

ANNEX 1. TERMS OF REFERENCE

INTRODUCTION

The Independent Evaluation Office (IEO) of the United Nations Development Programme (UNDP) conducts independent country programme evaluations (ICPEs) to capture and demonstrate evaluative evidence of UNDP's contributions to development results at the country level, as well as the effectiveness of UNDP's strategy in facilitating and leveraging national efforts for achieving development results. The purpose of an ICPE is to:

- Support the development of the next UNDP Country Programme Document.
- Strengthen accountability of UNDP to national stakeholders.
- Strengthen accountability of UNDP to the Executive Board.

ICPEs are independent evaluations carried out within the overall provisions contained in the UNDP Evaluation Policy¹. IEO's responsibility is two-fold: (i) provide the Executive Board with valid and credible information from evaluations for corporate accountability, decision-making, and improvement; and (ii) enhance the independence, credibility, and utility of the evaluation function and its coherence, harmonization, and alignment in support of United Nations reform and national ownership.

This is the second country-level evaluation conducted by IEO in Ecuador². The ICPE Ecuador will focus on UNDP's work during its current programme cycle, 2019-2022, with a view to contributing to UNDP's preparation of the next country programme starting from 2023. The IEO will conduct the evaluation in close collaboration with the Government of the Republic of Ecuador, the UNDP country office in Ecuador, and the UNDP Regional Bureau for Latin America and the Caribbean (RBLAC).

The Global COVID-19 pandemic has presented UNDP with considerable challenges in implementing its ongoing programme of work in line with the CPD. Even more so than usual, UNDP has been required to be adaptable, refocusing and restructuring its development work to meet the challenges of the pandemic and Country's need to effectively prepare, respond and recover from the wider COVID-19 crisis, including its socio-economic consequences. Thus, this ICPE will also consider the degree to which UNDP has been able to adapt to the crisis and support the country's preparedness, response to the pandemic and its ability to recovery meeting the new development challenges that the pandemic has highlighted, or which may have emerged.

COUNTRY CONTEXT

The Republic of Ecuador is an upper-middle-income economy³ with an estimated population in 2020 of 17.6 million⁴, 64 percent of which reside in urban areas⁵. With an HDI of 0.759, lower than the Latin American average⁶, it belongs to the category of high human development countries, ranking 86 out of the 189 countries and territories in 2019. Historically, Ecuador has experienced economic volatility, social inequality, and structural unemployment.

¹ <http://web.undp.org/evaluation/policy.shtml>

² IEO conducted an ADR in 2008. <http://web.undp.org/evaluation/evaluations/adr/ecuador.shtml>

³ The World Bank. Data for Ecuador, Upper middle income. <https://data.worldbank.org/?locations=EC-XT>

⁴ Instituto Nacional de Estadística y Censos, Ecuador (INEC). <https://www.ecuadorencifras.gob.ec/estadisticas/>

⁵ UN Data for Ecuador as of 2019. <https://data.un.org/en/iso/ec.html>

⁶ Human Development Report 2020. <http://hdr.undp.org/en/countries/profiles/ECU#>

After Ecuador's deep economic crisis in 1999, the country had a period of economic stability, along with its dollarization, resulting in real GDP annual growth rate averaged 4.5 percent from 2001 to 2014, while real GDP per capita increased by 43 percent⁷. It resulted in a significant improvement in terms of reduction of poverty and inequality; the multidimensional poverty headcount ratio dropped from 46 percent in 2010 to 34.6 percent in 2017, and the Gini index positively decreased from 0.54 in 2004 to 0.45 in 2018⁸. But Ecuador's economy has been highly dependent on oil exports. Between mid-2014 and early 2016, global oil prices considerably decreased, falling 70 percent⁹ and severely impacting Ecuador. Revenues plunged, and public spending and investment declined. The devastating 2016 earthquake¹⁰ deepened the country's economic recession. Since then, the economic recovery has been weak and multidimensional poverty has increased. In 2020 Ecuador's economy was negatively impacted by the COVID-19 pandemic, the oil price fell, and the quarterly GDP dropped to similar levels as in the year 2000.¹¹

Inequality and gaps between the rural and urban areas and among the indigenous, afro-descendant, mestizo, and white population persist. The incidence of income poverty in 2019 was higher in rural areas (41.8 percent) where Ecuadorian indigenous populations (58.1 percent) and ethnic minorities mainly work, e.g., Afro-Ecuadorians (34.5 percent), than in urban areas (17.2 percent)¹². The employment market has deteriorated in the last three years, informal employment has reached 48.6 percent of the population and the country's unemployment rate has reached an estimated 6.6 percent in 2020. Youth and those aged between 25 and 34 have been most affected by the current economic crisis, representing together 61.8 percent of the unemployed population.¹³

Recent efforts to reform the State and its administration, such as the constitutional reform of 2018, entailed the renewal of governance institutions: judicial, electoral, defense of human rights, constitutional control, supervisory and control agencies, and mechanisms to appoint officials and combat corruption¹⁴. In 2019, Ecuador received its best score since its inclusion in the Transparency International Corruption Perceptions Index, 38 out of 100 points, and ranked 93 out of 198 countries¹⁵. Ecuador's geographical location poses a challenge in its northern border in terms of fighting against drug trafficking due to its socio-economic indicators and limited institutional presence of authorities¹⁶. Also, Ecuador faces a refugee crisis. Since 2016, 2.2 million Venezuelans have entered Ecuador, of whom almost 400,000 have stayed in the country¹⁷.

⁷ The World Bank, Ecuador, Systematic Country Diagnostic, June 2018.

⁸ The World Bank Data. <https://datos.bancomundial.org/indicador/SI.POV.GINI?locations=EC&view=chart>

⁹ The World Bank Group, 'The 2014-2016 Oil Price Collapse in Retrospect', April 2018

¹⁰ In April 2016, an earthquake with a magnitude of 7.8 Mw, hit the country. It generated an estimated loss of 22,000 jobs and the estimated fiscal cost of the reconstruction in the affected areas was approximately US\$2.250 billion.

¹¹ Banco Central del Ecuador, Boletín de Prensa Septiembre 2020. <https://www.bce.fin.ec/index.php/boletines-de-prensa-archivo>

¹² INEC, Encuestas Nacionales de Empleo, Desempleo, y Subempleo, Indicadores de Pobreza y Desigualdad, Diciembre 2019.

https://www.ecuadorencifras.gob.ec/documentos/web-inec/POBREZA/2019/Diciembre-2019/201912_PobrezayDesigualdad.pdf

¹³ INEC, Boletín Técnico N. 02-2020-ENEMDU, Encuesta Nacional de Empleo, Desempleo y Subempleo, Setiembre 2020

¹⁴ United Nations Development Programme Country programme document for Ecuador (2019-2022)

¹⁵ Transparency International the global coalition against corruption. <https://www.transparency.org/en/cpi/2019/results/ecu>

¹⁶ <https://www.unodc.org/brussels/ecuador.html>

¹⁷ UNHCR. Sept. 2020. <https://reporting.unhcr.org/sites/default/files/UNHCR%20Ecuador%20Fact%20Sheet%20-%20September%202020.pdf>

From a gender perspective, the female population¹⁸ faces various challenges in the context of economic and social inequality, including poverty, unemployment, and violence. Ecuador's gender inequality index (GII) was 0.384 in 2019¹⁹ and the Global Gender Gap Report positioned Ecuador as the 13 out of 25 countries in the Latin America and the Caribbean region in 2020²⁰. Ecuadorian women have limited work opportunities and face higher unemployment (8.0 percent in 2020) than men (5.7 percent)²¹. They also perform most of the households' unpaid domestic and care work²². Gender-based violence is a critical issue. Femicides increased from 59 in 2018 to 67 in 2019²³. Up to 32 percent of women experienced some act of violence in 2019, while 12 percent of women were the victims of sexual violence, with the afro-descendant women as the group affected the most (40.8 percent)²⁴. Regarding political empowerment, Ecuador ranks 48th out of 153 countries, with almost 40 percent of seats in the National Assembly held by women in 2020²⁵, above the average of 33 percent of women in parliaments in Latin America and the Caribbean region²⁶.

In terms of environment and natural resources, Ecuador is among the 17 most biodiverse countries in the world due to its geographical location and variety of climates, and the diversity of its natural species²⁷. The country's species of animals and plants represent 6.1 percent of all species worldwide²⁸. Oil exploration, logging, and road building have negatively impacted Ecuador's rainforests, which currently covers only 2 percent of the Amazon Basin. The total forest is approximately 11.6 million ha, of which 11.5 million ha constitute natural forest and 78,000 ha plantations²⁹. Currently, the country ranks 56th out of 180 and 7th in the Latin American and Caribbean region in the Environmental Performance Index³⁰. Ecuador is a signatory to the United Nations Framework Convention on Climate Change (UNFCCC); however, it has not yet submitted its commitment to greenhouse gas reductions.

The country is highly vulnerable to natural disasters, climate change, and the overexploitation of natural resources. The fact that 96 percent of the urban population lives in the coastal and mountainous regions³¹ increased the risk from ocean-warming phenomena such as El Niño and related disasters, including floods and landslides. In 2015-2016, El Niño resulted in 1,196 adverse events, negatively affecting approximately 27,000 people³². The 2016 earthquake caused approximately 675 deaths, 80,000 displaced people, and

¹⁸ Women and girls represent 49.8 percent of the population in Ecuador. Source: World Bank data, Population, female (% of total population). <https://data.worldbank.org/indicator/SP.POP.TOTL.FE.ZS?locations=EC>

¹⁹ UNDP, Human Development Report, Gender Inequality Index, 2019. <http://hdr.undp.org/en/content/gender-inequality-index>

²⁰ World Economic Forum, Global Gender Gap Report 2020. http://www3.weforum.org/docs/WEF_GGGR_2020.pdf

²¹ INEC, Boletín Técnico N. 02-2020-ENEMDU, Encuesta Nacional de Empleo, Desempleo y Subempleo, Octubre 2020. https://www.ecuadorencifras.gob.ec/documentos/web-inec/EMPLEO/2020/Septiembre-2020/Boletin%20tecnico%20de%20empleo%20enemdu%20sep20_final.pdf

²² INEC. <https://www.ecuadorencifras.gob.ec/las-mujeres-sostienen-el-trabajo-domestico-y-de-cuidado-en-los-hogares-ecuatorianos/>

²³ The UN ECLAC. Ecuador – Country Profile. <https://oig.cepal.org/en/countries/12/profile>

²⁴ INEC, Encuesta nacional sobre relaciones familiares y violencia de genero contra las mujeres, boletín, Noviembre 2019. https://www.ecuadorencifras.gob.ec/documentos/web-inec/Estadisticas_Sociales/Violencia_de_genero_2019/Boletin_Tecnico_ENVIGMU.pdf

²⁵ The UN ECLAC Ecuador, Gender Equality Observatory for Latin America and the Caribbean, 2020. <https://oig.cepal.org/en/countries/ecuador>

²⁶ The WB. Proportion of seats held by women in national parliaments. <https://data.worldbank.org/indicator/SG.GEN.PARL.ZS?locations=ZJ-EC>

²⁷ Convention of Biological Diversity. <https://www.cbd.int/countries/profile/?country=ec>

²⁸ UNDP, The Biodiversity Finance Initiative. <https://www.biodiversityfinance.net/ecuador>

²⁹ Convention of Biological Diversity. <https://www.cbd.int/countries/profile/?country=ec>

³⁰ Environmental Performance Index. <https://epi.yale.edu/epi-results/2020/country/ecu>

³¹ The World Bank, Ecuador. <https://climateknowledgeportal.worldbank.org/country/ecuador/vulnerability>

³² The World Bank, Ecuador. Systematic Country Diagnostic, June 2018

around 350,000 individuals in need of humanitarian assistance³³.

COVID-19 context: Ecuador was one of the first countries in Latin America to face the coronavirus pandemic and was described in April 2020 as an epicenter of the pandemic in Latin America. With a context of high-income inequality and rising poverty, Ecuador is suffering an unprecedented crisis due to COVID-19. In 2020 there have been 209,355 confirmed cases of COVID-19 with 13,992 deaths³⁴. The country has faced a different nationwide state of emergency declarations, curfews, and other restrictions all over the year. Only between March and May 2020, the total losses were US\$ 6.4 billion, of which 82.4 percent correspond to the private sector and 17.6 percent to the public sector. The productive sector registered 63.8 percent of the losses, which is more than three times the health sector losses³⁵.

UNDP PROGRAMME IN ECUADOR

The Basic Cooperation Agreement signed between the Ecuadorian State and the United Nations Development Programme on 19 January 2005 constitutes the legal basis for the programme documents and technical cooperation projects supported by UNDP in various areas of development. The UNDP country programme document (CPD) for Ecuador for the period 2019-2022 responds to the priorities agreed in the United Nations Sustainable Development Cooperation Framework (UNSDCF) for the same period of 2019-2022. These priorities are aligned with the National Development Plan³⁶ for 2017-2021 and the 2030 Agenda for Sustainable Development.

UNDP's country programme is expected to contribute to four outcomes in the UNSDCF, structured around the following themes:

- a) Promoting rights through access to services and social protection (regarding 'people'). The programme will develop mechanisms to improve social policymaking and implement the 2030 Agenda, particularly to eradicate poverty and reduce inequalities.
- b) Protecting the environment and encouraging a sustainable development model (regarding 'planet'). UNDP will promote the sustainable use of natural resources in a way that maintains and enhances the resilience of ecosystems and the services they provide, moving towards a more sustainable economy.
- c) Socio-economic inclusion and pursuit of sustainable livelihoods (regarding 'prosperity'). The programme will develop policies and tools for economic inclusion of vulnerable groups, particularly women and youth, and increasing disaster resilience and empowering communities.
- d) Improving public action and participation, with an approach of rights, democracy, and peace (regarding 'peace'). UNDP will assist national and local institutions in building institutional capacities that incorporate the sustainable development goals through planning and budgeting exercises, foster dialogue and conflict prevention, and help strengthen civil society organizations.

The country programme is also expected to contribute to several cross-cutting themes throughout the

³³ UNCHR, The UN Refugee Agency, Ecuador Emergency Update on Earthquake, 27 June 2016. <https://reporting.unhcr.org/sites/default/files/UNHCR%20Ecuador%20Emergency%20Update%20on%20Earthquake%20-%2027JUN16.pdf>

³⁴ World Health Organization data as of 28 December, 2020. <https://covid19.who.int/region/amro/country/ec>

³⁵ Socioeconomic assessment, COVID-19 PDNA Ecuador, March-May 2020

³⁶ The National Development Plan for 2017-2021 "Toda una Vida" is articulated around three thematic areas (Rights for all, lifelong, Economics at the service of society, and More society, better state) and nine development goals. Link: <https://www.planificacion.gob.ec/plan-nacional-de-desarrollo-2017-2021-toda-una-vida/>

programme period, namely: building institutional capacities; promoting South-South and triangular cooperation; developing human talent; and promoting public-private partnerships, gender equality, human rights, and work with local governments. The promotion of 'alliances' and joint initiatives is re-emphasized by the new strategic orientation of the United Nations system in Ecuador. The main implementation modality of the programme is national, implying that national partners will be the principal parties responsible for programme results, with UNDP support. In terms of the SDGs, the country programme 2019-2022 is expected to contribute to most³⁷ of the Goals. The overall budget of the four-year programme is estimated as US\$ 113.4 million in the CPD, with 84 percent of the total programme budget allocated to a single outcome area, addressing environment, sustainable management of natural resources, and climate change.

³⁷ All but SDGs 3 (health) and 4 (education).