This could confirm that they are not the poorest of society who migrate but those that are able to pay the costs of a migratory project or that have something to provide as collateral to an informal moneylender. This is also confirmed by the study made by MIF and Pew Hispanic Centre in 2003, according to which the level of education of the remittances' recipients were the following:

Primary education:	27%;
Some secondary education:	21%;
Secondary graduate:	33%;
Some college or more:	18% <sup>23</sup> .

The remittances' recipients with some kind of secondary and tertiary education are 72 percent, while those with a primary education only 27 percent. If one assumes a correlation between educational level and households' income then it can be stated that remittances are an income strategy of the middle class.

#### *Effects of remittances on the local economy*

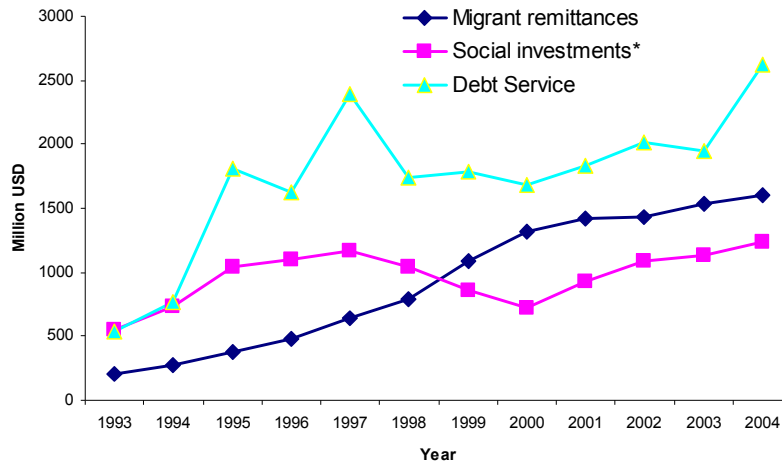
Negative inflationary pressures from remittances are also obvious when looking at the costs of the basic household basket of goods in various provinces of the country. In provinces receiving high inflows of remittances, the basic household basket of goods is more expensive than in other regions. For example in the city of Cuenca, the basic basket is \$420, against a national average of \$378, i.e. 10 percent more expensive than the national average. In Quito and Loja the basic household basket costs \$397, i.e. 5 percent more than the national average.

<sup>23</sup> Roberto Suro, 2003, p. 14.

## Remittances and other financial flows

Compared to other financial flows, remittances are not only much more stable than FDIs, but since 1999 they are also higher (Graph 4). Compared to ODA, for example in the case of Spain, a major donor to Ecuador, remittances in 2004 totalled €619 million while bilateral development assistance was on average about €35 million per year between 1999-2004.

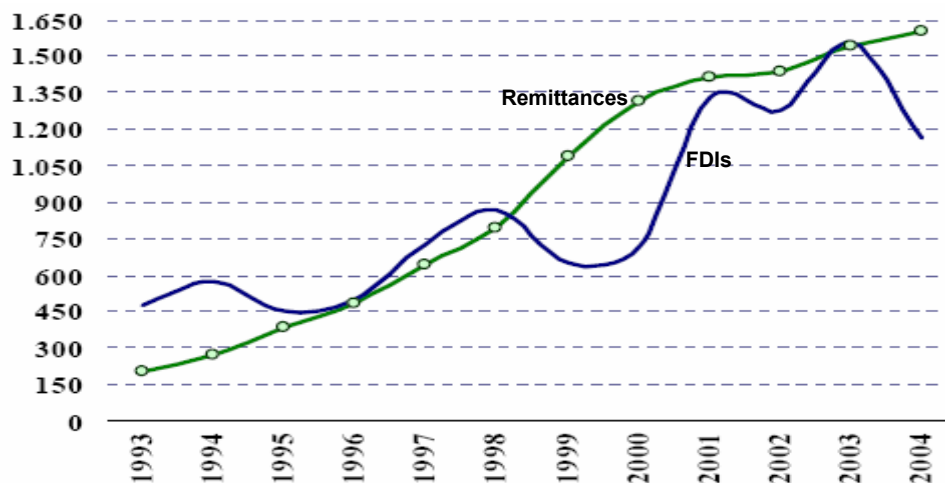
**Graph 4 – Some relevant economic variables**



Source: own elaboration on data from Banco Central del Ecuador, in Alberto Acosta *et al.*, 2006, *op. cit.*, p.14.

Remittances have also been higher than social spending since 1998. Furthermore, this is money directly transferred in cash to the households. As noted by Acosta *et al.* (2006), one should also take into account that the large emigration flows have also reduced the pressures on social expenditures.

**Graph 5 – Comparing remittances and FDIs in millions of USD, 1993-2004**



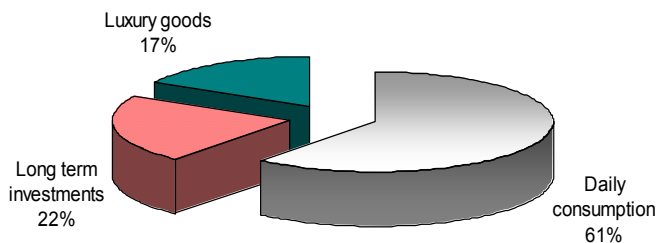
Source: Banco Central del Ecuador, in Alberto Acosta *et al.*, 2006, p.4.

Remittances and ODA have been used by past governments as a substitute for the State's social investments and permitted the repayment of the growing external debt or to subsidize private banks. In contrast, the current government is trying to reverse this trend and prioritize social spending instead of debt servicing. In addition, the current government has made clear the remittances are a transaction between private parties and in no way should act as a substitute to state intervention<sup>24</sup>.

### *Utilization of remittances*

Remittance utilization patterns in Ecuador do not differ from other countries in the same region or outside. The high cost of migrating, which is 7-10 times more through illegal channels, implies that the earnings are used in their totality to repay the debt in the early phase of migration. Another key issue highlighted by Ecuadorian economists is that remittances have contributed to a substantial increase in consumption, but often this has been associated with an increase in imports.

**Graph 6 - Utilization of remittances**



*The item "Luxury goods" includes TVs, DVDs, and other house appliances.*

*The item "Daily consumption" includes clothing, health, education and food. Respondents may have included debt repayment in this item, but in the survey it is not specified.*

*The item "Long term investments" includes housing improvement and small business development.*

*Source: Alberto Acosta and Jaime Atienza (2004), p.22.*

The other economic sectors that have benefited from remittances are the construction and commercial sectors. In some provinces such as Chimborazo, Cañar, Azuay small investments have been recorded in the service sector (transports) made by returnees. There are no significant trends in investments in agriculture and manufacturing mentioned, and there is a lack of a survey addressing this issue in a systematic way and with a broad geographical coverage. It must be the case that remittances have fuelled the economy and the credit system, in particular rural credit. This is beneficial for small farmers and several products have been developed cooperatively between banks, local NGOs, cooperatives and rural credit cooperatives in order to harness remittances for rural microfinance.

Geographically, slightly more than half of total remittances are received by the provinces of southern Sierra, i.e. Azuay, Cañar and Loja, where more than 60 percent of the households have a

<sup>24</sup> Acosta *et al.* 2006, p.19-21.



member abroad. The province of Guayas received 10 percent of remittances and the provinces of Manabi and Pichincha 5 percent each in 2000<sup>25</sup>.

Other data from the Central Bank of Ecuador shows a different distribution: Costa Sur (Guayas and El Oro) received 37 percent of total remittances, Sierra Norte (from Carchi to Chimborazo) 12 percent, the Costa Norte (Manabí and Esmeraldas) receives 12 percent, the Sierra Sur (Cañar, Azuay and Loja) 11 percent, whereas Amazonian receives 6 percent<sup>26</sup>.

#### 4. People and organizations interviewed

ORGANIZATION	PERSON AND POSITION
Marco Venegas Flores	EC Delegation to Ecuador, Rural Development and Food Security
Michele Ceccarelli	EC Delegation to Ecuador, Charge d'Affaires
Richard Salazar	Fundación Esquel, Programa Migración y Desarrollo Local
Veronica Falconi	Fundación Esquel
Álvaro Saézn Andrade	Fundación Esquel
Paola Silva	Banco Solidario, Productos Migrantes
Mario Cadena	Fondo Ecuatoriano Populorum Progressio (FEPP), Subdirector Ejecutivo
Toni Bonello	Fondo Ecuatoriano Populorum Progressio (FEPP), Director
Vicente Martínez	Caritas Española, Representante Ecuador
Ralf Otzoel	Instituto Nacional de Cooperación (INECI)
Elena Cifuentes	Fondo Ecuatoriano Populorum Progressio (FEPP)
Williams Murillo Vera	Secretaria Nacional del Migrante, Secretario
Nelsy Lizarazo Castro	ALER
Veronica Salgado	ALER
Marco Macías	Banco Interamericano de Desarrollo, Especialista Sectorial FOMIN
Pablo Davalos	Universidad Católica, Professor, former Vice-Minister of Economy
Hugo Cobos	Casa del Migrante

#### 5. Identification of needs, demands and projects

##### 5.1. The EC perspective and activities<sup>27</sup>

The interview had the aim of brief the European Commission Delegation to Ecuador on the scope and aims of the mission and of getting an overview of Ecuador's socio-economic situation and development needs, ongoing activities supported by the EC and future priorities.

It emerged that the weakness of the agricultural sector is the main cause of migration. About 35 percent of GDP originates from agricultural production, which absorbs about 50 percent of the labour force. The limited social development in the rural areas and the lack of jobs represent

<sup>25</sup> Alberto Acosta *et. al.*, 2006, *op. cit.*, p.19.

<sup>26</sup> Alberto Acosta and Jaime Atienza, 2004, p.21. It is in fact not clear whether both dataset are reliable or not and if they cover the same period. It remains that recent migration in Ecuador is a nation-spread phenomenon.

<sup>27</sup> Based on an interview at the EC Delegation to Ecuador, with Michele Ceccarelli and Marco Venegas Flores.

another strong push factor. The generation of jobs in the rural areas could represent a solution to stop rural exodus.

In the agricultural sector, there are some sectors that could be of interest to European Union businesses (broccoli, cacao, maize, rice). Generally, except Spanish enterprises there are few EU countries companies interested in investing in Ecuador. Political instability creates unfavourable conditions for foreign investors.

Despite the reform, new large farms are being created because small farmers sell their land in search of better job opportunities in the urban centres or abroad. Large estates are especially present in the coastal areas producing bananas.

The migration flow of professionals is also rising, especially for doctors and ICT engineers, directed towards the US, but also increasingly towards Spain and Italy. Postgraduate students have a propensity to stay abroad after completing their degrees. In Ecuador, the potential exists for brain drain if the labour market is not reorganized to absorb qualified manpower.

Faced with these challenges, the EC's response strategy should concentrate on three objectives: (i) encouraging higher and better quality social spending by the government; (ii) contributing to the consolidation of the country's governance; and (iii) bolstering the competitiveness and entry into the market of small and medium-sized enterprises.

SMEs, because of their role as job creators, will be especially targeted by future cooperation. In particular, bilateral projects should aim to: (i) improve production technologies and marketing; (ii) encourage associations among these businesses, particularly for their management of exports; (iii) maximise the investment capacity of earnings sent home from migrants abroad; (iv) diversify markets, especially as a result of EU demand.

In the education sector, the aim is to support the improvement of the very inefficient school system in rural and marginalized urban areas, particularly taking into account Ecuador's considerable ethnic and cultural diversity.

The agricultural sector needs also to be supported with the creation of appropriate rural credit mechanisms, in particular with the aim to ease access to credit for small farmers. A large multi-donor project in which the EC has taken part (Proyecto Prolocal) also has a rural microfinance component. This was considered to have been a good experience.

In some of the sectoral and thematic programmes sponsored by the EC for Latin America (Alban, Alfa, Al-invest, Urbal, @LIS) there have been projects dealing with migration issues. In these, Ecuadorian institutions have participated as partners and coordinators. In particular, it is worth mentioning the following:

In the ALFA II Program the University of Cuenca has participated in the Project TransMigraRed, (ref: II-0336-FI) coordinated by the University of Genoa.

In the @LIS - Alliance for Information Society Demonstration Projects Ecuadorian partners enjoy a high level of activity in three of the four sectors. In particular, the project IALE

(Intercomunicación América Latina) in which ALER—Asociación Latinoamericana de Radiofónica, based in Quito, participated had a strong migration and development dimension. This represents very good practice, which will be analyzed in detail in the following section.

In URB-AL - Urban Policy Coordination, Ecuadorian local authorities have participated in 49 projects, and in 4 act as coordinators (Municipality of Cuenca with two 2 projects, Municipality of Quito Distrito Metropolitano and Municipality of Riobamba with one project each).

In particular, the Riobamba project has a migration and development dimension. This is related with designing policies aiming to reduce the negative impact of migration from neighbouring countries on citizens' safety and to determine the causes of migration-related civic insecurity and the links with the various levels of development between border countries and regions<sup>28</sup>.

### *5.2 Co-development Projects. The role of Civil Society*

#### *Prospects for de-centralized cooperation in Ecuador<sup>29</sup>*

The interview with Ralf Wetzel Ecuadorian Institute of International Cooperation (INECI) has provided a good overview of the issues to take into account for sustaining development cooperation in Ecuador. The INECI is under the Ministry of Foreign Affairs deals with all projects that are financed through grants (non-refundable funds) and also with those regarding the re-conversion of the debt. It is a small institute with seven people. It provides authorization to international (INGOs) to operate in the country. At the moment there are 92 INGOs and an undefined number of organizations that support local groups but that are not registered. Approximately, through decentralized cooperation each year about \$60 million enters the country. This is a low figure when compared to neighbouring countries such as Peru, Bolivia and Colombia or also Brazil. Ecuador ranks number 10 as an ODA recipient country in Latin America.

Some donors such as Switzerland, Canada, Luxembourg and the Netherlands have announced their phasing-out<sup>30</sup>, while others such as Japan and Spain are increasing the commitments. The reduction of USAID development assistance is due to the US government strategy to tie international aid to security issues and therefore USAID is suffering a general reduction of its budget in favour of the army.

For INECI co-development is an interesting area of intervention for the future in Ecuador. This approach can provide a platform for increasing human mobility factor in the development process. For example, the utilization of remittances for social purposes, especially collective remittances is an area to be explored. In fact, although collective remittances are a very small percentage of the total, in absolute terms they represent a considerable amount. The strong presence of the Church as an element of cohesion, strength and confidence for the migrants'

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<sup>28</sup> Urbal Info Newsletter, 2006, p. 12.

<sup>29</sup> Interview with Ralf Oetzel at the Ecuadorian Institute of International Cooperation (INECI).

<sup>30</sup> The decisions to stop financing international cooperation projects is never coordinated with the local organizations, which in this way will be always kept in a passive position. Personal communication with Bepi Tonello, FEPP, Ecuador 3 April, 2007.

community abroad and the community at home should not be underestimated. In addition, the growing awareness of local authorities of the importance of migration for development should be mobilized in co-development projects. The municipalities and province have a large degree of autonomy in designing their development policies and strategies and therefore they can choose where and what to do locally. In many cities a “Migration Table” has been created at which NGOs, local associations and local authorities sit to discuss migration related issues. These “Tables” are non-institutionalized and play the role of a forum.

In Ecuador the development projects that aim to address the migration phenomenon have been dominated by a strong focus on productive and income generating activities while the social, psychological aspects have been often neglected. Therefore, it would be relevant to focus on how to improve the quality of migration processes and how to increase the protection of migrants’ basic rights and their families left behind. To prevent negative effects of migration to occur is the key issue to be addressed by co-development projects.

The interviewed underlined that co-development projects should not only address the main migration centres and be limited to those, but they should also have a broader target population. It is necessary to do more accurate needs-analysis of the target populations and their territory and coordinate more with the needs and strategy of the local, provincial and national development policies.

In general, in Ecuador there are two problems that need to be taken into account in both programmes and project formulation. The first is the definition of priority areas at the local and central level. The lack of coordination between NGOs and local authorities, but also between local authorities and central government often produces overlaps. The second is the need to strengthen local institutions in charge of development policies. The EU should change its strategy from supporting project management units to increasing the coordination with local institutions and avoid the creation of parallel management structures. The same budget support strategy will fail if strong local institutional capacity is not created. Technical assistance teams often become the real mandate holders of the project and a kind of controlling authority of the activities of the local institutions, which in theory are charged with the project coordination.

Regarding cooperation with INGOs, a forum will soon be organized for late-2007 to discuss the development needs of the country in a more coordinated way. Ecuador wants to establish a harmonic relationship with NGOs and avoid imposing conditions such as that INGOs should only be working with state authorities.

#### *Co-development in rural areas. The Spanish Cooperation (AECI) Project in Cañar*

The Codesarrollo Cañar-Murcia project is a \$6.3 million initiative aimed at improving the living conditions of the people of the Cañar district, in Cañar province, and of those living in the Murcia region (Spain)<sup>31</sup>. The project will undertake activities both in the social and institutional sector of Cañar and in that of Murcia. This is a pilot initiative that started in November 2006 and therefore

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<sup>31</sup> AECI, Documento de Proyecto Codesarrollo Cañar-Murcia 2006-2009. The budget is funded in the following way: \$3.8 million from AECI, \$450 thousands from Murcia Autonomos region, \$500 thousands from other donors in Spain and about \$1.6 from Ecuadorian counterparts.

it is too early to draw any conclusions. However, it is interesting to mention as it is one of the key Spanish international cooperation projects in the field of Migration and Development for both its budget and its political relevance.

Previous co-development projects supported by AECI were the Plan Migración, Comunicación y Desarrollo (2001-2004) developed by FEPP, ILDIS, ALER, CORAPE, Servicio Jesuita al Migrante, Cáritas Española, Coordinadora Radios Comunitarias de Madrid y Fundación un Sol Mon, followed by the Casa del Migrante (2002) implemented by the Asociación Rumiñahui, Quito Municipality, Madrid Municipality and the Spanish NGOs MPDL, then the Project ISCOD (UGT) between Spain, Colombia and Ecuadorian labour migration (since 2005) and the Project Rétales focusing on returned migrants and implemented by the Fundación Un Sol Mon, the Cooperativa de Ahorro y Crédito Jardín Azuayo and the Fundación Esquel.

*Co-development in urban areas, La Casa del Migrante in Quito*<sup>32</sup>

Casa del Migrante (CDM) is a project of the Municipality of Quito, Dirección Metropolitana de Desarrollo Humano Sostenible that started in 2002 with a modest budget of a few thousand dollars. The ability of the director, Hermel Mendoza, to network and to raise funds has boosted the project in a very short time span. The Municipality of Madrid (Ayuntamiento de Madrid) began to support the project with an annual grant of \$300.000 starting from 2005 and with a commitment until 2011. Other Spanish Municipalities such as Granada have also joined the project. CDM has also received support from local associations, Italian and Spanish NGOs, and not least from the Jesuits.

The CDM, also called “Centro de Atención al Migrante”, is part of the General coordination of the Plan Distrital de Migración, it has three branches in Centro Quito (Asuncion District), Sur Quito (Quitamba District) and Norte Quito (Calderon and La Delicia District). Within the General Coordination there is also an Observatory on Migration issues which provides data and analysis but until now has not really been active.

Today the project employs 12 contract staff members and six fully employed staff paid by the municipality. This project is particularly relevant being that it is a concrete experience of co-development in urban areas. From this project, at its fifth year of implementation, some interesting recommendations can be drawn.

The main goal of the CDM is to provide legal and psychological support to households’ members left behind especially teenagers, and to provide financial support to migrants’ relatives for starting micro enterprises. Besides these initiatives, the CDM organized cultural, artistic and entertainment events for the children of the migrants suffering from psychological stress due to the separation from their parents.

The legal sector quickly became a stronghold of the CDM project. The Ayuntamiento de Madrid also arranged for a lawyer specialized in the human rights of migrants to spend some months in CDM of Quito.

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<sup>32</sup> Based on an interview with Dr. Hugo Cobos, Quito, 4 April 2007.

In 2007 the management board decided to concentrate efforts in five areas: 1) Solidaristic economy; 2) Artistic, cultural and sports promotion; 3) Legal advice; 4) Capacity building for young leaders; 5) Households' head integration into project activities.

In the solidaristic economy area CDM staff trained 130 potential small entrepreneurs on how to start and manage a business. After one year, it is estimated that about 50 trainees have started a business, but there is no assessment of their actual performance. The enterprises were also provided with a small loan of \$500. The need to have a better follow up of this area has been highlighted by Hugo Cobos.

In the new phase of the project, the emphasis on the solidaristic economy is also trying to harness remittances and provide advice to the family left behind on how to utilize remittances in a way that they can produce some returns. Considering that Quito receives each year about \$120 million in remittances the interest in this area is enormous. The BID is also interested in supporting the CDM in this sector by providing a grant to open a small enterprises incubator allowing small businesses to start-up for 18 months.

The legal sector will be maintained as a key area of intervention, for both the families left behind and those that want to leave, to avoid migrants becoming victims of exploitation and entering vicious circles of debts.

A new and interesting area of intervention for 2007 is the capacity building of young leaders. About 200 boys and girls will participate in a training course to become socially active and increase their level of participation in the project activities with the aim to support the younger ones. The success yielded by CDM in the previous years supporting migrants' children in secondary school has provided the stimulus to involve migrants' children as protagonists in the process of social mobilisation in their community.

Despite the financial difficulties, the CDM has been a successful experience, becoming the focal point for Quito's migrants. However, the project has faced some obstacles that can be solved. The high dependency from project money limits the possibility to have a longer perspective and planning. Also, the Municipality of Madrid is now going through an electoral campaign and therefore the transfer of funds has stopped until the campaign is over (in May 2007). Another problem originates in Quito's municipality central administration since the heavy bureaucracy of the local administration makes the transfer of the funds to the project very complex. This lack of continuity of funds puts a lot of pressure on the management. Other lessons learnt are related to the lack of systematization of the information collected with the various initiatives and the lack of constant monitoring and evaluation activities. There is no analysis of the impact of their initiatives in the districts of Quito in which they operate.

### *Integrated Co-development*<sup>33</sup>

The interview with FEPP executives and the representative of Caritas Española has provided an overview of the different co-development projects in Ecuador. Relevant lessons can be learned from their knowledge of the cooperative and association movements in Ecuador.

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<sup>33</sup> Interview with Bepi Tonello and Mario Cadena, FEPP and Vicente Martínez, Caritas Española.

Co-development should not be viewed as an instrument to make migrants return home or as a tool to promote migration. Migration flows must be improved to protect both those that remain and those that are left behind. Co-development should therefore be based on an equal participation of both European and local NGOs and have an integrated approach, i.e. from generating income to those left behind, to protect the rights of those that migrated and to the families and children left behind.

Projects should in fact not only aim to generate income but also to create a sense of community and solidarity. In this way, the differences in income among households created by unequal remittances inflows can be smoothed. The good and solid network of rural cooperative of FEPP, the established Codesarrollo Bank in cooperation with Italian Federkasse and Creabanca, and the network of cooperatives all over the country make this organization a central actor in the implementation of co-development projects.

FEPP has stimulated the creation of a Plan Migración Comunicación y Desarrollo (PMCD) Ecuador-España which gathers together some of the organizations, NGOs, radios, and research institutions working on migration issues. An important initiative of the Plan is the publication of the occasional paper series available at [www.migrantesenlinea.org](http://www.migrantesenlinea.org). In the Plan Migración, Comunicación y Desarrollo FEPP and other local NGOs' strategies towards migration & development are delineated<sup>34</sup>. The action is synthesized in 5 points:

1. Projects should be centred on people: those that leave, those that stay and those that arrive;
2. Projects should establish a North-South Dialogue in the design and implementation of actions between Ecuador and Spain;
3. Projects should have an integrated vision and address the migratory process in a systemic and positive way;
4. The PMCD aims to create the conditions to allow people to make a free decision on their lives: migrate, not migrate, return, reunite with the family, invest in the country of origin, etc.
5. Have a long-term perspective, beyond the first phase 2001-2005.

In 1998, FEPP established the cooperative Codesarrollo as a saving and credit cooperative regulated by the financial authorities of the country. With agencies in ten provinces, it aims to serve as a financing instrument for developing small enterprises in rural areas and in marginal urban areas. The application for loan received until now show a very wide variety of sectors chosen by migrants' households. Codesarrollo provides also a transfer facility for remittances<sup>35</sup>.

Codesarrollo competes with rural informal lenders and small shopkeepers. In the urban areas, the main competitors are the COAC, Banco Solidario and FINCA. According to the rating of

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<sup>34</sup> The PMCD is a joint project of several organizations in Spain (Caritas, Red con Viz, Fundación un Sol Mon) and Ecuador (ALER, Comisión Episcopal de Pastoral Social, Coordinadora de Radios Populares del Ecuador, Instituto Latinoamericano de Investigaciones Sociales, FEPP, Servicios Jesuita a Migrantes.

<sup>35</sup> It was not possible to get to know the cost of the transfer.

Microfinanza, an Italian micro financial institutions rating agency, Codesarrollo is a bit slower than its main competitors but the loans are cheaper<sup>36</sup>.

According to those interviewed, Migration and Development projects should not create incentives for return. As demonstrated by previous experiences (the Sol Mon Foundation Project “Retalen” for example) return projects are not always successful. Those that accept to return in exchange for a ticket, a small start-up loan and a training course are migrants that have already failed in their migratory project. One should instead place leverage on successful migrants.

The main concern is towards the concept of co-development. Despite there being an attempt to shed light on this, it is still interpreted as a top-down strategy. Also from the point of view of the Caritas Española, there is in Ecuador a certain suspicion in the co-development idea since the needs are pre-defined by the donor. The local NGOs become low cost implementing agencies. Local authorities are interested in financing projects only in areas where migrants originate neglecting the needs of some other areas of the country with more pressing needs. Another limit perceived by FEPP is the difficulty in accessing EC funds as a local NGO.

#### *A human rights approach to co-development*<sup>37</sup>

The Esquel Foundation is committed to local development and social inclusion with the implementation of a range of programmes. The indications coming from this experience are also very important. According to Richard Salazar, coordinator of the program Migration and Local Development, to introduce human mobility in development projects is an issue of human rights but at the same the migrants should not be stigmatized.

Migrants should be protected, and so should their families along the whole duration of the migratory project. Job creation projects should be coupled to the creation of opportunities for those that want to migrate and that cannot find a proper job in Ecuador. Similarly, return migration should be encouraged only if there is a real opportunity to apply the skills of the migrants for the benefit of society.

Today, migrants leave permanently. They discover the right to citizenship and are keen to use it. For Ecuadorian workers, it does not matter if they have to work harder in Europe and if they are overqualified, what is important for them is to live in a society in which basic civil rights and laws are respected<sup>38</sup>. This shows also how deep the rift between the populations and the institutions in Ecuador is. This lack of confidence should be duly taken into account in any M&D policy or project.

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<sup>36</sup> Microfinanza Rating, Codesarrollo Ecuador, May 2004, Milan.

<sup>37</sup> Interview with Richard Salazar, Fundación Esquel coordinator “Programa Migración y Desarrollo Local”, 2 and 4 April 2007, and Alvaro Saenz and Veronica Falconi, Fundación Esquel Programme officers, 2 April, 2007.

<sup>38</sup> The practical demonstration of this “new” understanding of citizenship occurred in December 2006 when the migrants living in Spain were left on the ground by the financial breakdown of a Spanish airline. They then went to protest to the Palace of the prime minister, who has “repatriated” to Spain a thousand of migrant workers paying them the ticket.



Mobilization of migrants' households is more complicated in urban areas, while in the rural communities it is easier to organize courses, and other information campaigns.

The complexity of these interventions is also shown by the anecdote that courses on small enterprises' development schemes were used as curriculum enhancing strategies and not as a prerequisite to start a company, as demonstrated by the low number of loan applications received at the end of the training. Also, loans of \$1000 are insufficient to start a small business in a city whereas in the countryside this can represent relevant capital.

### *The point of view of the financial institutions<sup>39</sup>*

Banco Solidario is a specialized institution providing small loans for business development. The bank has entered into several agreements with cooperative credit banks in Spain and Italy and in the US with Citibank and the transfer operator Vigo. The main goal is to capture a share of the remittances market by offering for example cheap double accounts in Ecuador and Spain and other financial products. The cooperation with a network of Spanish and Italian cooperative banks on the one hand and Ecuadorian rural cooperative banks on the other allows keeping the cost of remittance transfers low (6-8 euros for each transfer).

The bank's concern is that migrants' household account holders do not keep the money in the bank. On average, money is kept for only one week, despite the bank offering an interest of 1.5 percent. However, some other products have been developed.

For example, a loan can be obtained while staying in Spain. Today, 400 migrants have used this facility which allows borrowing between \$10-40.000 at an interest rate of 13.5 percent, covering up to 90 percent of the house price. The bank also offers insurance with the loan that covers the expenses in case of fire and death of the loan beneficiary. In this way both the bank and the migrant's household are covered.

The functionary interviewed has highlighted some important issues to take into account for future projects. Migrants and migrants' households lack information on how to manage the savings. Savings are kept for too short a time in the account. This, coupled with a lack of entrepreneurship, is the main reason behind the limited mobilization of remittances for productive purposes. The bank has therefore decided to organize training courses in "basic financial education" to households in rural communities in cooperation with Action International. The courses, three pilots in each city, are due to start in May 2007 in Quito and Cuenca.

Another important actor in the financial sector of Ecuador is the Banco Interamericano de Desarrollo (Inter-American Development Bank). The BID is also engaged in promoting a better utilization of remittances, but the main concern at the moment is the current government's attitude towards international financial institutions. At this stage, the BID has opted for supporting small concrete projects, which are also socially oriented.

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<sup>39</sup> Interview with Paola Silva, migrants' products officer Banco Solidario, April 4, 2007 and interview with Marco Mcías, BID, 3 April, 2007.

The consumption euphoria of imported goods provoked by remittances is perceived as a limiting factor in linking remittances with development. In 2006, about 80,000 medium and low cost new vehicles have been sold in Ecuador. According to those interviewed, a migrant returns after 10-12 years, or after having accumulated about \$30, 000 which will allow them to buy a house (about 10-12.000 dollars) a vehicle (8-10.000 dollars) and open a small shop (5.000 dollars). Remittance utilization patterns should be monitored at the collective/community level where many things can be done to promote social development.

BID has put in the pipeline various projects and initiatives to reduce the costs of the transfer, establishing a partnership with the Central Bank of Ecuador and other banks and transfer operators in both the US and Europe<sup>40</sup>. BID also supports the “Codesarrollo” rural bank initiative with a loan to boost its start-up capital and a grant for mainstreaming procedures, codes and standards and to make the feasibility study. Another socially oriented initiative is the provision of a grant of \$150,000 to the “Casa del Migrante” to establish the micro-enterprises incubator. A third initiative is the financing of a housing project which will be provided with renewable energy<sup>41</sup>. The houses (15) will then be sold to migrants in Spain through a loan scheme managed by the Banco Solidario.

For BID it would be relevant to cooperate with the government in financing the housing-bond that allows poor Ecuadorian households to purchase a small prefabricated house, but at the moment of writing there are only exploratory talks between the BID and Pierina Correa, the president’s advisor on migration issues.

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<sup>40</sup> Supporting the Central Bank of Ecuador is not sustainable in the long run since the government will probably close it due to its emptied function.

<sup>41</sup> The solar cell system is donated by a US based company producing it.

## 6. Identification and analysis of good practices of linking M&D

### Good Practices in Ecuador: the Case of ALER participation in the EU @lis Project “IALE”

ALER is the association of popular educational radios of Latin America and the Caribbean founded in 1972. The executive office is in Quito which works as the coordinator for all 118 affiliate radio stations in the Latin American and Caribbean zone. The mission of ALER is to strengthen radio as a development tool, through educational programs for people in rural areas, production centres, and marginal urban areas. ALER is a communication tool aiming to address social and educational needs among vulnerable communities and social groups. ALER works on four different themes: 1) Natural resources and environment; 2) Youth; 3) Women; 4) Migration (including forced migration).

In the field of Migration and Development, the first initiative was the Plan Migración, Comunicación y Desarrollo in cooperation with other local and Spanish NGOs with which a weekly program was started (Callas y Guatitas) connecting family members of Ecuadorian migrants in Spain and in Ecuador in 2003. The two production teams in Spain and Ecuador could connect lives and provide information about migration issues. Various neighbours associations in Madrid were involved in the project and also the Fundación Comunicación y Democracia, a Spanish foundation.

In 2004, ALER entered a consortium of European and Latin American institutions participating in a demonstration project under the European Union @lis Programme. The project “Intercomunicación entre America Latina y Europa” coordinated by Caritas Española included radio stations from The Netherlands and Germany and a research centre in Italy. This project has been particularly innovative and adaptive in the way the migration issue has been inserted in a broader development issue.

#### *1. Impact of the project in Ecuador*

The project has had an impact on various levels: firstly, it has contributed to spurring the debate in Ecuador on migration issues; secondly, it has contributed to strengthening the local civil society advocacy role on migration and social inclusion processes and thirdly, it has promoted in Ecuador the ongoing debate in Spain about migrants, migration and integration. Although measuring the number of listeners to the radio programs is rather costly for such a radio station, the ALER executive director estimates that the impact has been large over the project’s three years of implementation, both in Ecuador and in Spain and Italy. Another substantial contribution of the project was the change in the cultural attitude of the European partners towards the way migration issues were debated in Latin America<sup>42</sup>.

#### *2. Environmental Dimension*

The project does not have a particular environmental dimension.

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<sup>42</sup> Personal communication with Nelsy Lizarzo Castro, ALER General Secretary, Quito, 3 April 2007.

### *3. Added value for the local/national endogenous development*

The added value of this action lies in the use of the radio as a development and advocacy tool in a migration-related project.

The sense of the task being continued is demonstrated by the Latin America–Europe Intercommunication Project (IALE, for its initials in Spanish) in the following way: Facing the reality of exclusion experienced by the great majority of the population in Latin America, and assuming that migration tends to increase, as much as an internal trend in Latin America as it is a trend between Latin America and Europe; a satellite and computer system between these two continents has been developed, with the employment of communitarian and educational radio broadcasting stations and the Internet. These stations will focus specially on the migration issue, in order to further the transmission of truthful information on the topic, as well as the development of productive projects and the endorsement of a system of ethical finances. At the same time, the cultural, political, economic and social development exchange will be promoted, as it is intended to increase the development possibilities and opportunities for citizens in both continents. A partnership of 9 members made an option for taking communicational practices as actual development strategies, and chose tools through which it would be possible to turn that option into tangible results: the radio communicational system supported by satellite and computer technology; the Internet communication held by a website and three stations operating with satellite technology; the qualification of communicational practices by the implementation of plans for training and forming communicators.

### *4. Economic Dimension*

The economic dimension of the project cannot be measured in terms of job creation or in terms of income generation. It is not a central element in this kind of activity.

### *5. Cost Efficiency and Effectiveness. A balance of the costs needed to realize the project*

The financing of the @lis programme has been central for the implementation of the project. The budget was about 2 million euros. Considering the number of partners, the technology needed and the activities realized the project was very balanced.

### *6. Organizational Dimension*

The project was coordinated by Caritas Española and benefited from the ALER network or popular radios.

### *7. Institutional dimension at local and national level*

The initiative develops itself through a Partnership formed by 6 European partners (“Cáritas Española”, “Centro de Comunicación y Democracia de España”, “Broederlijk Delen” of Belgium, “Nederland Radio” of the Netherlands, ”Nachrichtenpool Lateinamerika -NPLA-“ of Germany, and “Centro Interdisciplinare sulla Comunicazione Sociale–CICS-“ of “Pontificia Università Gregoriana” of Italy) and 3 Latin American partners (“Asociación Latinoamericana de Educación Radiofónica, ALER”, “Instituto Radiofónico Fe y Alegría, IRFA” of Venezuela, and “Coordinadora Nacional de Radio, CNR” of Peru). Each institution has significant experience either in the communications, the communications technology field, or in the development field. All of the institutions have history, knowledge and experience on the different topics included in the project.

### *8. Time Horizon*

The project was implemented over three years, it ended in September 2006. However, at the time of the field mission to Ecuador, the activities were still ongoing despite the ending of the project.

### *9. Valorization of Diversities*

Gender and age factors were not an issue deliberately addressed in this project. However, from the perspective of ALER gender is a crosscutting issue and a specific programme of the network.

### *10. Adaptability*

The project is very adaptable since it was able to adjust easily during the period of its implementation to the proposals and the issues raised during the mid-term evaluation. For example, the focus has changed during the implementation of the project from one focused on migrants and their difficulties to one more focused on rights and opportunities. Also, another adaptation of the project was to promote intercultural understanding by focusing on giving more space to migrants associations in Spain and Ecuador to understand their points of view and less to experts and local authorities<sup>43</sup>.

### *11. Participation*

The project has seen the participation of a large number of stakeholders. Furthermore, the participation of listeners to the programs has guaranteed the participation of the migrants and their families in a very direct way.

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<sup>43</sup> Similar projects can be found in other part of the world. For example, the Melting Pot Europe Project in Italy is a five-language radio broadcasting program focused on providing legal advice, information and awareness to migrants from North Africa and Middle East living in Europe and linking the communities in both regions ([www.meltingpot.org](http://www.meltingpot.org)).

## *12. Transferability*

The project can be easily transferred and replicated in other contexts, once the cost of the satellite technologies has been covered.

## *13. Limits and Development*

According to the information from the interview and from the various project materials the main limitations were the installation and operation of the satellite stations in Latin America, the lack of expertise in production and intercultural communication, which has been learned on the hoof, and the management of the website.

The potential of the project is large. The satellite system in Latin America was extended with three national systems (Colombia, Argentina and Paraguay), whereas the satellite system in Spain was maintained by “Red Con Voz”, and in Italy integrated into the “In Blu” satellite system. The permanent radial programmes broadcasted daily, weekly, monthly, and specials produced in cooperation by Latin American and European producers, were spread by satellite networks from Latin America, Spain, Italy and the Netherlands. Some programmes were broadcasted by nearly 200 radios in Latin America and 100 in Europe, which get the signal via satellite and in audio streaming. The website ([www.migrantesenlinea.org](http://www.migrantesenlinea.org)) become referential in the field and three stations working with satellite technology in zones with a high index of migration, located in Ecuador became places of meeting for the inhabitants of those zones, and places that make intercommunication possible between these peoples and their related migrants in any place in the world.

## **7. Conclusions & Recommendations**

In Ecuador, as probably in most Latin American countries, the presence of a well organized and active local civil society made up of associations, development organizations, Churches and indigenous movements, with strong roots in the territory and local communities from where the migrants originate creates favourable conditions for the implementation of development projects with a transnational dimension. The presence of a dynamic civil society is associated with a certain degree of autonomy of the local authorities (municipal and provincial levels) which can facilitate the collaboration with non-state and local authority actors in the destination countries.

Migration in Ecuador is a national phenomenon, with some provinces that have stronger migration density (the Southern part of the Sierra), and with a balanced gender distribution.

A massive wave of migration towards the EU, especially Spain and to a lesser degree to Italy has occurred from 1999 due to the burst of the financial crisis and the collapse of the economy. From a few thousand just ten years earlier; Ecuadorian migration to Spain recorded half a million people in 2005.

Migration has affected particularly an impoverished middle class, which was unable to find suitable jobs and had enough resources to obtain a loan through informal systems to pay the expenses related to migration. The passage to Spain is to be understood as a livelihood strategy to improve the economic situation of the family left behind.

Whereas until 2003 a certain degree of circular migration was possible, since August 2003 Spain has closed the borders to migrants from Ecuador, which then required a visa to enter the country. This has provoked a second wave of migration in the form of family reunifications.

The massive migration to Spain and Italy has been followed by a growing interest by local and central government authorities in supporting “co-development” projects in partnership with local and European NGOs. Projects span from traditional income generation activities, to the introduction of more innovative instruments to channel remittances for local development and to protect migrant workers.

At the same time, it should be noted that the “dollarization” of Ecuador is increasingly attracting migrant workers from neighbouring countries, especially Colombia and Peru. The fragile economic situation and the competition on the labour market creates certain tensions between migrants and the local population, furthermore, many of the migrant workers from Colombia and Peru are undocumented or asylum seekers (especially Colombian) and therefore particularly vulnerable to exploitation. Projects addressing their needs are still few and much can be done to promote interregional cooperation in this field.

Through the field visit in Ecuador four areas of intervention have been identified:

- A. Promotion of rural development and creation of jobs in SMEs*
- B. Protection of migrants' household members, migrants and immigrants*
- C. Enhance and promote collective utilization of remittances*
- D. Reinforce the institutional capacity of the government in dealing with migration issues*

*A. Promotion of rural development and creation of jobs in SMEs*

This is the area of income generation activities which aims to reduce migration push factors and at the same time offer a livelihood opportunity to migrant households that can also invest part of their remittances in local ventures. Successful projects in this area have associated rural development with micro-credit. Micro-credit or microfinance is widely diffused in Ecuador and the presence of a dense network of rural credit and saving banks is an element that facilitates the outreach of rural communities.

*B. Protection of migrant household members, migrants and immigrants*

The debate in Ecuador on introducing migration in the development agenda is very focused on the protection of workers and their families. It is a human rights approach to migration which aims to foster individual freedom (to migrate and not to migrate) and avoid stigmatization of the families that have a member working abroad. In fact, the presence of many children left to the care and tutorship of grandparents or close relatives is surely an issue to be addressed to protect

children from psychological stress due to the reorganization of the family structure, but at the same time negative judgments of migrant parents should be avoided.

Lot of work can be done in this area with the view of both protecting the migrant workers from exploitation and clandestine migration and protecting single parent households or migrants' children.

In this area of intervention, the need to address the increasing flow of migrants from Colombia and Peru has been identified.

Information campaigns on risks, threats and opportunities of migration, or projects like "Intercomunicación América Latina-Europa" can substantially contribute to the creation of a strong awareness among prospective migrants and migrant households of the dangers that a badly designed migration project can produce.

#### *C. Enhance and promote collective utilization of remittances*

The difficulty in designing and implementing projects promoting individual investment projects partly using remittances, or leveraging on the entrepreneurship capacity of returned migrants or of the family members left behind should be finally acknowledged and when and where the possibilities exist collective efforts should instead be promoted.

In Ecuador, as in other countries of the region, the presence of a strong catholic church and the presence of a communitarian property system and norms (as the Minga) favour the possibility to channel the remittances collectively for social aims. In fact, the communities both in the town of origin and in the destination country find in the Church a strong element of cohesion and trust.

However, while examples of collective action exists and can be strengthened from migrants in the United States, migration towards Europe is still too young to contribute to a sense of common identity which can in turn lead to collective social investments.

#### *D. Reinforce the institutional capacity of the government in dealing with migration issues*

Despite the political turmoil characterizing current political life in Ecuador, the newly elected Government has made clear that migration and migrant workers deserve special attention. However, there is not a clear migration management policy yet. The existence of a Dirección de Migración in the Ministry of Foreign Affairs, the Secretaría Nacional del Migrante as an autonomous semi-ministerial office and a coordinator of migration issues can create a lack of coordination and a diffused lack of confidence in the institutions. The local NGOs dealing with migration issues complain about this situation because they do not have a clear interlocutor. Furthermore, they criticize the government for not having opened a better dialogue with the civil society organizations on this issue.



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## **ANNEX 1 - Ecuador's participation in Latin American region EC cooperation programmes, based on EC Ecuador CSP 2007-2013**

### **AlBan - European Union Programme of High-level Scholarships for Latin America**

The AlBan programme aims at furthering co-operation in the field of Higher Education between the EU and Latin America. The programme promotes increased mobility of Latin Americans into the European area of Higher Education. Such individuals may benefit from the excellence of such institutions, thus enhance their employability and so have better employment prospects once they return to their own countries. The AlBan programme covers the period 2002-2010 and is now in its first phase: 2002-2005. The total cost of the AlBan programme is **€113.5 m**, with a European Community contribution of **€88.5m**, out of which €75m will be devoted to scholarships. This represents an average of 3,900 scholarships, of 12 months each and €1,500 per month each. (First phase: €37.5m for scholarships).

### **ALFA - Latin America Academic Training**

The ALFA programme began in **1994** and sought to reinforce co-operation in the field of Higher Education. The programme co-finances projects aimed at improving the capacity of individuals and institutions (universities and other relevant organisations). The first phase, ALFA I, with an EC contribution of **€ 31m**, ran until 1999 and the second phase (**2000-2005**), ALFA II, for which the EC contribution is **€52m**, has a total of 10 selection rounds (2000-2004). The total European Community financial contribution to the ALFA II approved projects in the context of the first nine selection rounds amounts to **€48.5m**. The average European contribution per project is **€233,500**.

### **AL-INVEST enhancing commerce between SMEs**

The AL-INVEST programme involves the promotion of international long-term co-operation between SMEs in both the EU and Latin America. It is made up of two networks of organisations called Coopecos in Europe and Eurocentros in Latin America. These networks constitute the foundation of the programme and implement its activities. The EC launched the programme in **1993** (EC contribution **€11m**) and it is now in **Phase III** for 2004-2007 (**€46m**). In addition to the traditional tool of sectorial meetings to stimulate direct contact between the SMEs, in this latest phase, new capacity and institution building activities have also been incorporated, such as the Business Development facility, LA and EU Business Weeks and so on. In total, the participants from Latin America now number **55 Eurocentros**.

### **@LIS Alliance for Information Society**

@LIS aims at reducing the digital divide between Europe and Latin America, integrating Latin America into a Global Information Society and creating long-term partnerships between the two regions. The programme was adopted by the EC on 6 December 2001. It has a total budget of **€77.5m** of which **€63.5m (approx 82%)** is financed by the European Commission. The activities of the programme have been organised around three areas of intervention: dialogues, networks and demonstration projects. Within these three areas, 5 horizontal actions (in which all countries are involved and issues are addressed as a region) and 19 demonstration projects (individual participation in four areas – e-Education, e-Inclusion, e-Governance and e-Health) are being developed.

### **URB-AL - Urban Policy Coordination**

URB-AL is a decentralised co-operation programme directed at local communities of the EU and Latin America as well as other actors involved in the urban sector. It aims to disseminate and apply "Best Practices" in the area of urban policy as well as to facilitate research into contemporary issues. The programme activities are proposed, implemented and managed by the participants themselves. URB-AL currently represents more than **800** different local authorities and 2000 cases of participation (a single local authority can take part in several of its activities). The first phase from 1995-2000 had a budget of **€14m**. URB-AL is presently in its second phase (**2001-2006**) with a budget of **€50m**.

### **EU – Latin America: New Areas of Cooperation**

#### **EUROsociAL – Regional Programme for Social Cohesion**

The general objective of EUROsociAL is to increase levels of social cohesion in Latin American societies. It focuses on the policies of education, health, the administration of justice, fiscal policy and employment. To this end, the programme will promote the exchange of experiences concerning these particular policies between public administrations of the EU and Latin America. The programme specifically aims to establish the conditions whereby

this exchange can generate social cohesion. EUROsociAL will last for a period of **4 years (2004-2007)**. The European Commission's contribution to the programme is **€30m**. More information can be found by contacting the Programme Coordinator; [Vittorio. Tonutti@cec. eu. int](mailto:Vittorio.Tonutti@cec.eu.int) or on the EUROSOCIAL website: [http://europe. eu. int/comm/europeaid/projects/amlat/eurosocia\\_en. htm](http://europe.eu.int/comm/europeaid/projects/amlat/eurosocia_en.htm)

### **EUROSOLAR**

The objective of EUROSOLAR is to promote the use of renewable energy sources in the poorest countries of Latin America and improve living conditions in combating poverty, particularly that of indigenous groups. It permits those in the poorest rural areas without access to the national grid to access a source of electricity generated by sun and wind. EUROSOLAR provides these communities with a hybrid system of photovoltaic panels and small wind panels in order to generate electricity and other applications for community use. The installation of a maximum of **600** such facilities is planned. The countries participating in the EUROSOLAR programme are Bolivia, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay and Peru. The programme will be submitted to the EU Member States for approval in the second half of **2005** and will have a duration of **4 years**. The total contribution from the European Commission is **€24m**. For more information about EUROSOLAR, please contact the Programme Coordinator; [Antonio. Crespo@cec. eu. int](mailto:Antonio.Crespo@cec.eu.int)

### **OBREAL - Observatory of the Relations between Europe and Latin America**

OBREAL is a programme consisting of a network of **23** universities from Latin America and Europe, led by the University of Barcelona, whose aim is to promote reflection on the relationship between the EU and Latin America. It focuses on the common challenges being faced by both regions and how these challenges can be overcome effectively. The activities of OBREAL concern bi-regional association and common interests, keeping in mind the expectations of each region. In addition, OBREAL advocates the diffusion of information relating to the relationship between the EU and Latin America and the strategic vision of each region. The European Commission's contribution to the activities of OBREAL is **€1.35 m** and the programme will run for **3 years (2005-2007)**. More information can be found on the OBREAL website: [http://europe. eu. int/comm/europeaid/projects/amlat/oreal\\_en. htm](http://europe.eu.int/comm/europeaid/projects/amlat/oreal_en.htm) or by contacting the Programme Coordinator; [Vittorio. Tonutti@cec. eu. int](mailto:Vittorio.Tonutti@cec.eu.int)

### **Ecuador's Participation in Alban - European Union Programme of High level Scholarships for Latin America**

**At the first Alban call for candidates for the academic year 2003/2004, 251** scholarships were awarded. On average, they were for a period of two years, the average EC contribution being €26,700 per scholarship, with a total EC contribution of **€ 6.7m**. **Out of 251 selected candidates, 2 (approx.0.8%) were nationals from Ecuador** and their main areas of study were Social Sciences and Architecture.

At the **second Alban call (2004/2005)**, 779 scholarships were awarded, again for an average of two years, with an average EC contribution of €25,600 per scholarship amounting to a total of **€ 20.22m**. **Of the 779 selected, 16 (approx.2.05%) are from Ecuador**, who study mainly Business Studies and Social Sciences, which is an increase very much in line with the increased capacity of the programme.

<b>Eligible candidates &amp; Scholarships awarded to Ecuadorian nationals by type of course<sup>44</sup></b>					
<b>Year</b>		<b>M</b>	<b>D</b>	<b>E</b>	<b>Total</b>
<b>2003</b>	<b>Eligible</b>	36	24	1	61
	<b>Awarded</b>	2	0	0	2
<b>2004</b>	<b>Eligible</b>	35	19	2	56
	<b>Awarded</b>	10	6	0	16
<b>TOTAL Awarded Ecuador</b>		12	6	0	18
<b>TOTAL Awarded LA 03+04</b>		<b>421</b>	<b>564</b>	<b>45</b>	<b>1030</b>

The percentage of scholarships awarded to nationals from Ecuador together in the 2003 and 2004 calls represents **1.75 %** of the total number of scholarships awarded to all of the LA countries.

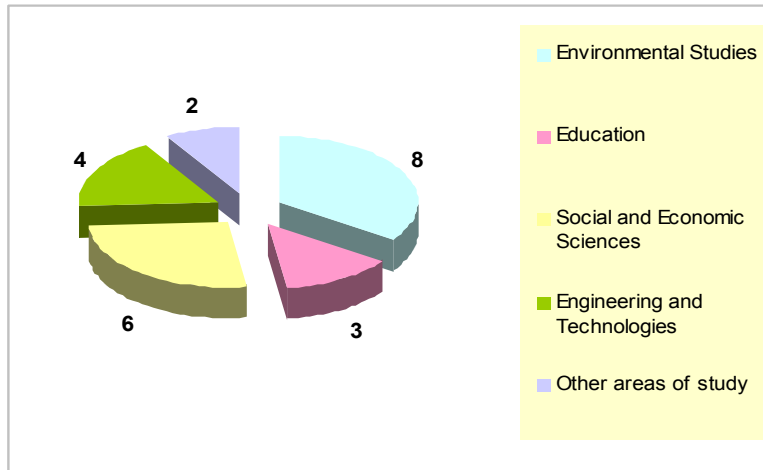
<sup>44</sup> **M** stands for Master Degree, **D** for PhD studies and **E** for Specialization of Professionals.

### Main ALBA Events in Ecuador in 2005

At the moment the programme does not foresee any events in Ecuador for this year. However, there was an **ALBA** Ex-Alumni Meeting in Valencia, Spain, on **13 May 2005** to which all of the Ex-Alumni from Ecuador were invited.

### Ecuador's participation in ALFA II - Latin America Academic Training

**Eight** eligible Higher Education Institutions (HEIs) from Ecuador participate in **23** of the **208** approved projects of ALFA II in the context of the first nine selection rounds (involvement in **over 11% of the projects**). HEIs from **Ecuador** co-ordinate **1** of the 23 above-mentioned approved projects. The main fields of study of the **23** projects in which Ecuadorian HEIs are involved can be seen in the following pie-chart:



The EC financial contribution to the activities carried out by the **23** projects in which Ecuador participates is **€5.5m**, which represents on average **74 %** of the total cost of each project. The average EC contribution per project is approximately **€239,304**.

### Main ALFA Events in Ecuador in 2005

- **13 – 16 Sept, Quito**: VII Congreso Iberoamericano de Historia de la Educación, participation in a panel to present the results of the ALFA Project PATRE-MANES, (II-0441-A)

- **1 – 10 Oct (to be confirmed), Cuenca**: Conferencia internacional: La migración internacional a Europa y EEUU: comparando procesos de inclusión y exclusión social' + reunión coordinación y seminario de formación con los becarios seleccionados, ALFA Project TransMigraRed, (ref: II-0336-FI).

- **Oct (to be confirmed), Loya**: Coordination meeting and International Seminar on Education of the ALFA Project UE-AIESAD, 'Postgrados y doctorados a distancia en educación' (ref: II-0449-FA).

### Ecuador's Participation in AL-INVEST - enhancing trade and investment between SMEs

There are currently **three Eurocentros from Ecuador**

- Chamber of Commerce, Guayaquil
- Chamber of Industry, Pichincha
- CORPEI (Corporación de Promoción de Exportadores e Inversiones)

Of the 250 cases where the principal operator of a project has been Latin-American, the Ecuadorian Eurocentro Guayaquil has led **five** of them (approx. 2%). The other Eurocentros are new to AL-Invest III. Ecuadorians have also collaborated in **51** of the 464 activities organised by AL-INVEST to date, involving **918 companies**, and a participation rate of **approx. 11%**. The value of the contracts signed between European and Ecuadorian enterprises amounts to **€6,757,791** and the range of activities covered by these agreements includes fruit (plantain and banana in particular), fish and shellfish, cocoa and its products, textiles, electronics and construction.

### Main AL-INVEST Events in Ecuador in 2005

(The main operator of each of the following events is Ecuadorian;)

- **4 – 9 Apr, Guayaquil:** Capacity Building for SMEs Traceability of Fruit Production Systems.
- **9 – 20 May, Guayaquil and Italy:** Capacity Building for SMEs Association and Development of SMEs.
- **6 – 9 Jul, Guayaquil:** Business Meeting Tecno Agro EC.
- **1 – 12 of Aug, Guayaquil and Panama:** Capacity Building for SMEs Fish Safety ad Quality.

### **Ecuador’s Participation in @LIS - Alliance for Information Society**

#### **Horizontal Actions:**

Like all of the Latin American countries, Ecuador has one partner in the Network of Researchers (ALICE) called **CEDIA** – Consorcio Ecuatoriano para el Desarrollo de Internet Avanzado, and one in the Network of Regulators called **CONATEL**, the Consejo Nacional de Telecomunicaciones.

#### **Demonstration Projects:**

Ecuadorian partners enjoy a high level of activity in three of the four sectors of the @LIS demonstration projects. There are currently Ecuadorian partners participating in the implementation of **five of the 19 demonstration projects** (participation in **26% of the projects**). This involves **10 Ecuadorian partners** in the projects, with as many as five partners the projects SILAE (e-Governance). In total, 107 Latin American partners participate in @lis demonstration projects, so approx. **9% of the members are from Ecuador**.

The **five @LIS demonstration projects** currently on-going in **Ecuador and their members** are:

<b>PROJECT TYPE</b>	<b>DEMONSTRATION PROJECT NAME</b>	<b>NAME OF ECUADORIAN MEMBER</b>
<b>e-Education &amp; Cultural Diversity</b>	ATLAS	Fundación de Hoy en la educación
	Cibernárium	Ayuntamiento de Quito
<b>e-Governance</b>	SILAE	CONELEC – Consejo Nacional de Electricidad
		CONCOPE – Consorcio de Consejos Provinciales
		CODENPE – Agencia de Apoyo a Comunidades Indigenas
		ANDINATEL
		CIE – Centro de Investigación en Energia
	Met@logo	Universidad de las Américas Ecuador
		Latin American Federation of Cities, Municipalities and Associations
<b>e-Health</b>	-----	<i>NO ECUADORIAN PARTICIPATION</i>
<b>e-Inclusion</b>	IALE (Intercomunicación América Latina)	ALER – Asociación Latinoamericana de Radiofónica Acrónimo

#### **Main @LIS Events in Ecuador in 2005**

- **2 – 6 May, Cuenca:** SILAE: XX Latin American Conference on Rural Electricity

- **4 – 6 May, Quito:** ACTION 1”Political and Regulatory Dialogue”: Regional and Technical meeting for LA and Caribbean in preparation for INFOLAC.

#### **Ecuador’s participation in URB-AL - Urban Policy Coordination**

The URB-AL programme consists of thirteen **thematic networks** co-ordinated by a single local authority. Six of the thematic networks are coordinated by Latin American local authorities, **however Ecuador coordinates none of these networks**. All those local actors who wish to co-operate on a given theme participate in the corresponding network, which provides a focal point of information and a forum for discussion. Joint projects are then designed and implemented within the networks. To date **154 joint projects** have been selected, of which **49** have the involvement of an Ecuadorian partner (**31%** of the projects). Ecuador is also represented by **five external members** in the URB-AL joint projects.

Of the 268 different Latin American local authorities who are active in joint projects, **11** are **Ecuadorian** (**4%** of the total). Of the approved joint projects, the following **three Ecuadorian** local authorities are coordinators;

- Cuenca (2 projects)
- Quito Distrito Metropolitano
- Riobamba

**Main URB-AL Events in Ecuador**

- **6 – 11 Jun, Ecuador:** Meeting of Project R5-B5-03 *Centro regional potenciador para mujeres emprendedoras y trabajadoras* (Project coordinator Odense, Denmark)

- **Nov '05 – Jan '06, Quito:** Meeting of Project R9-A4-04 *Participando a en la gobernabilidad local: impacto de los presupuestos participativos en la administración pública local* (Project coordinator Córdoba, Spain)

- **Apr - May '06, Quito:** Workshop of Project R9-A4-04 *Participando a en la gobernabilidad local: impacto de los presupuestos participativos en la administración pública local* (Project coordinator Córdoba, Spain).