



Extended Country Program Evaluation

Ecuador 2018-2025

Copyright © 2025 Inter-American Development Bank ("IDB"). This work is subject to a Creative Commons license CC BY 3.0 IGO (<https://creativecommons.org/licenses/by/3.0/igo/legalcode>).

The terms and conditions indicated in the URL link must be met and the respective recognition must be granted to the IDB.

Further to section 8 of the above license, any mediation relating to disputes arising under such license shall be conducted in accordance with the WIPO Mediation Rules. Any dispute related to the use of the works of the IDB that cannot be settled amicably shall be submitted to arbitration pursuant to the United Nations Commission on International Trade Law (UNCITRAL) rules. The use of the IDB's name for any purpose other than for attribution, and the use of IDB's logo shall be subject to a separate written license agreement between the IDB and the user and is not authorized as part of this license.

Note that the URL link includes terms and conditions that are an integral part of this license.

The opinions expressed in this work are those of the authors and do not necessarily reflect the views of the Inter-American Development Bank, its Board of Directors, or the countries they represent.



Inter-American Development Bank, 2025

Office of Evaluation and Oversight
1350 New York Avenue, N.W.
Washington, D.C. 20577
www.iadb.org/evaluation

RE-604-1
October 2025

**Extended Country Program
Evaluation**

Ecuador 2018-2025

Office of Evaluation and Oversight

CONTENTS

[ACRONYMS AND ABBREVIATIONS](#)

[EXECUTIVE SUMMARY](#)

I.	INTRODUCTION.....	1
II.	COUNTRY CONTEXT	1
	A. Macroeconomic and fiscal situation.....	2
	B. Productive development	4
	C. Social Development.....	6
III.	RELEVANCE OF COUNTRY STRATEGIES	7
	A. IDB Group country strategies with Ecuador during 2018-2025	7
IV.	RELEVANCE OF THE COUNTRY PROGRAM	14
	A. Country Program (CP) - Description and alignment with objectives.....	14
	B. The IDB Group's flexibility in responding to crises and emergencies.....	22
V.	IMPLEMENTATION	24
	A. IDB CP execution	24
	B. IDB Invest CP execution.....	30
VI.	EFFECTIVENESS AND SUSTAINABILITY.....	32
	A. Productive Area	33
	B. Fiscal Area.....	38
	C. Social Area	41
VII.	CONCLUSIONS AND RECOMMENDATIONS	47

[REFERENCES](#)

Annexes (available only in Spanish, except for Annex I)

Annex I	Approach paper
Annex II	Supplementary information: tables, graphs and boxes
Annex III	Alignment and contribution of the PP
Annex IV	PBL/PBP analysis and supplementary investment loans and TCPs
Annex V	In-depth investment attraction study
Annex VI	In-depth study of public finance and management
Annex VII	In-depth study: Implementation challenges in the social area

[RESPONSE BY IDB AND IDB INVEST MANAGEMENT](#)

This document was prepared by Damian Galinsky (team leader), Regina Legarreta, Michelle Infanzon, Luis Fernando Corrales, Gustavo Rivas, Ari Marneau, Alejandra Teran and Melisa Wong under the supervision of Alejandro Soriano, Country Cluster Leader, and the overall guidance of Marialisa Motta, Director of OVE.

The team gratefully acknowledges comments and reviews by Jozef Vaessen, Augusto de la Torre, Tunde Onitiri, Esperanza Lasagabaster, Stefan Koeberle, and Luc Grillet.

ACRONYMS AND ABBREVIATIONS

ADV	Advisory services
CCF	Contingent credit facility
CCLIP	Conditional credit line
CONAFIPS	<i>Corporación Nacional de Finanzas Populares y Solidarias</i> (National Public and Common Finances Corporation)
CP	Country Program
CPD	Country Program Document
CS	IDB Group Strategy with the Country
ECB	Banco Central del Ecuador (Central Bank of Ecuador)
EFF	Extended Fund Facility
ENCOVI	<i>Encuesta Nacional de Condiciones de Vida</i> (National Survey of Living Conditions)
ER	Expected Result
FAO	Food and Agriculture Organization of the United Nations
FI	Financial Institution
GAD	Decentralized Autonomous Government
GDP	Gross Domestic Product
GO	Groups of objectives
GUI	Investment guarantee
GUP	Guarantee of support for policy reforms
IDB Group	Inter-American Development Bank Group
IDB	Inter-American Development Bank
ILO	International Labor Organization
IMF	International Monetary Fund
INEC	<i>Instituto Nacional de Estadística y Censos</i> (National Institute of Statistics and Census)
INV	Investment Loan
LAC	Latin America and the Caribbean
MEF	<i>Ministerio de Economía y Finanzas</i> (Ministry of Economy and Finance)
MSME	Micro, small, and medium-sized enterprises
NDP	National Development Plan
NFPS	Non-Financial Public Sector
NSG	Non-sovereign-guaranteed
OVE	Office of Evaluation and Oversight
PAI	Plan Anual de Inversiones (Annual Investment Plan)
PBL	Policy-based loan
PGE	<i>Presupuesto General del Estado</i> (National Budget)
PPPs	Public-Private Partnerships
SDL	Special financing for development
SG	Sovereign Guaranteed

SNP	<i>Secretaría Nacional de Planificación</i> (National Planning Secretariat)
TCP	Technical cooperation
TFFP	Trade Finance Facilitation Program
UE	Executing Unit
UN	United Nations
W&S	Water and Sanitation
WB	World Bank
XCPE	Extended Country Program Evaluation

EXECUTIVE SUMMARY

Purpose. This Extended Country Program Evaluation (XCPE) assesses the relevance, effectiveness and sustainability of the IDB Group's support to Ecuador during the period 2018-2025, corresponding to the last two Bank Country Strategies (CS1: 2018-2021, CS2: 2022-2025). The evaluation seeks to contribute to accountability and learning by providing the Board of Directors with useful information to support its consideration of the future CS and the corresponding Country Program (CP), and by formulating recommendations to enhance the IDB Group's contribution to the country's development. The evaluation used mixed methods based on literature and operational documents reviews, project portfolio analysis, and semi-structured interviews.

Country Context. Ecuador is an upper-middle-income dollarized country whose economy is highly dependent on oil and other primary exports. The country faced a challenging macroeconomic environment in 2018-2025, characterized by low growth (1% per annum on average between 2018 and 2024), high volatility, and exposure to constant external and internal shocks, including the pandemic, droughts, energy crisis, political instability, and a security crisis. During the commodity price super cycle, the development model based on state control of strategic sectors (particularly oil) allowed it to redirect its substantial revenues to social programs and public investment, boosting growth and poverty reduction. However, the end of the commodity boom in 2014 highlighted the need for a new sustainable development model driven by the private sector. Private sector growth has been limited by the macroeconomic and fiscal situation, and by structural challenges whose effects are exacerbated in a dollarized economy, including those related to the labor, financial, and energy markets. The fiscal consolidation process initiated after this commodity boom intensified during the period, with a significant reduction in public investment. The restructuring of external debt in 2020 and the agreements with the IMF in 2020 and 2024, within the context of restricted access to financial markets, contributed to an improved fiscal sustainability, but this continues to be a challenge. Added to this were challenges such as high dependence on primary sectors and sustainability gaps in infrastructure. Despite the notable increase in social spending, poverty increased during the period due to reduced economic growth and the impact of the pandemic. On the other hand, Ecuador made progress in health, with a reduction in maternal and infant mortality and a life expectancy higher than the regional average. However, challenges persist regarding child malnutrition, educational quality, and access to some basic services. The country was severely affected by the COVID-19 pandemic, with high excess mortality and deteriorating working conditions. In recent years, insecurity has increased sharply: Ecuador went from being one of the safest countries in the region in 2018 to having one of the highest homicide rates in 2023, with some improvement in 2024.

Country Strategy (CS) relevance. During 2018-2025 the IDB Group's two country strategies with Ecuador focused on three priority areas: productive, fiscal, and social. The strategies had continuity in most of the objectives (keeping the alignment of the legacy portfolio) and were consistent with government priorities in a context of fiscal consolidation and greater openness to private investment. Moreover, they planned coordination with other cooperants, albeit in a generic way. In the *productive* and *social* areas, the relevance of the objectives was limited by their lack of selectivity, their broad formulation and the absence of a clear sequencing of the reforms or sectors to be supported. In the *fiscal area*, the objectives were relevant, although they would have benefited from a more explicit analysis on coordination with the IMF in CS2. Likewise, given the challenging context and changing needs during the period, the mechanisms for updating and monitoring strategies were not

effectively used (such as the incorporation of objectives on citizen security, where the country's needs were pressing and the IDB had comparative advantages to address them).

Country Program (CP) relevance. The program included 265 IDB operations (\$9,505 million) and 85 IDB Invest operations (\$2,414 million) covering the duration of both CS. The IDB Group had a diversified and innovative program, much larger than expected, and responsive to emergencies, which was strongly aligned with most of the objectives of the strategies. First, the IDB Group's CP was diversified and innovative, including the world's two largest debt-for-nature conversions (supported by PBL), more than half of the guarantees approved by the IDB in the last eight years, thematic bonds, and IDB Invest's first reverse factoring operation in the country. Moreover, 40% of the investment loans (INV) used execution schemes with co-executing units or sub-executing units, instead of the traditional single executing unit scheme. In addition, the IDB significantly increased its direct work with subnational borrowers and other public entities that do not depend on the National Budget (PGE), which allowed it to speed up processes and mitigate restrictions due to a lack of budgetary allocations. Second, the CP was large, doubling the IDB's estimated financing framework. It also included twelve policy-based operations (PBL) and three emergency budget support operations (SDL), highly relevant given the characteristics of the country (dollarized and with limited access to debt markets), in a context of increasing Ecuador's debt with multilateral organizations where the IDB remained the main multilateral creditor. In addition, the IDB used non-reimbursable funds to support the technical dialogue and foster the Bank's engagement in the country. The Bank allocated funds to provide strategic guidance and specialized technical assistance for the design of reforms and public policies and recently began supporting the country in the creation of the 2040 Growth Agenda. For its part, IDB Invest more than tripled approvals during the period compared to 2012-2017 and mobilized more than \$1.5 billion in the context of elevated country risk. Third, the program was responsive, adapting to the country's needs with operations focused on emerging needs such as the pandemic and citizen security, without neglecting the objectives of the CS. Although not specified in the CS, coordination among the IDB Group windows was mostly in support of the objectives of access to finance and energy reform.

Country Program implementation. The IDB was agile in approving investment loans (INV), but faced significant challenges in their execution, with frequent extensions, reformulations and cancellations. Almost three quarters of the INV had extensions, with an average additional time per project of three years. These difficulties caused its annual disbursements to decrease by 37% compared to the 2012-2017 period and, therefore, INV's amounts to be disbursed almost doubled between December 2021 and June 2025. Nevertheless, the IDB maintained its significant participation in Ecuador's Annual Investment Plan (PAI), with INV disbursements that on average represented 10% of the PAI in the evaluation period. The IDB's INV program included more than 30 executing units, many of which faced significant challenges, including high staff turnover (resulting from changes in government and various crises), complex budget processes, limited availability of fiscal resources, and operational complexity stemming from multisectoral operations with multiple execution schemes. However, a group of executing units stood out for achieving satisfactory results thanks to their previous experience with the IDB (such as in energy or the *Servicio de Rentas Internas*), for being given priority during emergencies (such as in health), and for having some budgetary autonomy (such as public banks or Decentralized Autonomous Governments). Against this backdrop, the IDB was proactive in stepping up the use policy reform and budget support loans (PBL and SDL), which increased from representing a quarter of total disbursements in 2012-2017 to two-thirds in 2018-2025. It also promoted capacity development initiatives (including a diploma

course for public officials). For its part, IDB Invest tripled its disbursements in the period compared to 2012-2017, doubling long-term financing disbursements and increasing short-term disbursements more than sixfold. In addition, it provided non-financial additionality through advisory services to promote sectoral changes and the adoption of environmental standards (mainly by fostering the thematic bond market).

Effectiveness and Sustainability. The IDB Group's contributions to the strategies' objectives have been most significant in the productive area, in certain social objectives (health, water and housing), and in support for fiscal consolidation. The greatest contributions were associated with a good program match with the ambition of the objectives, long-term support to reform processes, the leveraging the IDB Group's reputation and sector expertise in Ecuador, and the use of experienced executing units. In contrast, lower contributions were associated with significant delays in the execution of INVs, exacerbated by the country's complex regulatory processes, staff turnover due to changes in government, and multiple external shocks. In the productive area, contributions to *improve access to financing* (with significant support from the IDB and IDB Invest), *access to export markets* and, to a lesser extent, *investment climate* and *regulatory frameworks*. It also stands out the *expansion of physical infrastructure*, mainly the Metro in Quito and the port of Posorja, and the ones related to *energy reform*. In the fiscal area, support for fiscal consolidation through dialogue for tax reforms, complementarity with IMF support, and budget support stand out. In the social area, there were contributions towards the health objectives -particularly during the pandemic- *access to housing* and *water services* (with prominent work with subnationals). In the fiscal area, although the CP was large, contributions were low towards the public revenue and expenditure objectives of both CSs. These objectives were also particularly impacted by cancellations and execution challenges. Within the social area, contribution was low for *employment, education, digital connectivity, sanitation and agricultural public goods and services*. The sustainability of the results achieved in the different areas will depend on the country's fiscal evolution, which will determine the space available to maintain the respective works and policies.

Recommendations. Based on the findings, OVE recommends:

1. **To articulate the objectives of the next CS around a development vision that fosters inclusive and sustainable growth in the country.** This implies: **(i)** Using the CS to agree with the country on a roadmap for medium-term reforms needed to promote inclusive and sustainable growth, strengthening the role of the private sector. In agreement with the government, this would require considering regulatory reforms and complementary investments, for example, boosting the labor market, deepening the financial sector, deregulating the energy sector, and strengthening fiscal sustainability; and **(ii)** translate, in agreement with the Government, this roadmap into achievable intermediate objectives within the term of the CS. These objectives should consider the government's agenda, fiscal and execution capacity constraints, and the IDB Group's comparative advantages- including the legacy portfolio.
2. **Anticipate in the CS, and update in the CPDs, the expected synergies between the IDB, IDB Invest and other key cooperating partners.** This implies: **(i)** Making explicit in the CS the roles of IDB and IDB Invest in supporting the objectives and identify the main synergies, subject to updates in the Country Program Documents (CPD), **(ii)** Making explicit in the CS the use of non-financial support to facilitate sectoral diagnoses, consensus building and implementation of medium-term reforms to promote private investment; and **(iii)** Use the CPDs to

monitor the progress of the policy dialogue and adjust support programs, seeking to strengthen coordination with other cooperating partners and maintain the focus on promoting the country's inclusive and sustainable growth.

3. **Focus the portfolio on executing units that have shown good performance; selectively utilizing other executing units and execution mechanisms necessary to progressively support the CS objectives, strengthening their execution capabilities.** This implies: **(i)** selecting experienced executing units that have shown good performance, seeking to channel an increasing portion of the investment portfolio; **(ii)** selectively utilizing other executing units or execution mechanisms in critical areas where additional implementation capacity is required to support the objectives; and **(iii)** continuing using technical cooperation and other instruments for training, technical support and dissemination of good practices, using success stories as a reference and promoting knowledge sharing among executing units.
4. **Strengthen risk management during the execution of the CS, providing general guidelines for responding to their occurrence and emphasizing the monitoring of the fiscal context.** This implies: **(i)** Identifying and anticipating in the CS how to mitigate the main risks that may affect the program's contribution, including different scenarios of progress in fiscal consolidation, Ecuador's Annual Investment Plan (PAI) and implementation of reforms; **(ii)** Using available tools (such as CPDs or CS updates) to monitor risks and adapt targets in the face of significant changes in the country context; and **(iii)** Establish criteria, agreed with the country, to further rationalize the investment portfolio, especially in projects with significantly lower than expected performance; these criteria should include, among others, the presence of concrete action plans, defined progress metrics and explicit commitments with the government regarding the allocation of necessary budgetary resources.

I. INTRODUCTION

- 1.1 **This report evaluates the IDB Group's performance in Ecuador during 2018-2025.** This Extended Country Program Evaluation (XCPE) assesses the relevance, effectiveness, and sustainability of the IDB Group's support to Ecuador through the last two Country Strategies (CSs) 2018-2025, and its country program¹. The evaluation period covers June 27, 2018, to June 30, 2025. The evaluation seeks to contribute to accountability and learning by making recommendations to improve the next CS and the future country program. XCPE reports exclusively on the work of the IDB Group, not evaluating the country or its policies. The XCPE follows the principles of the Country Product Protocol (Protocol document [RE-348-8](#)) and the Approach Paper of this evaluation (document [RE-604](#), Annex I).
- 1.2 **The evaluation aims to answer four questions:**
- I. How relevant were the Country Strategies (CSs) in addressing Ecuador's development needs and government priorities?
 - II. How did the design of the Country Program (CP) support the objectives of the CS?
 - III. How effective was the IDB Group in contributing to the objectives of the CS, and what were the main factors that influenced its contribution?
 - IV. To what extent have the results achieved by the CP been sustained to date, and to what extent were risks to its continuity identified?
- 1.3 **To answer these questions, mixed methods and triangulated sources of information were used.** To answer the first question, a literature review was conducted on development needs and national priorities to assess whether the objectives and design of the CSs were conducive to addressing them. For the second question, the design documents of all CP operations were reviewed to assess their alignment with the objectives of the CSs. In addition, the implementation of the program was analyzed, combining the analysis of data on its execution with qualitative analyses derived from the field work carried out. For the third and fourth questions, the contribution of each of the CP operations to the objectives of the CSs was analyzed, combining the analysis of the progress reported by the operations in their indicators with information gathered during field work. The analysis was complemented with more than 100 key informant interviews and three in-depth studies: one on IDB Group support for attracting private investment (Annex V), one on public finance and management support (Annex VI), and one on the challenges of executing social projects (Annex VII).

II. COUNTRY CONTEXT

- 2.1 **Ecuador is an upper-middle income country with abundant natural resources, an ethnically diverse population, and an economy heavily dependent on oil and other primary exports.** The country has a population of 17.9 million people (INEC, 2024). Its GDP per capita of US\$ 6,299 (IMF, 2025)

¹ This is the sixth time that OVE has evaluated Ecuador's program: OVE covered 1990-2002 (document [RE-295-2](#)), 2000-2006 ([RE-341](#)), 2007-2011 ([RE-405-2](#)), 2012-2017 ([RE-514-1](#)), y 2018-2021 ([RE-567](#)).

positions Ecuador as an upper-middle-income economy (WB, 2025). The country possesses abundant natural resources, including arable land, fisheries, oil, other minerals, and hydroelectric capacity (WB, 2024b). Its economy is poorly diversified, with a dependence on oil (8% of GDP) and other primary exports (10% of GDP)². It is also an ethnically diverse country³ and more rural than the average for Latin America and the Caribbean (LAC, 35% vs. 18%).

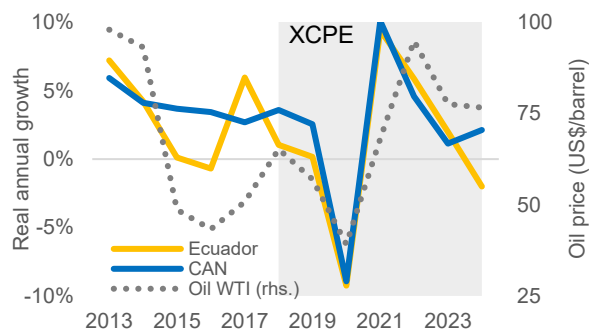
A. Macroeconomic and fiscal situation

2.2 **Ecuador's economy has been dollarized since 2000, which contributed to the reduction of inflation, at the cost of reducing the monetary tools available for crisis response.** Dollarization has allowed Ecuador to control inflation⁴, and strengthen confidence in its financial system, boosting credit and banking penetration. However, the loss of control over monetary and exchange rate policy restricted

their tools to manage their competitiveness and cope with shocks (restricting price adjustment in the labor market), underscoring the need for robust macroeconomic regulation and an efficient cost structure. As a result, fiscal policy became more relevant to managing shocks. Following the end of the commodity boom, which between 2003 and 2014 boosted growth but was accompanied by a substantial increase in spending, the country began a process of fiscal consolidation. This process intensified in 2018-2024, including reducing public investment and increasing taxes, stabilizing public debt, and restoring reserves (WB, 2024b)⁵.

2.3 **During the evaluation period, Ecuador had low and volatile economic growth, due to dependence on oil, exposure to multiple shocks, and reduced public investment.** Between 2018 and 2024, the country had an average annual growth below its regional peers (1.0% vs. 2.2% of the Andean countries group - CAN⁶) (IMF, 2025). This growth was volatile⁷, associated with oil prices (Graph 2.1). The deterioration of external conditions starting in 2015 highlighted the strong interdependence between fiscal policy and economic dynamism: after years of a procyclical strategy, the reduction in momentum coming from the public sector limited growth. This contributed to a slowdown in domestic demand and a drop in public investment that was not offset by private investment. In addition, a series of

Figure 2.1. Growth and oil price, 2013-2024



Source: OVE with data from IMF (2025) and EIA (2025)

² Primary exports include shrimp, bananas, cocoa, and fish (MPCEIP, 2024).

³ 77% identify themselves as mestizo, 8% as indigenous, 8% as Montubio, 5% as Afro-Ecuadorian and 2% as white (INEC, 2024).

⁴ It averaged 1.05% during 2018-2024, the second lowest in the region after Panama (IMF, 2025).

⁵ "Consolidation reduced the fiscal deficit (from 9.8% of GDP in 2016 to close to balance in 2022), stabilized public debt, reduced arrears, restored international reserves (increased from 2% of GDP in 2018 to 7.3% of GDP in 2022), and cemented confidence in dollarization" (WB, 2024b).

⁶ Bolivia, Peru and Colombia, countries of the Department of Andean Group (CAN) (WB, 2025b).

⁷ The coefficient of variation of its growth reached 3.4, above that of LAC (0.3) during the same period.

macroeconomic shocks-including the pandemic⁸, natural disasters, social tensions, political instability, increased insecurity, and the electricity crisis-affected growth. In 2024, the economy fell 2%⁹, with reductions in government spending (-1.2%), consumption (-1.3%), and investment (-3.8%) (BCE, 2025).

2.4 Ecuador continued to face fiscal imbalances driven by procyclicality in revenues and rigid spending. Non-Financial Public Sector (NFPS) revenues from oil revenues averaged 32%¹⁰ of the total between 2018 and 2023 (MEF, 2024a), which kept public finances exposed to crude oil price volatility and other macroeconomic shocks. In turn, NFPS revenues and expenditures have been procyclical (see Annex VI). Although spending declined from its peak in 2013, it remained high¹¹ and mostly inflexible¹², including fuel subsidies of 2.7% of GDP in 2023 (IMF, 2024). NFPS deficit averaged 2.9% of GDP between 2018 and 2024 (BCE, 2025b) although it declined in recent years due to a reduction in public investment and subsidies.

2.5 The restructuring of external debt in 2020 and the programs agreed with the International Monetary Fund (IMF) in 2020 and 2024, contributed to improving fiscal sustainability in the context of restricted access to financial markets. During 2018-2021, Ecuador's public debt was 56.7% of GDP (52.3% in CAN), but was reversed in the following years¹³, where the country also reduced its current account deficit¹⁴. With access to the debt markets limited by the high level of sovereign risk, in 2020 the country restructured its external debt and negotiated an agreement with the IMF (FDL, 2024). In 2020, the IMF approved a US\$643 million Rapid Financing Instrument and a US\$6.5 billion Extended Fund Facility (EFF) until December 2022¹⁵. Most of the EFF conditionalities sought to strengthen fiscal institutionalization and advance the transparency and anti-corruption agenda (IMF, 2023). With the EFF, Ecuador strengthened fiscal institutions, increased the coverage of social transfers, implemented a progressive tax reform and reformed the Central Bank. Although it has made significant progress¹⁶, reforms are still outstanding. Ecuador obtained a new EFF for US\$4 billion in 2024 (later extended to US\$5 billion), effective until May 2028 (IMF, 2024).

⁸ In 2020, the Ecuadorian economy shrank more than the LAC average (9.2% vs. 6.9%) and CAN (8.9%) (IMF, 2025). At the end of 2024, the Ecuadorian economy was 5.1% larger than in 2019 (8.3% larger in CAN).

⁹ Due to impacts related to security problems, the closure of oil wells, political uncertainty, and a historic drought that caused power outages with costs of 1.4% of GDP (BCE, 2025).

¹⁰ In 2018-2021, oil revenue accounted for 5.3% of GDP, higher than the LAC average of 1.5% (WB, 2025b). Mainly from the state-owned company (Petroecuador), which produces 81% of the total (MEF, 2024a).

¹¹ During the commodity price super cycle (EIA, 2025) total general government spending increased from 25% of GDP in 2007 to 47% in 2013; it declined to 39% by 2024 (IMF, 2025).

¹² Inflexible expenditure (salaries, transfers, interest payments, among others) accounted for an average of 67% of the total National Budget between 2013-2023 (MEF, 2024). See Annex VI

¹³ In 2022-2024, Ecuador's debt was 55.5% of GDP, and 60.4% on average in CAN (IMF, 2025).

¹⁴ The balance went from -1.5% of GDP in 2018 to 5.8% in 2024 (IMF, 2025), due to the increase in remittances (2.8% of GDP in 2018 to 4.6% in 2023) (WB, 2025b), and the contraction of domestic demand.

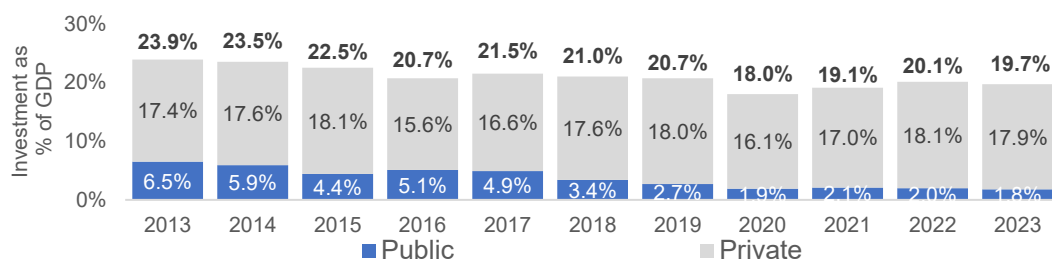
¹⁵ It had an approved EFF in March 2019 but in May 2020 requested its cancellation (IMF, 2023).

¹⁶ Met 20/25 structural targets, implementing 8 according to reform schedule (IMF, 2024).

B. Productive development

2.6 **Growth was limited by stagnant productivity and reduced investment, in the context of reduced government support and restrictions on private participation.** With the reduction in public investment (Figure 2.2), the contribution of capital to growth decreased. On the other hand, labor force growth contributed slightly to economic growth in 2018-2024 (Figure 2.1.3, Annex II). However, rigidities in factor and goods markets (see Annex V) have led to resources being employed in less efficient activities (Zanoni & Pedemonte, 2025).

Figure 2.2. Public and private investment in Ecuador (% of GDP) 2013-2023



Source: IDB Invest (2024)

2.7 **Private investment is discouraged by the macroeconomic, legal and regulatory situation.** Investment averaged 19.7% of GDP in 2018-2023, a value comparable to the LAC average of 19.1% (WB, 2025b) but lower than the recent past given the retraction of public investment and the lack of growth in private investment (Figure 2.2, and Annex V for a detailed analysis). In turn, foreign direct investment has been low, averaging 0.8% of GDP in the 2018-2023 period, below the LAC average of 3.0% (WB, 2025b). Ecuador has a high sovereign risk premium¹⁷ which, combined with a repressed local financial market, limits access to financing. This, along with political instability¹⁸, insecurity and informality, have been identified by businesses as the main barriers to investment (WB, 2025c). Tax instability, lack of legal security, overvaluation of the real exchange rate and high labor costs affect the country's competitiveness and make it difficult to attract private investment (IDB Invest, 2024).

2.8 **The labor market presents structural challenges that hinder productive development.** In the absence of monetary and exchange rate policy mechanisms and fiscal policy restrictions, the labor market in Ecuador has operated as an important adjustment variable in the face of macroeconomic shocks (see Figure 2.1.4). This adjustment has taken place in a context of regulatory rigidity, characterized by high hiring and firing costs, restrictions on certain labor modalities, public wage premiums, and a minimum wage that is among the highest in the region (WB, 2024b; ILO, 2025b) and which, in fact, is higher than the average wage in Ecuador (considering informal employment)¹⁹. As a result, Ecuador has

¹⁷ In 2018-2024 it averaged 1,267 basis points (bps) versus 454 bps in LAC as measured by the EMBI spread.

¹⁸ Between 2018 and 2025, Ecuador experienced political instability marked by large-scale social protests (2019, 2022), changes in its presidential administration and the dissolution of the National Assembly in 2023 through the "cross-death" mechanism. See timeline in Annex II (Figure 2.1.2).

¹⁹ The Ecuadorian minimum wage is equivalent to 120% of the average wage, higher than the equivalent in Chile (50%), Colombia (75%) and Peru (85%) (IDB Invest, 2024).

high rates of underemployment (19.9% in 2024) (ILO, 2025a) and informality (68.6% vs. 51.3% in LAC in 2024) (ILO, 2025).

2.9 The high dependence on primary sectors generates a productive structure that does not sufficiently promote innovation, restricting the growth of competitiveness. Ecuador ranks second as the least diversified economy in LAC (CID, 2021) with exports concentrated mainly in oil and other primary goods such as bananas, flowers, and shrimp. Between 2018-2024, mining exports increased eightfold from US\$258 million to US\$2.3 billion (ITC, 2025) due to two mines, Fruta del Norte (gold) and Mirador (copper), which started production in 2019 (WB, 2024b). The period showed success stories in agro-exporting sectors²⁰. Ecuador has signed several trade agreements²¹, although trade openness is lower than in other comparable countries²², limiting opportunities for insertion into global value chains and access to technologies. In turn, 98% of the country's companies are micro, small and medium-sized enterprises (MSMEs) (WB, 2022) there is a slow creation of new enterprises (WB, 2024b) and there are barriers to the adoption of technology and innovation²³ (see Annex V).

2.10 Sustainability gaps and challenges persist in certain infrastructure sectors. In electricity generation, Ecuador moved from a matrix based on fossil fuels to one in which about three quarters is produced in hydroelectric power plants (IMF, 2024b). However, drought and inadequate maintenance of certain thermoelectric plants due to fiscal restrictions caused a major electricity crisis in 2024²⁴, generating losses equivalent to 1.4% of GDP in 2024 (US\$ 1,916 million) (BCE, 2025). Ecuador has a better supply chain infrastructure, compared to its exporting competitors (WB, 2024b) but gaps persist in digital connectivity²⁵ and transportation²⁶. It is also located in a seismic risk zone and is vulnerable to the El Niño phenomenon: between 2020 and 2024, it recorded 65 natural disasters affecting more than three million people and with estimated damage to the environment at US\$4.5 billion²⁷. Finally, the capacity to implement Public-Private Partnerships (PPPs) in infrastructure improved²⁸, but only three projects subscribed in 2016 materialized²⁹ (see Annex V).

²⁰ Bananas, cocoa, flowers and especially shrimp (the main non-oil export), have consolidated their international presence since 2020 (see [Foreign Trade Bulletins](#)).

²¹ Between 2018 and 2025, Ecuador signed and ratified several trade agreements: China (2023, effective from 2024), South Korea (2023, pending ratification), Canada (negotiation closed in 2025), Costa Rica (2023, effective from 2024) and the EFTA bloc (signed in 2018, effective from 2020). Existing agreements were also updated or extended, such as with Chile (2020) and the United Kingdom (2020).

²² In 2023, Ecuador had an average tariff of 11.1%, Colombia 6.7%, and Peru 2.3% (WTO, 2023).

²³ Ecuador ranks 104/132nd in the Global Innovation Index due to its low employment in knowledge-intensive sectors (12.4%) and in high-tech exports (0.3%) (WIPO, 2023).

²⁴ In 2024 there were scheduled outages of up to 14 hours in the supply due to the low water level (Primicias, 2024).

²⁵ Average broadband and 4G access speed is close to half that of LAC (IDB, 2022b).

²⁶ Only one-fifth of the country's roads are paved (WB, 2024b).

²⁷ 11 have estimates. The earthquake (2016) generated costs of more than US\$2.5 billion (CRED, 2025).

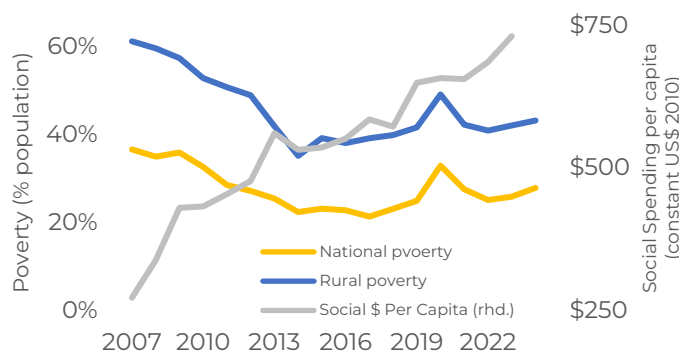
²⁸ Ecuador climbed 6 positions in the Infrascope 2024 Index (compared to 2021/22), ranking 9th among LAC countries due to new PPP laws and guidelines (Economist Impact, 2024).

²⁹ Puerto Bolivar (May 2016), Puerto Posorja (May 2016) and Rio 7- Huaquillas Highway (June 2016) (Gobierno de Ecuador, 2024b). In turn, there are 12 projects in the *pipeline* (Gobierno de Ecuador, 2025).

C. Social Development

2.11 **Low economic growth limited a sustained reduction in poverty, despite a notable increase in social spending.** Between 2007 and 2014, poverty declined, driven by economic growth³⁰ (boosted by the favorable external context due to the commodities super cycle). This made it possible to increase social spending (from

Figure 2.3. Poverty and social expenditure



Source: OVE with data from INEC (2025) and ECLAC (2025)

US\$273 to US\$532 per capita, Figure 2.3). Despite the subsequent continued increase in social spending, low economic growth did not allow for continued poverty reduction. Between 2018 and 2024, income poverty increased from 23.2% to 28.0%, while extreme poverty increased from 8.4% to 12.7%. At the same time, there are large geographic differences, with rural poverty (43.3% in 2024) being more than twice as high as urban poverty (20.9%) (INEC, 2025).

2.12 **Ecuador is close to universal primary and secondary education, but there are challenges at other levels.** Primary and secondary enrollment close to universalization (CEDLA, 2022). However, the initial enrollment rates (55% in 2021) (WB, 2025b) and tertiary (30% in 2023) (CEDLA, 2022) are lower. 84% of the population over 25 years of age completed primary school, although only 45% completed secondary school (WB, 2025b). In educational quality, the country was on par with the region in the PISA-D 2016, but with income and gender gaps (INEVAL, 2018). In addition, education spending fell from 4.6% of GDP in 2018 to 3.7% in 2023 (ECLAC, 2025). As in LAC, Ecuador has a deficit of technical skills (WB, OIT, UNESCO, 2023) which affects labor market insertion and productivity (WB, 2021).

2.13 **Health indicators showed notable improvements, although challenges persist in child malnutrition.** Between 2018 and 2023, Ecuador made progress in health, achieving a reduction in maternal and infant mortality rates; both indicators were below the LAC average³¹. Ecuador had two years more life expectancy than LAC³² in 2023, but the higher prevalence of child malnutrition (18% vs. 12% in LAC) is a challenge (INEC, 2023).

³⁰ Poverty fell from 36.7% in 2007 to 22.5% in 2014. Multidimensional poverty declined until 2017 (51% in 2009 to 35% in 2017) and shows no improvement since then (INEC, 2025).

³¹ Maternal mortality rate per 100,000 live births declined from 61 to 55 between 2018 and 2023, (LAC 77 in both 2018 and 2023) (WB, 2025b). Infant mortality rate per 1,000 births declined from 11.9 in 2018 to 11.1 in 2023 (14.9 to 13.5 in LAC over the same period) (WB, 2025b).

³² In 2023, life expectancy at birth in Ecuador was 77.4 years (75.6 years in LAC) (WB, 2025b).

- 2.14 **Ecuador was severely affected by the COVID-19 pandemic.** At the regional level, it was the third country in Latin America with the highest excess mortality³³, being higher than 50% of the expected annual mortality (Karlinsky & Kobak, 2021) only below Peru and Mexico. In turn, the pandemic led to job losses and deterioration of working conditions. In 2020, more than 80% of the sectors had declines in their value-added levels (ECLAC, 2021). The unemployment rate increased from 3.8% in December 2019 to 13% in June 2020. The underemployment rate increased 3.7 percentage points, representing close to 50% of the Economically Active Population (ILO, 2022).
- 2.15 **There is still a deficit in the provision of basic services and housing in the country, which is more severe in rural areas.** Coverage of safely managed water and sanitation is lower than the LAC average³⁴, with marked urban-rural gaps in access to water (75% vs. 53%). This coverage had improved significantly since the 2000s, although it stagnated since 2017 with the reduction in public investment. On the other hand, at the national level, there is a total housing deficit of 2.4 million housing units (IDB, 2023b).
- 2.16 **Ecuador has recently been affected by an increase in insecurity related to organized crime, with a significant increase in homicides.** Ecuador had the highest homicide rate in LAC in 2023 (44.5 homicides per 100,000 inhabitants), although just a few years earlier it was among the safest countries in the region (5.7 in 2018)³⁵ (InSight Crime, 2023). In the same year, 63% of Ecuadorians reported feeling unsafe from robberies and/or assaults, the highest perception of insecurity in LAC (LAPOP, 2023). At the beginning of 2024, the Government declared a state of emergency and an internal armed conflict and implemented measures against insecurity after a referendum³⁶. In 2024 the homicide rate fell 12.8% annually (InSight Crime, 2025).

III. RELEVANCE OF COUNTRY STRATEGIES

A. IDB Group country strategies with Ecuador during 2018-2025

- 3.1 **The IDB Group formulated two country strategies during the period.** The first one, CS 2018-2021 (CS1, document [GN-2924](#)), set three priority areas: (i) strengthening public finances, (ii) productivity and the private sector, and (iii) deepening social progress. In these areas, the CS1 set 11 strategic objectives (SOs) and 16 expected results (ERs) to guide the Group's interventions (Table 3.1). Hereinafter, the term "objectives" will be used to refer to the set of SOs and ERs. In addition, the CS1 included three cross-cutting themes: 1) gender and diversity, 2) disaster risk management and climate change, and 3) strengthening the institutional capacity of local counterparts³⁷. The 2022-2025 strategy (CS2,

³³ Data is cumulative over the period January 2020-May 2021 (Mathieu, y otros, 2024).

³⁴ Access to safe water was 67% (75% in LAC) and 42% to sanitation (49% in LAC) (UN, 2025).

³⁵ In 2018, it alone had more homicides per capita than Chile, Paraguay, and Argentina (InSight Crime, 2018). In 2023, the average homicide rate in LAC was 20 per 100,000 inhabitants (InSight Crime, 2023).

³⁶ The additional support of the Armed Forces to the police was approved (72% of affirmative votes), the extradition of Ecuadorians (64%), increase of sentences (67%), compliance of all sentences for organized crime (67%), expropriation (61%), among others (CNE, 2024).

³⁷ The CS1 also identified areas for dialogue in the areas of citizen security, support for the articulating of a productive development policy, and the strengthening of the national innovation system.

document [GN-3103-1](#)), had three similar priority areas: (i) development of the productive sector, (ii) stabilization of public finances and institutional development, and (iii) strengthening social progress with emphasis on reducing gender gaps. The CS2 set seven SOs and 17 ERs, reducing the number of SOs with respect to CS1, and incorporated a fourth cross-cutting theme: digitalization³⁸.

3.2 The strategies had continuity in most of the objectives (maintaining the alignment of the legacy portfolio), although there were changes in the scope and focus of the objectives of the productive and social areas. In CS1, which was formulated in a context of fiscal adjustment, priority was given to strengthening public finances (mainly in the productive and fiscal areas). In the productive area, CS1 included a broad objective of expanding private investment, broken down into three areas: investment climate, access to finance, and insertion in international markets. On the other hand, CS2 prioritized the strengthening of regulatory frameworks and access to financing, without including the explicit objective of access to export markets³⁹. In productive infrastructure, the objectives of the CS1 reflect the context of fiscal adjustment in which it was framed, emphasizing private participation in infrastructure and Public-Private Partnerships (PPP). CS2 eliminates the PPP objective⁴⁰ and refers to physical and technological infrastructure as a means for productive development. In the fiscal area, both CSs seek to improve the efficiency of public spending and revenue collection, and CS2 also includes the digitalization of the public sector. In the social area, although both CSs maintained a focus on sectors such as health, education, housing and water⁴¹, they presented certain differences: (i) CS2 addressed both coverage and quality of services while CS1 focused on quality, (ii) CS2 introduced an SO to reduce labor precariousness, with three ERs that sought to address specific sub-populations, and (iii) CS2 discontinued the objective of providing agricultural public goods and services present in CS1. The continuity of most of the objectives between the CSs allowed the previously approved portfolio to maintain its strategic alignment.

3.3 The objectives formulated by both CSs were organized under eight groups of thematic objectives to facilitate their analysis. The CSs each established three priority areas. Within each area, the CSs established objectives (which may or may not coincide in both strategies) that were related to similar challenges. OVE grouped these objectives into eight Group of Objectives (GOs)⁴². Table 3.1 shows the CS objectives grouped under the GOs, and Table 2.7.1 in Annex II includes the progress indicators⁴³.

³⁸ It also modified two other topics, replacing the second with "climate change, sustainability and natural disasters", and the third with "institutional capacity and strengthening the rule of law".

³⁹ One of its ERs was partially recovered under another SO in CS2: in CS2 it was expected to increase competitiveness, which is a broader concept and includes logistics performance (ER7.2, CS1).

⁴⁰ CS2 mentions more efficient and effective PPP management as a line of action.

⁴¹ In CS1, the aim was to increase access to safe drinking water and sanitation services, while in CS2, the aim is only to improve access to water access infrastructure.

⁴² GOs refer to a set of objectives that seek to contribute to similar challenges. They may contain targets of one or both CSs. OVE kept the original numbering of the targets.

⁴³ The objectives are the SOs and ERs of the CS results matrix (Protocol, paragraph 2.4.a). Indicators of progress (IP) are not part of the objectives. CS1 included 19 IPs, and CS2 18 IPs.

Table 3.1. Aggregate results matrix (summary)

GO	CS1 (2018-2021)	CS2 (2022-2025)
Productive Area		
GO 1. Expansion of private investment	SO 5. Increasing the contribution of private investment and productivity to the growth of the economy - ER 5.1. Improving the investment climate	SO 1. Strengthen the regulatory frameworks that enable private investment - ER 1.1 Increase in private investment - ER 1.2 Increase in competitiveness
	SO 6. Facilitating access to investment financing - ER 6.1. Increasing credit to the private sector	SO 2. Improving access to financing - ER 2.1. Increase in loans to the private sector
	SO 7. Promoting access to export markets - ER 7.1. Increasing non-oil exports - ER 7.2. Improve logistics performance	
GO.2. Sustainable productive infrastructure	SO 3. Increase private participation in investment in infrastructure and other public goods - ER 3.1. Strengthening the PPP framework - ER 3.2. Increase private investment in public infrastructure	SO 3. Expanding coverage and quality of physical and technological infrastructure - ER 3.1. Expanded investment in infrastructure for competitiveness - ER 3.2. Investments made are resilient to climate change and minimize greenhouse gas emissions
	SO 4. Advancing Ecuador's energy reform - ER 4.1. Displacing fossil fuel consumption with renewable energy sources	- ER 3.3 Improving the energy balance in favor of renewable energies
Tax area		
GO.3. Finance and public management	SO 2. Generating efficiencies and increasing the quality of public spending - ER 2.1. Increasing government effectiveness	SO 4. Reducing inefficiencies in public management - ER 4.1. Improved effectiveness in governance - ER 4.2. Digitalization advances in the public sector
	SO 1. Mitigating the fiscal risk associated with oil price volatility - ER 1.1. Increase non-oil public revenues	SO 5. Increasing revenue - ER 5.1. Improved collection
Social Area		
GO4. Employment		SO 6. Reducing job insecurity - ER 6.1. Improving formal employment among women - ER 6.2. Improve employment of Indigenous and Afro-Ecuadorian population - ER 6.3. Improving the employment of people in a human mobility situation
GO5. Social Services	SO 8. Improving the management and quality of social services - ER 8.1. Improving the learning of Ecuadorian students - ER 8.2. Improving the health of Ecuadorians	SO 7. Improving access to and coverage of social and basic services - ER 7.1. Improvement in the coverage and quality of education services - ER 7.2. Improving the coverage and quality of health services - ER 7.5. Improving digital connectivity
GO6. Housing	SO 9. Promoting access to housing - ER 9.1. Reduce the housing shortage	SO 7. Improve access and coverage of social and basic services (Housing) - ER 7.3. Improving housing infrastructure
GO7. Water and Sanitation	SO 11. Strengthen and promote investment projects in water and sanitation - ER 11.1. Increase access to safely managed drinking water services. - ER 11.2. Increase access to safe sanitation services	SO 7. Improve access to and coverage of social and basic services (water) - ER 7.4. Improving water access infrastructure
GO8. Agricultural public goods and services	SO 10. Improve and increase the provision of public agricultural goods and services - ER 10.1. Reducing the poverty rate of the rural population engaged in agriculture - ER 10.2. Increase the income of the rural population engaged in agriculture	

Note: See Annex II for the version with its progress indicators. The numbering of the objectives is the original numbering of the CS. Source: OVE, based on CS1 (document [GN-2924](#)) and CS2 (document [GN-3103-1](#)).

- 3.4 **The objectives of the CSs were consistent with government priorities, within a context of fiscal consolidation and greater openness to private investment.** The governments established their long-term priorities in three National Development Plans (NDP) for 2017-2021 (*Toda una vida*), 2021-2025 (*Plan de Creación de Oportunidades*) and 2024-2025 (*Plan de Desarrollo para el Nuevo Ecuador*)⁴⁴. Given fiscal constraints and the EFFs with the IMF (2020 and 2024), priorities also included encouraging private initiative, energy reform and improving social services. The three NDPs had a clear relationship with most of the objectives of the CSs⁴⁵ (see Annex II).
- 3.5 **The objectives were also consistent with the IDB Group's priorities.** The objectives were aligned with the IDB Group's Institutional Strategy, especially with its focus on institutional strengthening and social inclusion and equality. Also, in the cross-cutting issues of inclusion (clear focus on the CS2), climate change (through energy reform) and institutional capacity. They were also aligned with IDB Invest's business plans, which included priorities in infrastructure (Infrastructure GO2) and financing (GO1).
- 3.6 **The CSs provided for some coordination with other cooperants, although CS2 was more generic than CS1 in its identification.** Ecuador has a wide variety of cooperating partners, with the IDB as the main creditor (see Box 3.1 and Table 2.2.1). The CS1 identified coordination in certain projects or sectors: the metro with the World Bank (WB), CAF and the European Investment Bank (EIB); in energy with the Korean (KOTRA) and Japanese (JICA) agencies; in water and sanitation with the Spanish (AECID), French (AFD) and WB; and the Government Social Platform with the EIB. CS2 was more generic, identifying only sectors (and not projects) with the IMF for fiscal, macroeconomic and institutional reforms; and maintaining coordination with JICA and KOTRA in energy. For the rest, it states that it will depend on the synergies, competitive advantages and priorities of each cooperating partner, without describing what they are.

⁴⁴ There were three presidents with the corresponding NDPs: Lenin Moreno (2017-2021), Guillermo Lasso (2021-2023) and Daniel Noboa (2023-2025). See Annex II: timeline (Figure 2.1.2), national priorities (Box 2.8.1) and alignment of the CSs with the NDPs (Tables 2.8.1, 2.8.2 and 2.8.3).

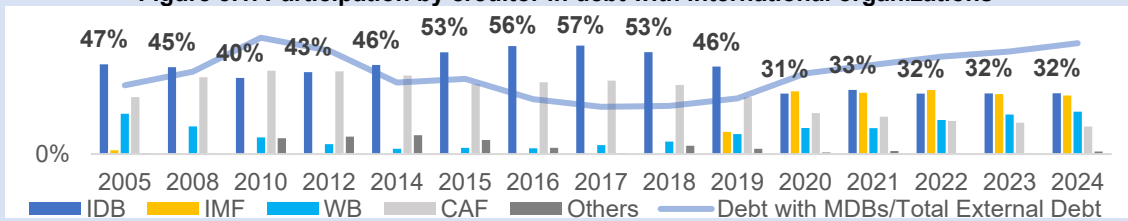
⁴⁵ An exception is observed in the NDP 2021-2025, where energy reform and increased credit to the private sector do not have much emphasis, which is present in the CSs and the other two NDPs.

Box 3.1 The IDB's financial relevance as a multilateral creditor in Ecuador

The IDB has been Ecuador's main institutional creditor for the past 20 years. Between 2005 and 2019, the IDB accounted for approximately half of Ecuador's debt with international organizations (Table 2.2.2), and 10% of average annual public investment in Ecuador during the evaluation period¹. Since 2020, the IDB and the IMF have accounted for one-third of total multilateral debt (Figure 3.1). The debt with the IDB was US\$8,985 million in 2024. Since its return, the World Bank experienced an increasing trend (22% in 2024), and CAF a decreasing trend (stable in dollars).

The World Bank reestablished its full participation in Ecuador during the evaluation period. Between 2008 and 2012 the WB had a period of limited activity in Ecuador, in which it only carried out non-reimbursable technical activities. Between 2013 and 2017, it lent with sub-nationals (with sovereign guarantee) and in 2018 regained full participation (WB, 2024).

Figure 3.1. Participation by creditor in debt with international organizations



Note: Selected years, values as of December.

Source: OVE, based on MEF (Debt Bulletin 2016-2024 and Public Debt Report 2005-2015).

Note: 1: Annual disbursements of investment loans over Ecuador's codified Annual Investment Plan.

3.7 The CS did not foresee the sequence of reforms to be supported nor the mix of instruments to support them. The strategies provided for interventions in multiple sectors, including ambitious objectives such as *improving the investment climate* (CS1), *increasing competitiveness and increasing investment* (CS2). But they did not specify what reforms were envisaged, their sequencing or complementarity with other IDB Group, government or other cooperating partners' actions. Nor did they detail what type and mix of instruments they would be supported, or whether the IDB and IDB Invest would have differentiated roles.

3.8 In the productive area, the relevance of the objectives was limited by the breadth of some of them and the lack of a clear sequence of the reforms or sectors to be supported. Both CSs recognized that increasing private investment was a complex problem that required structural transformations, including changes in areas linked to other objectives, such as the fiscal, labor and energy framework. The CS1 established as an objective the improvement of the business environment, a relevant component, although still broad and ambitious, within the system that conditions investment. Along with this, it defined two additional, more narrowly defined objectives-increasing *access to finance* (also included in the CS2) and *fostering access to export markets*⁴⁶-which can be understood as constituent parts of the first, by addressing specific dimensions of the business environment necessary to achieve the objective⁴⁷. CS2 had a narrower and more specific focus by defining objectives centered on regulatory frameworks and access to financing, to encourage private investment⁴⁸. However, the CSs did not show an explicit prioritization of critical areas for private investment-especially in sectors with high

⁴⁶ CS2 mentions that the active portfolio included support for trade integration and export competitiveness, without including objectives for this in addition to logistics (paragraph 3.13).

⁴⁷ For example, access to financing is part of improving competitiveness.

⁴⁸ CS2 also incorporated labor objectives, although with a social rather than productive development focus.

growth potential-nor did they clarify the role of the windows or an adequate sequencing of their interventions (see Annex V)⁴⁹. In turn, both CSs included objectives for productive infrastructure, linked to energy reform (both CSs) and connectivity (CS2). In CS1 they had a fiscal logic: reduction of energy subsidies and attraction of private investment via PPPs. Finally, the CSs mention the need to promote specific sectors such as tourism and mining, but without including objectives for them⁵⁰.

- 3.9 **In the fiscal area, the objectives were relevant, although they would have benefited from a more explicit analysis of coordination with the IMF.** CS1 proposed to mitigate the fiscal risk associated with oil price volatility with the ER to *increase non-oil public revenues*. For this, it was proposed to use instruments that would reinforce fiscal stability, provide margins for countercyclical measures and make it possible to address the risks associated with dependence on crude oil. Although the concrete mechanisms to expand collection were not detailed (such as changes in rates, bases or control efficiency), the objective is highly relevant given the dependence on oil revenues. For its part, CS2 maintained the objective of increasing tax collection, but with greater specificity by recognizing that the tax system is not maximizing its collection potential. Although the objective of *increasing revenue collection* can be considered broad, CS2 proposed specific actions such as the definition of regulations to increase the progressiveness of the system and the reduction of evasion and avoidance through improvements in tax and customs control systems, thus reinforcing the relevance of the objective. In terms of spending, CS1 aimed to *generate efficiencies and improve the quality of public spending*, highlighting weaknesses in the articulation between planning and budgeting, and in the public investment system. CS2 was continued, although with a broader objective: to *reduce inefficiencies in public management*. For this, lines of action were proposed, such as spending reviews, results-based budgeting, closing investment and asset gaps, and greater digitalization of the public sector. Given the context of fiscal constraints and the need to improve the allocation and use of public resources, spending targets are also considered highly relevant. Furthermore, although the EFF was in its closing stage, a more explicit analysis of the coordination of fiscal reforms with the IMF would have increased its relevance in the CS2⁵¹. For example, CS2 did not define how the Bank's actions would complement the structural goals of the EFF or how the country would be supported in meeting those goals (see Annex VI).
- 3.10 **In the social area, the lack of specificity of the objectives limited their usefulness in guiding the Bank's work toward the country's most relevant needs.** Both strategies defined SOs aimed at improving the coverage, quality and management of social and basic services in the country⁵², with ERs for the education, health, housing, water and sanitation (W&S), and connectivity (CS2)

⁴⁹ The CS2 alludes to the tourism sector as a case that could benefit from reduced costs of doing business, but it is not part of an explicit prioritization of reforms or strategic sectors.

⁵⁰ These sectors were included in the NDPs: tourism was included in all three NDPs and mining in two (not included in 2017-2021).

⁵¹ The CS2 only mentions that "*it is expected to work with the IMF to coordinate work on fiscal and macroeconomic and institutional reform*" (paragraph 5.2, CS2).

⁵² "*Improve the management and quality of social services*" (CS1, SO8) and "*Improve access and coverage of social and basic services*" (CS2, SO7). The latter also grouped housing and W&S objectives, which had been differentiated SOs in CS1.

sectors. As supported by the CSs, these SOs were relevant to the extent that the country faced significant challenges in these sectors, and their attention was part of the government's priorities at the time. However, they were not selective: they did not specify which areas were to be improved or which population segments were to be served⁵³. This lack of specificity opened space for intervention in multiple sectors, without clear selectivity in those with the greatest needs or where the Bank had comparative advantages or consolidated experience. For example, in the education sector, although the CS gap analysis highlighted specific challenges such as low retention at the secondary level and limited access to digital learning media, the corresponding ER was formulated generically as "*Improving the coverage and quality of education services*", without further clarification of the focus of intervention. Additionally, no ERs were included for sectors identified as priority sectors in the CS diagnosis (rural services⁵⁴, child development and social protection) and others that have recently gained increasing importance, such as citizen security⁵⁵.

- 3.11 **In turn, the CS results matrices had certain objectives with an inverted logic, which reduced the clarity of the theory of change with which they were expected to contribute.** The IDB Group must articulate the rationale for how it plans to contribute to the objectives of the CS results matrix. This entails how explicitly revealing the ERs (lower-level objectives) contribute to the SOs (intermediate level objectives), and then how these SOs contribute to the priority areas. This constitutes the "vertical logic" of the matrix. Both CSs presented problems in the logic of their causal chains: in CS1 only 6 of the 16 ERs (38%) had adequate vertical logic, and in CS2 only 9 of the 17 ERs (53%). For example, CS2 proposed the SO to strengthen *the regulatory frameworks that enable private investment*. To achieve this SO, it was proposed to advance two ERs: *increased private investment* and *increased competitiveness*. The order is reversed: the IDB Group would first have to strengthen regulatory frameworks so that an effect on investment could then be observed, and then on competitiveness (see Table 2.3.1 in Annex II).
- 3.12 **In a changing context in Ecuador during the period, the mechanisms for updating and monitoring strategies were not used effectively.** In accordance with the Guidelines for CSs (document [GN-2468-9](#)), the IDB Group may make minor changes to the current strategy through annual planning exercises (CPD). This allows for flexibility and adaptability to those changes that may arise during the strategic periods and could have been used to include citizen security ERs, an issue that became more relevant at the end of the CS2 period⁵⁶. At the same time, it has not been an instrument used to follow up on the progress of the objectives. The country office team carries out detailed monitoring of operations (see Section 5), but they do not have monitoring of the progress indicators included in the strategies, which have not been updated for this XCPE. It should be noted that the

⁵³ Although they were not later included as objectives, the CS2 mentions that it would seek to support the prevention and reduction of chronic child malnutrition, strengthen the educational trajectory protection system, improve social protection systems, among others (P 3.32, CS 2022-2025).

⁵⁴ Although the diagnoses and strategies detail the major gaps in rural areas, CS2 did not include the objective of providing agricultural goods and services, which had been part of CS1.

⁵⁵ Although it became more relevant towards the end of the second CS, it could have been modified to include objectives on this topic given that the IDB had comparative advantages in the region.

⁵⁶ The IDB approved significant programs to address this issue in 2024 and 2025, including two investment loans and a loan to support policy reforms [and a loan to support policy reforms](#) (see Section 4).

CPDs were used to highlight changes in the country context, risks that could affect the country program, cancellations and reformulations of operations, sectoral policy reforms, and the use of country systems.

- 3.13 **Both CSs identified implementation, macroeconomic and natural disaster risks, although mitigation actions for most were generic and similar between strategies.** Implementation risks in CS1 highlighted the high staff turnover within the Executing Units (EU), while CS2 added others related to limited fiscal space, slower implementation speed, lack of institutional capacities, and dependence of program implementation on reforms arising from specific priorities. While CS1 did not explicitly recognize the potential effect of lack of resources and administrative complexity on program implementation, in CS2 these effects were comprehensively addressed⁵⁷. Despite this, mitigation measures were similar in both CSs: continuous portfolio review, close dialogue with the MEF and EU, provision of technical assistance for specific projects and, in CS2, the training of public officials. In turn, macroeconomic risks were addressed in CS1 from the need for financing in the context of fiscal consolidation, while in CS2 emphasis was placed on the persistent dependence of fiscal revenues on i) oil prices and ii) a potential resurgence of COVID-19. In both CSs, mitigation measures were generic, aiming at strengthening public finances and institutional capacities⁵⁸. Finally, the risks of natural disasters alluded to Ecuador's high exposure, the damage caused, and the redefinition of investment priorities generated. Mitigation measures consisted of actions such as strengthening response capacity and incorporating disaster risk management and climate change as a cross-cutting theme.

IV. RELEVANCE OF THE COUNTRY PROGRAM

A. Country Program (CP) - Description and alignment with objectives

- 4.1 **The country program analyzed covers the entire term of both CSs – June 27, 2018 to June 30, 2025 – and comprises 368 transactions for US\$11.9 billion.** The⁵⁹ program consists of 265 IDB operations for \$9.5 billion and 103 IDB Invest operations for \$2.4 billion (see Table 2.4.1). The CP includes all operations approved during the evaluation period and "legacy" operations (approved in previous periods but which still had an amount to be disbursed at the beginning of the period).
- 4.2 **In addition, the IDB Group mobilized \$1,965 million in support of the eight GOs.** The IDB Group attracted third-party resources for more than a quarter of the CP operations. In 48 operations, IDB Invest mobilized \$1.5 billion with the participation of 35 financial institutions (mostly private)⁶⁰. Of the total mobilized by IDB Invest, the majority was through B loans (\$942.2 million) and credit protection (\$307.4 million) (Figure 2.1.5, Annex II). These resources supported GO1 (private investment) and GO2 (infrastructure). In thirteen operations, the IDB mobilized

⁵⁷ See Box 5.1 and Annex VII for details of the complex implementation process in Ecuador.

⁵⁸ Including focusing on social programs and a greater role for the private sector (CS1), risks of a drop in world oil consumption (CS2). However, they lack detail about their mechanisms.

⁵⁹ The program analyzed included the entire period of validity of the CSs. In line with the Protocol, June 27, 2018 was the approval of CS1 with June 30, 2025 being the cut-off date for CS2. Annex II lists the operations, including the 18 that prepared an expanded supervision report.

⁶⁰ Direct mobilization(*core*). The indirect amount was US\$1.4 billion, mainly through co-financing.

\$351.8 million in co-financing⁶¹ with the participation of five strategic funds⁶² (Table 2.2.4, Annex II). These resources supported GO1 (private investment), GO2 (infrastructure), GO3 (public finance), GO4 (employment), GO5 (social services) and GO7 (W&S).

- 4.3 **The program had strong alignment to most of the strategy objectives, including seven of the eight GOs.** Alignment measures how feasible it is for a set of operations to advance objectives⁶³. In other words, strong alignment means that the design of the CP is conducive for the Bank to contribute to the objectives of the CS, while weak alignment means that the CP has insufficient operations or focus to achieve meaningful contributions. The CP had strong alignment with seven of the eight GOs, and low alignment with the agricultural public goods and services GO8⁶⁴ (see Annex III). In turn, a smaller part of the CP was not aligned to the objectives of the CS or to emergencies (see Section 4.B): one IDB Invest loan and three ADV totaling US\$20.3 million⁶⁵ and seven IDB TCPs (US\$1.5 million)⁶⁶. Finally, more than two-thirds of the operations incorporated at least one cross-cutting theme in their design (Table 2.9.1, Annex II) and other recent operations are included within the Amazonia Forever initiative (Box 4.1).

⁶¹ In addition, 50 operations channeled \$78.7 million in non-reimbursable funds mainly from the Spanish Water and Sanitation Fund (SWF, 25%), the IDB Grant Facility (GRF, 25%) and the Canada Cooperation Framework (CCF, 11%), benefiting all GOs. This amount corresponds to TCP, IGR and GIN (not to guarantees), whose funds are separate from ordinary capital.

⁶² Korea Infrastructure Co-financing Facility (KIF) with 60%, China Cofinancing Fund (CHC) with 31%, Clean Technology Fund (CTF) with 7%, Green Climate Fund (GRN) with 2% and NDC Accelerate Multi-Donor Trust Fund (ACL) with 0.2%.

⁶³ The alignment analysis is performed in three steps: 1) analyzing the design of the operations, 2) aggregating at the ER level, and 3) aggregating at the SO level (see Annex I for details of the methodology).

⁶⁴ It had a single SO (CS1) that sought to *improve and increase the provision of agricultural public goods and services*. An INV approved in 2013 for US\$15 million for rural development in the province of Chimborazo (EC-L1121) was strongly aligned. The rest were mostly weakly aligned legacy operations with a focus on other objectives: INVs that included rural areas but strongly aligned to GO2 objectives (secondary roads and electric power) and TCP.

⁶⁵ One loan for \$20 million for working capital (14466-01/2023), and three ADVs for US\$0.3 million.

⁶⁶ C&D Action Plans are excluded from the total (see Annex II for more details). The non-aligned TCPs sought to support cultural industries, strengthen information security in consulates, among others.

Box 4.1 Amazonia Forever initiative

The IDB Group promotes sustainable development in the Amazons through the Amazon Forever program. Launched in 2023, Amazon Always is a regional initiative of the IDB Group that articulates efforts from the public and private sectors, multilateral development banks, non-governmental organizations, and civil society actors. The program focuses on combating deforestation, promoting bioeconomy, and fostering sustainable and low-carbon agricultural, livestock, and forestry practices. It also prioritizes innovative solutions adapted to local conditions, resilient infrastructure, and connectivity in the Amazon region.

The IDB's CP has operations under the Amazon Always initiative, including a debt-for-nature swap and biobusiness financing. The IDB approved a US\$155 million guarantee (EC-U0007/2024) to support a debt-for-nature swap that will allocate US\$460 million to the Amazon Biocorridor Program (see Box 6.3, Annexes IV and VI). It also approved the BASE Program – Biobusiness Financing for a Sustainable Amazon in Ecuador (EC-L1286/2024, US\$16 million) to promote productive activities without causing environmental degradation in the Ecuadorian Amazon, increasing access to credit and investment in 1,800 biobusinesses.

For its part, IDB Invest launched a regional financial network and approved regional financing. IDB Invest and IFC launched the Amazon Financial Network in 2023, an alliance of financial institutions that seeks to increase investment, promote financial inclusion, and create synergies to achieve a sustainable impact in the region. This network has five Ecuadorian members. IDB Invest also provided financing to Fyco Telecom (15023-01/2025, US\$15 million) to extend payment terms for small and medium-sized internet providers by expanding fiber optic connectivity in underserved areas, especially in the Amazon basin, including a project in Ecuador. Finally, it approved an advisory service to Banco Machala (15175/2024) that seeks to strengthen the client's sustainability strategy by developing its value proposition for the Amazon with a focus on the bioeconomy.

Fuente: OVE, based on operational documents, IDB (2025), IDB (2025b) and IDB Invest (2023)

IDB Program (Sovereign guaranteed portfolio - SG)

- 4.4 **SG loan approvals more than doubled the estimated financing framework of the CSs, in a context of increasing Ecuador's debt with multilateral organizations.** In CS1, US\$4.1 billion in loans (INV, PBL, SDL) were approved, doubling the amount estimated for the strategy (US\$2 billion). In CS2, the estimated amount also doubled, with loan approvals of US\$3.3 billion (US\$1.4 billion framework). This difference is even greater considering the approval of US\$717 million in six guarantees. Both CSs estimated a financing framework consistent with maintaining the IDB's relative share of Ecuador's multilateral debt (55% in CS1 and 33.5% in CS2). Over the period, the ratio of debt with multilaterals over total Ecuadorian external debt increased from 25% in 2017 to 58% in 2024 due to the return of the World Bank, the agreements with the IMF, and the increase in IDB loans (see Box 3.1 and Table 2.2.2).
- 4.5 **The IDB used an innovative combination of instruments, including guarantees and liability conversion operations to increase the feasibility of contributing to the objectives.** The IDB used a diverse portfolio of instruments, combining operations based on support for policy reforms (Table 4.1), budget support during emergencies, guarantees and investment loans (INV). This mix of instruments was also innovative. Between 2018-2025, more than half⁶⁷ of the guarantees approved by the IDB were in Ecuador. In turn, these guarantees were used to reduce Ecuador's financial cost (issuance of the world's first social sovereign bond through EC-U0001) and for liability management (debt-for-nature conversions/swaps via two GUPs, see Annexes IV and V). It also used hybrid

⁶⁷ Since 2018, the IDB has approved 11 guarantees (six in Ecuador). It had previously approved only three others in Peru (2006), Guyana (2006) and Panama (2012). See the OVE Evaluation of Guarantees (IDB, 2022a).

loans⁶⁸, including an operation with a guarantee and reimbursable technical cooperation. Budget support during the crisis (Section 4.B), including the first and only multi-strand SDL and contingent lines, is also highlighted. See Tables 2.4.2 and 2.4.3 in Annex II for GO use.

Table 4.1. Innovative instruments and their use in the Ecuador CP 2018-2025

Purpose	Instruments	GO	IDB Support	Description
Budget support	SDL (first multi-stretch)	3	3 SDLs for US\$1.5 billion	SDL: Budget support loans during macroeconomic crises. They are tied to an agreement with the IMF. In turn, several PBLs were approved for reforms.
Liability Management	Conversion of Debt by Nature	3	2 counter guarantees for 2 debt-for-nature conversion transactions (US\$85 M and US\$155 M). They include policy conditions (GUP).	Liability management whereby the country takes advantage of a market opportunity, issues a guaranteed bond at more favorable terms and uses the proceeds to replace more expensive sovereign debt, generating savings to invest in conservation (Galapagos Islands and Amazonia).
Promotion of private investment in energy	Guarantee and reimbursable Technical Cooperation	1, 2, 3	Structuring of a guarantee facility for new private energy projects, and a refundable TC structured as an INV	12 private investment projects for approximately 827MW of new installed renewable capacity will be guaranteed. Through reimbursable TC (unique to the CP), it was sought to strengthen regulatory agencies and control entities.
Sovereign bonds backed by IDB guarantee	Social Bonds (housing)	6	Partial guarantee for US\$300 M for the issuance of the first sovereign social bond (US\$400 M) for social housing.	Bonds issued to facilitate social solutions. The proceeds are used exclusively to finance eligible projects/themes (in this case social housing).
Risk Coverage	Contingent Credit Lines for Natural Disasters	3	One loan for US\$90 M (COVID-19), and another for US\$11.9 M (March-25)	Pre-approved lines. It allows for quick and easy access to funds in the event of a natural disaster. It also supported the early warning system.

Source: OVE, based on loan proposals and guarantees, corporate databases and interviews.

4.6 **The Investment Loan (INV) CP was also innovative in terms of the borrowers and execution arrangements used.** First, the CP includes 13 INVs whose borrowers are nine entities not belonging to the National Budget (PGE, for its acronym in Spanish): three public banks, two subnational autonomous governments (GAD, for its acronym in Spanish), two subnational public water and sanitation companies (Quito and Cuenca), one public electricity company (*Corporación Eléctrica del Ecuador*, CELEC EP) and one university (Escuela Superior Politécnica del Litoral, ESPOL). Five of these borrowers had their first IDB loan during the evaluation period, while the others had been borrowers for 13 years or more. Second, the CP includes more than 65 different executing units of the INVs and three types of execution arrangements: sole executing unit (59% of the INVs), sub-executing units (22%), and co-executing units (19%) (see Table 4.2). These implementation arrangements include seven INVs with three or four co-executing units, and 14 INVs with arrangements that include up to 20 sub-executing units on the same loan. Third, the CP also includes multisectoral programs (mainly in GO5)

⁶⁸

Such as EC-L1294/EC-L1298 (Citizen Security) and EC-U0006/EC-L1300 (Energy).

with multiple ministries⁶⁹ as co-executing units whose interventions were designed independent of each other and without complementary approaches.

Table 4.2. INV Execution Arrangements by Target Group

Group of Objectives	Sole executing unit	With Sub-executing units	With Co-executing units
GO1 - Private investment	67%	-	33%
GO2 - Infrastructure	48%	39%	13%
GO3 - Tax	54%	15%	31%
GO4 - Employment	100 %	-	-
GO5 - Social Services	63%	19%	19%
GO6 - Housing	100 %	-	-
GO7 - W&S	56%	22%	22%
GO8 - Rural	25%	50%	25%
TOTAL (%)	59%	22%	19%
TOTAL (# INV)	37	14	12

Note: Includes all INVs and GUIs in the CP. See Table 2.4.6 in Annex II for details by operation.

Source: OVE, based on loan proposals and interviews.

4.7 The IDB CP included 12 operations in support of policy reforms, significantly increasing the use of this instrument and supporting most of the GOs. Reform support operations totaled US\$3.67 billion (US\$3.03 billion in loans and US\$640 million in GUP-guarantees), representing 42% of the total amount of reimbursable operations approved⁷⁰. In comparison, during the CS 2012-2017, US\$500 million had been approved in a single⁷¹ PBL, which had accounted for 13% of the reimbursable amount for that period. These operations were aligned to most of the GOs: GO1 (private investment), GO2 (energy), GO3 (fiscal), GO4 (employment), and GO5 (social services). The IDB supported reforms in several areas (Box 4.2 and Annexes IV and V) and provided budget support during crises (Section 4.B).

⁶⁹ Including the Ministries of Health, Education, Economic and Social Inclusion, Housing, and Labor.

⁷⁰ PBL EC-L1280/2021 for US\$400 million was originally structured as a GUP (EC-U0002) but was converted to a loan at the end of 2022. The CP had two other GUPs totaling US\$240 million.

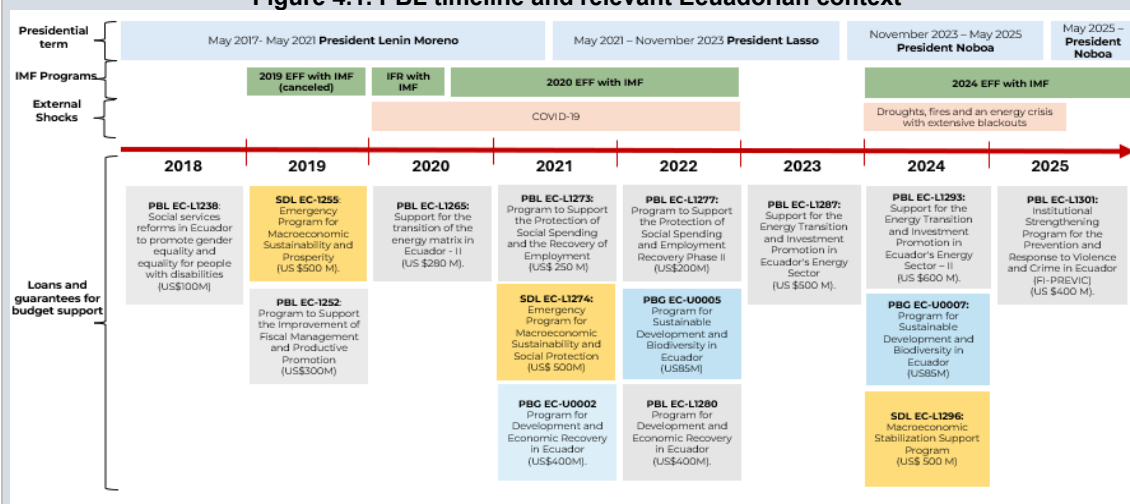
⁷¹ The IDB had already approved PBL in Ecuador in 1994 (4), 2000, 2003, 2006 and 2015.

Box 4.2. Use of Loans and Guarantees to support policy reforms during 2018-2025

Loans (PBL) and guarantees (GUP) supported reforms in various areas, providing relevant budget support during crises. The CP had operations to support policy reforms in various sectors: fiscal management and productive development (including PPPs and public enterprises), energy, social protection and employment, financial markets, nature conservation, gender equality and people with disabilities, and citizen security (see Annex IV for details). They were combined with SDL to provide budget support during crises, including a PBL in response to COVID (Section 4.B).

Some of the PBLs were combined with INV and technical cooperation to support the reforms. In the fiscal area, the INVs sought to support the improvement of public investment fiscal management instruments through PPPs (EC-L1230), increase online taxation services and tax control mechanisms (EC-L1120), and implementation of public enterprise reforms (EC-L1251), among others. In energy, the INVs sought to support the strengthening of the distribution and transmission system, the change of the energy matrix (EC-L1147, EC-L1160, EC-L1231), the facilitation of new private investments (EC-U0006 and EC-L1300), and the strengthening of institutional capacities (EC-T1514 and EC-T1567). In the Social area, they sought to support vulnerable populations during the pandemic and improve the targeting and coverage of transfers (EC-L1270), development of guidelines for child development services (EC-L1235), and design of support networks for people with disabilities (EC-T1405).

Figure 4.1. PBL timeline and relevant Ecuadorian context



Source: OVE based on IDB (2025) and IMF (2019, 2020, 2024a, 2024c), BBC (2019), La República (2025).

The main reforms supported include (see Annex IV for details by PBL):

- o Energy reform: incorporation of the private sector (Box 4.3), efficiency and subsidy reduction
- o Reform law to improve the independence and transparency of the Central Bank of Ecuador
- o Prudential regulation to avoid distortions and promote financial market competition
- o Reform of the PPP Incentive Law
- o Organic Law of Public Enterprises (not approved, see Section 6 and Annex VI for details)
- o Strengthening the State's prevention and response to organized crime.

Source: OVE, based on corporate databases and interviews.

4.8 In addition, the IDB used non-reimbursable resources to support the technical dialogue and foster the Bank's engagement with the country. According to the counterparts interviewed by OVE, the IDB's convening power and experience in Ecuador have been a differentiating factor compared to other cooperating partners, which was valued as an important contribution to provide information and relevant exchanges for the country. The Bank allocated resources to support technical dialogue and to provide strategic guidance and specialized technical assistance for the design of reforms and public policies (including several of those later supported through PBL). Recently, the IDB began supporting the country in the creation of the 2040 Growth Agenda, offering technical assistance

to strengthen institutional coordination through sectoral roundtables and progress in priority reforms (Gobierno de Ecuador, 2025b) and launched a diploma course to train public officials (see Box 5.2). Likewise, with TCP for C&D countries, the IDB sought: (i) the institutional strengthening of government entities and their bureaucratic structures⁷², (ii) the generation of knowledge related to barriers to Ecuador's development⁷³, and (iii) the elaboration of relevant inputs in the execution of specific operations, especially with subnational governments⁷⁴ (see Annex II). On the other hand, the CP included ongoing TCP support in different sectors, particularly in the education sector through the Closing the Gap series (see Box 6.4). In turn, the IDB deployed its knowledge agenda by organizing conferences, events, and publications related to Ecuador's development challenges.

IDB Invest Program (portfolio without sovereign guarantee - NSG)

- 4.9 **IDB Invest approvals focused on the objectives of expanding private investment (GO1).** In CS1 it was planned that IDB Invest would support the objectives of *access to finance* and *export promotion* (GO1), *agricultural services* (GO8) and *energy reform* (GO2) while CS2 established that the three IDBG windows would work in a coordinated manner in the CS priority areas, without specifying in which objectives IDB Invest's direct support was expected. First, in long-term instruments, there was a reduction in loan approvals (Figure 4.2). An annual average of 4.5 loans (for US\$49 million each) were approved in the first CS1 and halved during the second CS (2.6 loans averaging US\$23 million each)⁷⁵. Most loans to financial institutions (FIs) focused on *access to finance* while corporate loans focused on *boosting non-oil exports* and *increasing the contribution of investment to growth*. Second, as liquidity needs increased during the pandemic, the TFFP became more prevalent (see Section 4.B). Moreover, their approvals remained above pre-pandemic levels even in the context of high-country risk (Figure 4.2). On the other hand, the objectives of *agricultural services* (GO8) and *infrastructure* (GO2) were partially met by a few operations with a direct focus on small farmers⁷⁶ and by the energy regulatory framework, which represented an obstacle to the development of operations⁷⁷.

⁷² It promoted the restructuring of entities such as the Ministry of Energy, updated the public procurement system, developed financial tools for the BDE, and strengthened procedural capacities and data processing policies. In addition, training and technical advisory services were provided.

⁷³ Products to advance sectoral development agendas, diagnostics on capital market regulation, macroeconomic models for the ECB and studies of economic gaps in Manta.

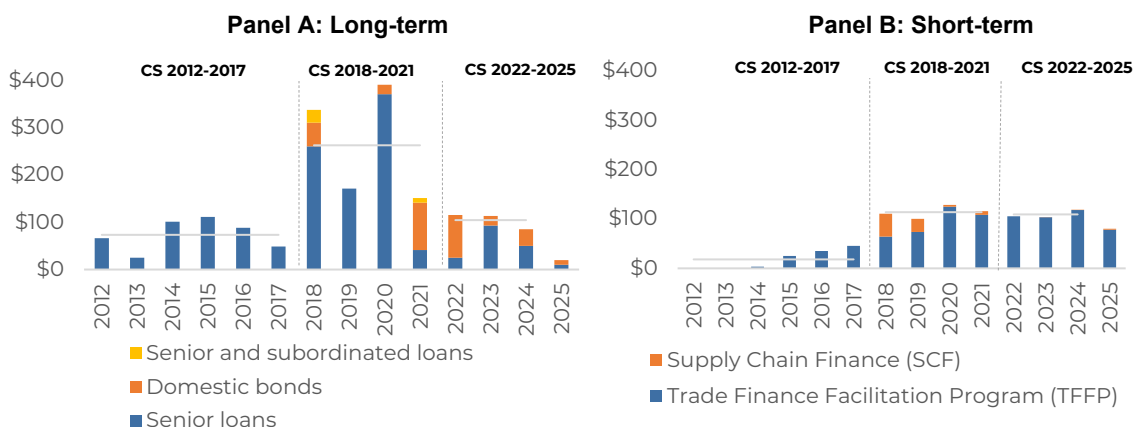
⁷⁴ Master plans and management models for W&S in Esmeraldas, Portoviejo, Quito and Cuenca (three of which were inputs for subsequent INVs). IICA prepared training content for PBL EC-L1238, financed the reasonable assurance audit of INV EC-L1276, and supported the municipalities of Manta and Portoviejo in the framework of a citizen security program.

⁷⁵ This is explained, first by two large loans approved in the CS1: i) one for infrastructure for US\$200 million in 2018 (12177-01) for the port of Posorja, ii) another for US\$230 million to Corporación Favorita in 2020 (12511-01) for the expansion of its stores and technological investments. Second, Ecuador's country risk increased after the pandemic (Figure 2.1.5). In 2018-2019 it was 667 basis points on average, while in 2020-2024 it was 1,495 bps on average (BCRP, 2025).

⁷⁶ During CS1, operations were approved to foster the growth of green portfolios in FIs, but no operations were identified for small producers with a focus on value chain schemes as established in CS1. There was only one operation during CS1 that supported investments by a company that provided financing to its agricultural suppliers (12493-02/2021 Agripac).

⁷⁷ An ADV complemented an IDB TCP to develop a guarantee structure (see Box 4.3).

Figure 4.2. IDB Invest approvals (in US\$ million)



Note: See Figures 2.4.1 and 2.4.2 in Annex II for details by IDB Invest instrument and segment.
Source: OVE, with data from IDB Invest (2025).

4.10 IDB Invest promoted innovative financial instruments for the Ecuadorian context, focused on the objectives of access to financing. IDB Invest was a pioneer in promoting the issuance of thematic bonds in the country, facilitating access to financing for important development areas. In 2018, a financial institution (FI) was supported in the country's first green bond issuance, buying US\$50 million of a bond issued for a total of US\$150 million, in coordination with IFC and Proparco, who were also investors. Subsequently, other private FIs also issued thematic bonds, replicating its structure and conforming to the standards it set. In total, IDB Invest supported financial institutions in the structuring and issuance of eight thematic bonds⁷⁸. For this, advisory services were provided to build capacity, 57% (US\$270 million) of the total issued was purchased and US\$225 million was mobilized⁷⁹ (see Box 6.1). It also promoted the first reverse factoring operation in the country (12789-02), providing financing to MSME suppliers of a distribution company.

4.11 Coordination between IDB Group windows was mostly in support of the GO1 access to finance objective and the recent energy reform. In GO1, coordination took place formally through the incorporation of IDB Invest specialists in the design of IDB loan operations focused on channeling financing to companies through public banks (EC-L1269/2020, EC-L1279/2022 and EC-L1286/2024) and conversations between specialists to avoid overlapping beneficiaries, particularly in operation EC-L1286/2024⁸⁰. Although there was no evidence of IDB Invest's participation in the PBL (EC-L1280/2021) that sought to improve the country's competitiveness and reform the financial system⁸¹. In turn, there were cases of coordination between IDB and IDB Invest with IDB Lab: i) technical assistance from IDB Lab (EC-T1535 and EC-T1536) which sought to support the identification

⁷⁸ Different themes, such as blue bond, sustainable bond, social bond, gender bond, among others.

⁷⁹ The CP also included two other thematic bonds with companies. One operation was cancelled; in the other, IDB Invest purchased 57% of the issue (US\$ 28.5 million).

⁸⁰ However, it was not clear to what extent overlapping beneficiaries were avoided. In one component of INV EC-L1279/2022, the executing unit (CFN) finances banks, some of them being IDB Invest clients.

⁸¹ See Annex V for more information on the coordination between the two windows to address GO1.

of bio-businesses of an INV for financing in the Amazon (EC-L1286/2024) in addition to using this methodology with IDB Invest clients and, ii) issuance of a gender bond (11762-06/2021) supported by IDB Invest with the participation of IDB Lab in its design, seeking to scale the previous support to the client⁸². On the other hand, synergies between IDB and IDB Invest⁸³ were observed in the structuring of the recent energy reform for private sector entry, including an IDB Invest ADV for legal structuring, and a loan in preparation with a private generator (see Box 4.3).

Box 4.3 Recent energy reform in Ecuador

Support for the energy sector is one of the largest and longest-term sector portfolios within the XCPE and included during CS2 a focus on reforming the renewable generation segment to incorporate the private sector. Regarding generation, the CP included operations that sought to increase private participation through PBL (EC-L1287/2023, EC-L1293/2024) and TCP (EC-T1514 and EC-T1567). These operations sought to promote the energy transition through public-private investments, encouraging: (i) the entry of the private sector into the renewable generation segment, through reforms of regulatory and normative frameworks, (ii) the elimination of some energy subsidies, (iii) the bidding of private generation blocks, (iv) the incorporation of distributed generation, and (v) reforms to national energy plans. The reforms included the approval of a new general regulation of the Organic Law of the Public Electricity Service, the establishment of a guarantee to promote private participation in electricity generation (fastER¹) and an Energy Competitiveness Law (and its regulation) incorporating real costs into the electricity tariff.

Following the modification of the institutional framework, IDB Invest supported the IDB's work in structuring the guarantee facility for new private renewable projects (fastER). In June 2025 the IDB approved a new conditional credit line (CCLIP), with a guarantee ([EC-U0006](#)) and a reimbursable INV-CT ([EC-L1300](#)) to structure the facility that will act as a third layer of coverage to reduce the counterparty risk of the scheme and strengthen the institutional capacity and environmental management of Ecuadorian regulatory agencies and control bodies in the energy sector. This guarantee seeks to support projects with an installed capacity of more than 800MW (representing more than 10% of current capacity) and an estimated investment of approximately US\$1 billion. This facility was jointly supported through an IDB TCP (EC-T1583) and an IDB Invest advisory.

Notes: 1: Sustainable Support Facility for Renewable Energy Transition (fastER).

Source: OVE, based on interviews and review of loan operation documents

B. The IDB Group's flexibility in responding to crises and emergencies

4.12 **The IDB Group played an important role in dealing with various crises, showing flexibility, employing multiple instruments, redirecting resources, and providing budgetary support.** The IDB's support and participation was key in addressing the COVID-19 health crisis, fiscal crises and debt restructuring needs, as well as those linked to early warning systems and attention to the 2016 post-earthquake damage and other natural disasters. As part of the program to deal with these crises, INV, PBL, contingent credit facilities (CCF), guarantees (GUI and GUP), SDL and TCP were used. In addition, IDB Invest expanded two TFFP lines and approved six operations to respond to the pandemic, disbursing more than \$175 million in 2020-2021 in a period of elevated country risk.

⁸² In 2012, IDB Lab supported Banco Pichincha with non-reimbursable technical assistance to test a new risk assessment business model and develop products for women.

⁸³ In addition, within the framework of the W&S Program for Cuenca, possible future synergies were identified with IDB Invest for financing ETAPA EP based on the investments prioritized in its Master Plan and with IDB Lab to pilot technologies for the improvement of its management.

- 4.13 **Budget support was key to address fiscal emergencies given Ecuador's macroeconomic context.** This support in times of financial stress was truly relevant, and even more so given Ecuador's context: a dollarized country with limited access to debt markets. The IDB approved three SDLs (2019, 2021 and 2024) for US\$500 million each, linked to IMF EFFs, which included structural conditions to increase non-oil revenues. In addition, the IDB provided budget support for reforms through multiple PBLs (see Box 4.2). In particular, one series sought to promote international trade and improve financial stability, among others (EC-U0002 -converted to EC-L1280- for US\$400 million).
- 4.14 **During COVID, the IDB supported the purchase of vaccines through a guarantee, redirected resources to hospital care, and approved a series of PBLs for cash transfers to vulnerable households.** During the pandemic, addressing the needs of the health sector generated both an increased allocation of resources and a reorientation of the previously approved portfolio. Resources from one guarantee and two INVs were used to guarantee the purchase of 4,469,850 vaccines (EC-U0003), to increase hospital care and professional training (EC-L1270), and to equip intensive care units by redirecting US\$8.7 million from EC-L1227. Also, the CCF approved in 2019 (reformulated in 2023) was used to increase resources for health emergency responses (EC-O0006/EC-O0012). On the other hand, temporary cash transfers were financed to households that were not beneficiaries of other transfers⁸⁴ (see Section VI).
- 4.15 **The IDB also supported access to financing during the pandemic with an operation of more than \$90 million in 2020 and technical cooperation to expedite credit placement.** In 2020, the IDB approved an INV with the *Corporación Nacional de Finanzas Populares y Solidarias* (CONAFIPS) to support the short-term financial sustainability of MSMEs and provide continuity to their operations through access to working capital (EC-L1269, for US\$93.8 M). In turn, RG-T3690 strengthened its operational capacity, reducing its credit approval times to channel liquidity during the pandemic.
- 4.16 **In turn, IDB Invest expanded two lines of the TFFP program and approved six operations to respond to the pandemic, disbursing more than \$175 million in 2020-2021 within the context of it being a high-risk country.** In 2020, the highest number of approvals in the entire IDB Invest portfolio was recorded. As part of the response to the pandemic, IDB Invest raised the cap on the TFFP program in the region (document [IIC/GN-419-4](#)) and expanded two TFFP lines, increasing program use by 70% (average of \$117 million in 2020-2021). In addition, it approved three debt securities transactions (US\$120 million), a loan (US\$10 million) and an investment in a global debt fund with outreach in Ecuador (US\$35 million), which sought to contribute to the sustainability and reactivation of MSMEs through financing for working capital and capital expenditures; among others with disbursements during the pandemic⁸⁵.

⁸⁴ It allowed to comply with the conditions of the EFF, and the budgetary needs in 2020 (EC-L1270), 2021 (EC-L1276, EC-L1273) and 2022 (EC-L1277).

⁸⁵ Other relevant disbursements: (i) an US\$80 million loan to increase mobile broadband coverage in a context of increasing data consumption (telework, telemedicine, online classes), (ii) a loan that disbursed over US\$10 million during 2020-2021 to support the adoption of smartphones, and (iii) a US\$40 million loan disbursed in 2020 to a *retail* company that provided liquidity to make prepayments to suppliers affected by the pandemic.

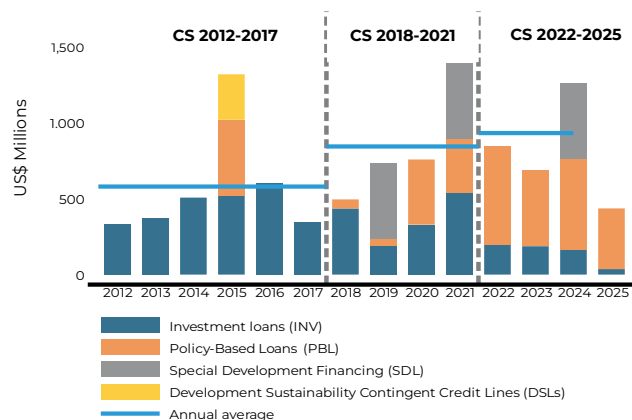
4.17 **The CP included support for the recent security crisis and for natural disasters.** First, in late 2024, the IDB approved the Violence and Crime Prevention and Response Program, IDB's first INV to combat organized crime (EC-L1294, EC-L1298, EC-J0009, EC-T1549), the first PBL focused on citizen security in June 2025 (EC-L1301), to prevent offenses associated with organized crime and increase security capacities⁸⁶. Second, as part of post-earthquake care in 2016, it approved an INV to rebuild electrical infrastructure (EC-L1219, US\$60 million) and undertake resilience actions for public infrastructure (EC-T1354). Third, it expanded the attention and management of early warning (EC-L1221, EC-L1285, EC-L1311, EC-T1511, and EC-T1545) and disaster (EC-T1390) systems. Fourth, it supported other natural disaster emergencies⁸⁷ (EC-L1311, EC-T1487, EC-T1580 and EC-T1591).

V. IMPLEMENTATION

A. IDB's CP execution

5.1 **IDB's disbursements remained stable among the strategies, although with a notable decrease in the disbursements of its investment loans (INV).** Disbursements reached US\$6.6 billion, including reform support loans (PBL, 46%), investment loans (INV, 32%) and special development lending (SDL, 23%, Figure 5.1)⁸⁸. Although disbursements were similar among the CSs, the distribution by instrument changed significantly. In CS1, 45% of disbursements were INV and 55% were unrestricted loans (PBL and SDL), while in CS2 it was 17% and 83%, respectively. INVs accounted for three-quarters of loan disbursements in 2012-2017. This decrease in INV disbursements contrasts with the stability of its approvals, which remained at 36% of the total. The disbursements/approvals ratio therefore went from 98% (2012-2017) to 76% (2018-2025), with an accentuated drop in CS2 (46%) when Ecuador's Annual Investment Plan (PAI) was reduced as part of the fiscal consolidation process (Box 5.1). INV disbursements represented an average of 6% of the PAI during 2012–2017, 11% during 2018–2021, and 9% during 2022–2024 (see Figure 2.5.4, Annex II).

Figure 5.1. IDB Disbursements



Note: Does not include issuance of guarantees
Source: OVE, with IDB data (2025a)

⁸⁶ The Security Alliance was also launched in Guayaquil, and recommendations from the Fragility, Conflict, and Violence Framework were incorporated into operations in areas with high crime rates.

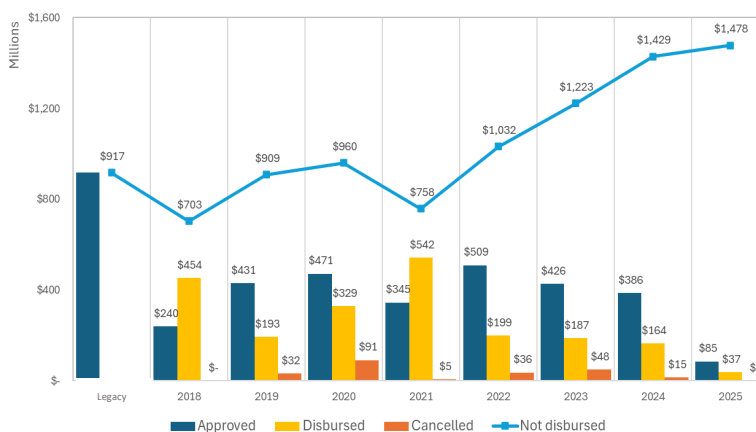
⁸⁷ Furthermore, changes were made to protocols and products to adapt to emergencies. For example, a care protocol provided continuity of child development services during COVID-19 and in other emergencies such as those related to El Niño and La Niña phenomenon (EC-L1235, EC-L1273, EC-L1277 y EC-T1464).

⁸⁸ Non-reimbursable grants totaled US\$39 million between TCP (83%) and investment grants (17%).

5.2 **The IDB in Ecuador was highly efficient in approving loans, exceeding expectations and responding to the country's emerging needs.** BID in Ecuador showed outstanding efficiency in approving reimbursable loans: between 2018 and 2025, 59 reimbursable operations were initiated at the preparation stage, of which 88% were finally approved. Ecuador also stands out for its significantly faster preparation times. On average, the INVs were prepared 3 to 6 months faster than in the IDB and CAN (see Graph 2.5.1 in Annex II). In terms of predictability, it was observed that 70% of the loans foreseen in the CPDs were approved during the planning year. This trend was strengthened in CS2, where there was 100% compliance. On the other hand, in line with the strategy of responding quickly to national priorities, the number of operations approved was almost three times what was initially foreseen in the CPDs. This above-target approval was recorded in each year and across all instruments, a total of 12 INVs and 8 PBLs and SDLs above target (25 and 7 respectively), including support during emergencies (Section 4.B).

5.3 **Despite the rapid approval of INVs, the amounts to be disbursed from INVs almost doubled between 2021 and 2025 due to significant delays in their execution.** First, INV signing times in Ecuador during the CS2 were, on average, slower than in the rest of the CAN and IDB countries (between 4 and 6 additional months). For example, two INVs in the social sector have remained unsigned for more than a year. In both cases the delay is due to bottlenecks in the country's budgetary processes⁸⁹. Second, the annual pace of INV disbursements slowed significantly from an annual average of US\$379 million in CS1 to US\$146 million in CS2 (it was US\$444 million in 2012-2017). This slowdown⁹⁰ is largely explained by the existence of projects that fail to disburse for long periods due to delays in budgetary processes (four INVs had their last disbursement more than two years ago⁹¹). INV amounts to be

Figure 5.2. INV amounts to be disbursed (as of 06/30/2025)



Source: OVE, with IDB data (2025a)

⁸⁹ See Annex VII for details. EC-L1282 (Education), has been waiting to be signed for 21 months, after the Debt Committee of the MEF decided not to move forward with it until the other two INVs executed by MINEDU obtained were assigned move forward with their execution. EC-L1281 (Housing) has been waiting to be signed for 19 months because MIDUVI was in the process of updating the Priority Ruling - to convene the Debt Committee and obtain approval to sign the Loan Agreement.

⁹⁰ All the INVs approved during CS1, and 40% of those approved pre-2018, continued their execution during CS2 (see Figure 2.5.3, Annex II).

⁹¹ Includes INV for PPP (EC-L1230), Child Development (EC-L1235), Housing (EC-L1245), and Public Enterprises (EC-L1251). The reasons for the delays are diverse, including rotation of MIDUVI authorities (Housing), change of priorities and lack of budget allocation (PPP and Child Development), and lack of approval of the public enterprise law reform (EC-L1251). In turn, three INVs and one IGR have 100% disbursements but are still active and awaiting full justification.

disbursed grew steadily and almost doubled between 2021 and 2025 (Figure 5.2), because of the slowdown in their execution (Figure 2.5.3 for detail by INV, and Annex VII for GO5 cases).

5.4 The portfolio had multiple implementation challenges, with notable extensions and cancellations, as well as reformulations, in part to adapt to emerging needs. Most of the active projects⁹² in the period registered at least one execution challenge (see Table 5.1). For this analysis, OVE conducted a review of all the Project Monitoring Report (PMR) operations based on commonly observed implementation challenges (developed in the following paragraphs), supplemented by interviews. In turn, 56% of operations had at least one alert or problem status in their PMR⁹³. This situation worsened as of 2021 and was related to the pandemic and the context of the country. As a result, 37 INV (72% of total INVs) in execution had extensions (including the entire legacy portfolio), with an average time of 36 additional months per INV. In addition, seven INVs (12%) were reformulated in response to emerging needs (such as the pandemic)⁹⁴, changes in government priorities, or operational adjustments. This included reallocation of resources between components, incorporation of executing units, elimination of objectives, and change of instruments⁹⁵. In turn, six INV (10%) had cancellations of more than 30%, with GO3 (fiscal) being the most affected⁹⁶.

Table 5.1 Implementation Challenges in the Portfolio by Groups of Objectives (GO)

Implementation challenges	Productive		Fiscal	Social				TOTAL	
	GO1	GO2	GO3	GO4	GO5	GO6	GO7		GO8
Staff turnover	57%	50%	44%	100 %	42%	50%	57%	50%	51%
Acquisitions or fiduciary	14%	50%	33%		50%	25%	86%	100 %	45%
Barriers to budget allocation	43%	33%	33%	100 %	50%	25%	29%	75%	43%
Low institutional capacity	29%	39%	33%			75%	71%	25%	37%
COVID-19		50%	11%		17%	25%	71%		29%
At least one challenge	75%	94%	89%	100%	83%	75%	86%	100%	90%
Total operations analyzed (INV+GUI)	8	18	9	1	12	4	7	4	51

Notes: The colors represent the frequency of the challenge in each GO, with reds being higher frequencies. The operations in some cases are aligned to more than one GO and are repeated in each of them. Three operations with no eligibility as of June 2025 and less than one year since their approval (EC-L1290, EC-L1294 and EC-L1298) are excluded. Also excluded are nine that are less than one year old and were approved no more than 9 months prior to signing (EC-L1283, EC-L1285, EC-L1286, EC-L1289, EC-L1295, EC-L1297, EC-L1300, EC-L1311 and EC-U0006).

Source: OVE, based on the analysis of corporate databases, interviews, and documents for monitoring operations.

5.5 One of the main implementation challenges was the process of prioritizing public spending and the limited availability of funds for investment. The limited availability of fiscal resources as part of the fiscal consolidation process, coupled with complex budgetary processes and the intervention of multiple

⁹² Corresponds to 51 operations, representing the total of INV and GUI (see Table 5.1).

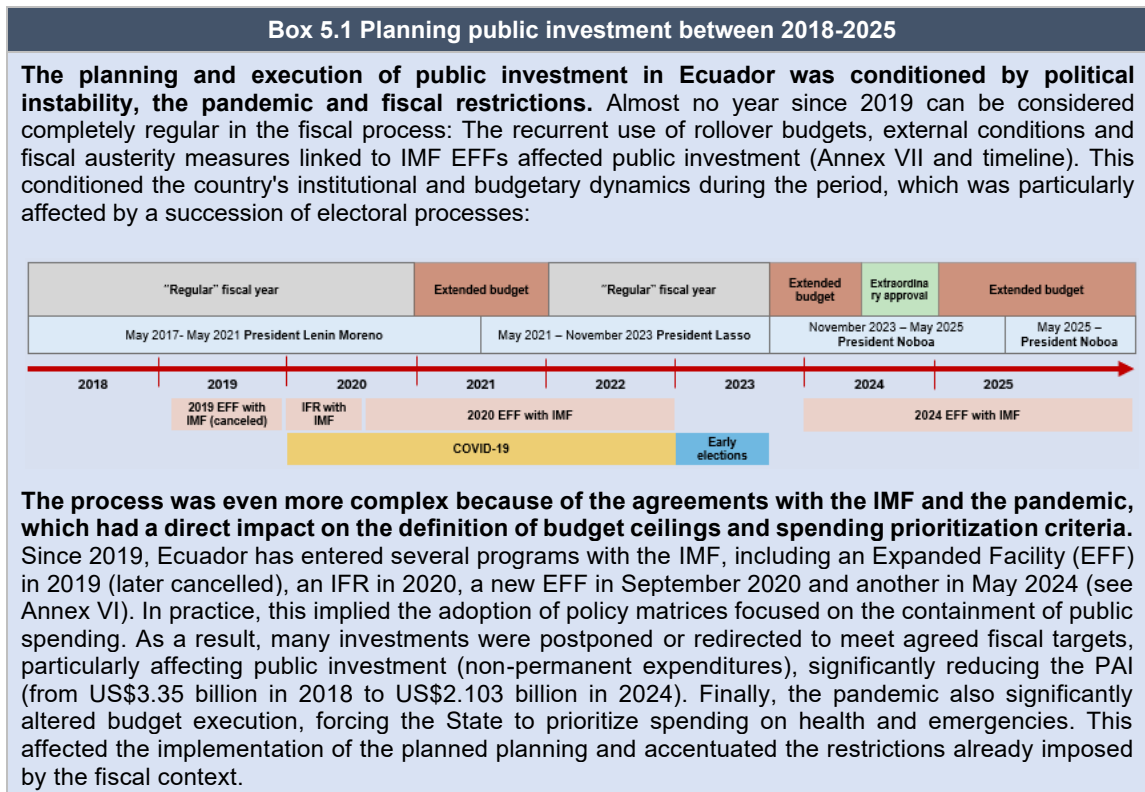
⁹³ 50 INVs and 2 GUIs reported PMRs. Of the total, 20 had problem status (40%) and 16 had alert status (28%). See Table 2.5.1 in Annex II for details by type of execution scheme.

⁹⁴ For example, INV EC-L1230 redirected US\$6.3 million for health care for COVID-19.

⁹⁵ PBL EC-U0002 was originally structured as a GUP (guarantee). However, due to the context of limited access to credit markets, the operation was converted into a PBP (loan).

⁹⁶ In GO3 the INVs with high cancellations were Justice (EC-L1264), SRI (EC-L1120), Public Enterprises (EC-L1251), and Comptroller's Office (EC-L1119). This was related to institutional weaknesses, fiduciary challenges and changes in government priorities. In addition, in GO1 one INV had a total cancellation due to budget constraints, fiduciary challenges and staff turnover (EC-L1116).

actors - in particular, the Ministry of Economy and Finance (MEF) and the National Planning Secretariat (SNP) - generated significant bottlenecks in execution. As a result, 43% of the INVs faced budgetary difficulties (Table 5.1). Central level projects must have a budget ceiling granted by the MEF and a Priority Ruling⁹⁷ issued by the SNP⁹⁸. Then, a funding source is assigned with its respective budget certification to receive the funding. Much of the portfolio faced recurring obstacles at all these stages, in a context marked by budget carryovers, fiscal constraints stemming from IMF agreements and the effects of the pandemic, which further limited the incorporation of projects into the budget (see Box 5.1 and Annex VII for more details).



Notes: See Annex VII for a detailed analysis of the budget process.

Source: OVE, based on COPLAFIP, MEF and IMF.

5.6 Execution has faced challenges arising from the interaction with control bodies and the lack of regulatory coordination, which has generated a complex operating environment for the executing units. This environment especially affected procurement processes, where 45% of the projects in the portfolio faced challenges (see Table 5.1). Some projects⁹⁹ faced reluctance from the executing units (EU) to approve purchases and make payments, due

⁹⁷ Projects were prioritized through the Sector Cabinets. Since 2021, the Priority Ruling is granted by the SNP. The process involves negotiations of the ministries with the SNP, and the result is reflected in the Annual Investment Plan. See Annex VII for a detailed analysis.

⁹⁸ Borrowers not dependent on the PGE, such as public banks (BDE, CFN, CONAFIPS), GAD (and its public enterprises), are granted Priority Ruling independently from the SNP.

⁹⁹ Some examples that have had related challenges: EC-L1227 (GO5) - Provision of Social Services, EC-L1111 and EC-L1124 (GO2): Metro de Quito, and EC-L1116 (GO3) - Border Crossings.

to fear of possible observations and sanctions by the Comptroller's Office. In addition, the operational difficulty of integrating the national administrative processes¹⁰⁰ with those of international organizations became evident. For example, the purchase of basic technological equipment was delayed for several months due to changes in the technical specifications, revalidation of guarantees due to the dismissal of personnel and the need to restart administrative procedures. Despite having key approvals from early stages, national regulations required repeating processes, forcing a new coordination with the IDB to validate the changes. In certain projects, doubts were identified regarding the application of IDB policies versus local policies, generating additional delays. Although the FMP team provided training on IDB procurement procedures and regulations¹⁰¹, the high turnover of personnel in the EUs made it difficult to consolidate this knowledge.

- 5.7 **The unusually high turnover of personnel, due to changes in government and various crises, negatively affected technical continuity and management capacity in most of the projects.** Fifty-one percent of the operations reported challenges associated with this factor (see Table 5.1), with impacts observed at the ministerial, GAD and EU levels. The most recurring challenges included frequent changes in leadership following elections or the pandemic resulting in project manager replacements, incomplete or non-existent management teams, and loss of skilled procurement and technical management staff. This instability affected operational continuity, generated delays in contracting and procurement, and weakened institutional ownership of projects. The impact was widespread in all GOs, where at least half of the INVs were affected. Some emblematic examples include the Ministry of Economic and Social Inclusion (MIES) and the Ministry of Education (MINEDUC), which had seven ministers between 2018 and 2025 each, with changes in vice-ministers and technical teams.
- 5.8 **The execution of the portfolio in Ecuador had high operational complexity, derived from the coexistence of multiple borrowers, execution schemes and multi-sector loans.** The diversity of arrangements has generated mixed results: while some projects progressed more smoothly, others faced a greater number of obstacles due to the complexity of the arrangements and limited coordination among actors. In this context, the involvement of multiple executing units not only increased the operational difficulty but also exacerbated budgetary and administrative bottlenecks. In fact, there is a relationship between co-executed and sub-executed loans with several recurring execution challenges such as high staff turnover that affected a large part of this type of project (65%), procurement difficulties (52%), and administrative changes (39%). Projects with a single executing unit tended to show less institutional complexity and more efficient

¹⁰⁰ For example, based on national regulations, acquiring computer equipment requires authorizations from the Ministry of Telecommunications, which added time and limited the operational agility of projects.

¹⁰¹ With support from FMP and ICS, progress was made in the implementation of FIDIC contracting models (an innovative aspect that will be incorporated into local legislation), among others. Moreover, an INV in pipeline will seek institutional and technological strengthening of the Comptroller's Office (EC-L1304) and another INV the strengthening of the National Public Procurement Service (SERCOP, EC-L1305).

administrative processes. Although they presented similar challenges¹⁰², these were in smaller proportion and had better results¹⁰³ (Table 2.5.2, Annex II).

- 5.9 **The IDB was proactive in addressing these challenges through improvements in project management, dialogue with the government, operations with different borrowers, and implementation of capacity building initiatives.** First, the COF increased the number of operational analysts and the proportion of their *staffs*¹⁰⁴, which allows it to act as a sectoral institutional memory in the face of the constant change of public officials. Second, for project monitoring and follow-up, the IDB held joint meetings with the SNP, the MEF, and the Comptroller's Office, and developed a follow-up dashboard¹⁰⁵. Third, to increase knowledge about the IDB and its processes, COF carried out various initiatives such as the Diploma for public officials (see Box 5.2), TCP (mainly action plans C&D, see paragraph 4.8), and plans to train officials of the Comptroller's Office (including an INV in *pipeline*). Fourth, most of the INVs had operational support TCPs, almost all of them for those approved in the CS2¹⁰⁶. Fifth, the operations with borrowers¹⁰⁷ not dependent on the National Budget (PGE) made it possible to accelerate certain planning processes and mitigate restrictions due to lack of budget allocation, which were faced to a greater extent by INVs whose executing units depend on the PGE¹⁰⁸. In addition, direct interaction with these borrowers allowed the IDB to build local capacity¹⁰⁹.

Box 5.2 Diploma in Project Management and Development in Multilaterals - IDB/UDLA

COF, with the support of *Universidad de las Américas* (UDLA), designed and carried out the first edition of a diploma course focused on IDB investment projects for public officials. The main objective of the Diploma is to train public officials in the different stages of IDB investment projects, including their design, implementation, monitoring and evaluation. This way, the IDB seeks to mitigate the lack of specific knowledge on IDB program methodologies and designs, and the high staff turnover in the ministries. The first edition of the Diploma began in March 2025, with more than 35 students from different ministries, GAD, NGOs and other public institutions. Classes are held on Saturdays mainly by IDB specialists at the UDLA campus, which had been funded in part by an IDB Invest project (11949-07). The objective is to continue with new editions given the high demand that has been observed.

Source: OVE, based on interviews and (UDLA, 2025)

-
- 102 They lead the challenges of procurement (44%), institutional capacity (37%) and staff turnover (37%).
- 103 The INVs with co-executing units had a low contribution to 63% of their objectives (specific contribution to each of the objectives to which they were aligned), this was only true for 29% of the objectives aligned to INVs with sub-executing units and 30% in those with a single executing unit. Likewise, 80% of the objectives aligned to INV with three or more co-executing units had a low contribution. See Section 5.
- 104 COF went from seven analysts (of which three were *staff*) in 2019 to ten (eight were *staff*) in 2025.
- 105 The *dashboard* contains information relevant to implementation, including current budget ceilings, relevant dates and disbursements (completed and to be justified) but not the specific stage of the Ecuador project process or current project issues.
- 106 The proportion of INVs with operational TCP support increased, with 74% of approved INVs in the 2012-2017 (legacy) CS, 79% in CS1 and 89% in CS2 (see Table 2.4.4 in Annex II).
- 107 Eleven INVs with public banks (3 from CONAFIPS, 2 from BDE, 1 from CFN), GAD (Portoviejo, Chimborazo), subnational public enterprises (EPMAPS and ETAPA), and ESPOL were borrowers (Table 2.4.5).
- 108 The 8 INVs with non-PGE borrowers had lower prevalence of challenges related to staff turnover, limited fiscal space, or changing priorities (see Table 2.5.2 Annex II).
- 109 In W&S, activities were carried out to strengthen the BDE and the GADs in project management, procurement processes and the provision of services; and to strengthen operators in public contracting.

B. IDB Invest CP execution

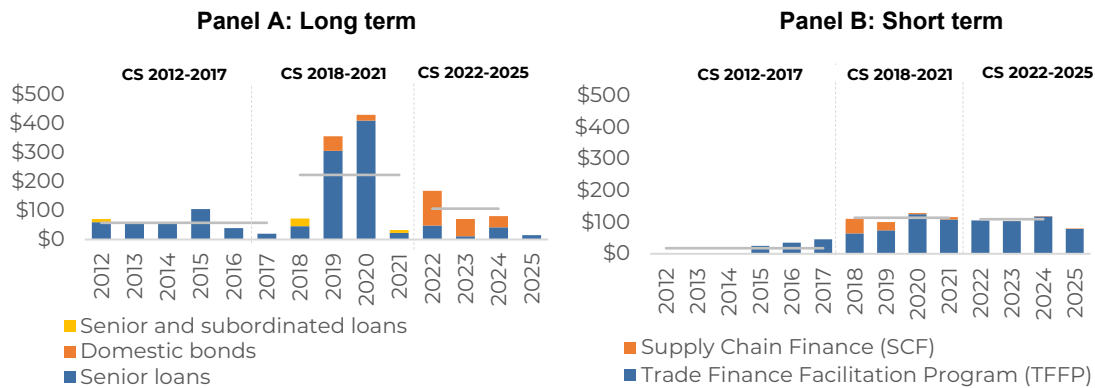
- 5.10 **IDB Invest's long-term loan disbursements decreased between the two CSs, although those related to the purchase of domestic bonds increased.** During the period, long-term financing disbursements totaled US\$1.225 billion through loans (75%) and purchases of domestic bonds (25%). These instruments were aimed primarily at FIs to address the objective of *access to financing* and at corporate clients to support the objectives of *export markets*, investment, and *productivity*. During the CS1, two loans with significant amounts were disbursed¹¹⁰. After that, in a more challenging context, in which the average annual country risk doubled from 2020 onwards (Figure 2.1.5, Annex II), the average annual disbursement decreased from US\$205 million (CS1) to US\$34 million (CS2) (Figure 2.5.6, Annex II). However, the average annual disbursement for domestic bond purchases increased from \$18 million to \$73 million between CSs, consistent with IDB Invest's role of promoting capital market development, one of the systemic effects sought to support *access to financing* (see Box 5.3).
- 5.11 **Working capital financing increased in a period of elevated country risk.** During the period, short-term financing totaled US\$862 million through the TFFP program (90%) and supply chain finance (SCF, 10%). These instruments were aimed at FIs and corporate clients to meet the objectives of *access to financing* and *increase of non-oil exports*. The average annual use of the TFFP increased from US\$93 million to US\$109 million between the two CSs, facilitating trade financing in the context of elevated country risk (Figure 5.3). In CS1, the SCF program had only one active operation with an average annual usage of US\$21 million¹¹¹. In CS2, IDB Invest introduced the reverse factoring product via the SCF. See Box 5.3, Annexes III and V.
- 5.12 **IDB Invest's operations provided financial and non-financial additionality in its three business segments, complementing the financing alternatives offered in the market and responding to specific knowledge and capacity gaps.** As for financial additionality¹¹², its contribution materialized in the mobilization of resources and the granting of more favorable terms and conditions for access to financing, particularly in challenging environments. In terms of non-financial additionality, IDB Invest provided advisory services aimed at strengthening capital market development in Ecuador, as well as technical support for the adoption of environmental and social standards by the beneficiary companies (see Box 5.3 and Annex V).

¹¹⁰ US\$138 million was disbursed as a loan for infrastructure loan in 2019, and US\$230 million in one corporate in 2020.

¹¹¹ Operation 12261-01/2018 (Movistar Ecuador) sought to finance the adoption of new devices for subscribers to access broadband services.

¹¹² Based on sub-indicators of IDB Invest's DELTA and interviews conducted by OVE with clients.

Figure 5.3. IDB Invest disbursements



Source: OVE, with data from IDB Invest (2016b, 2025b).
 Note: Includes domestic bond and guarantee issues.

Box 5.3. Additionality of IDB Invest operations

IDB Invest provided financial additionality through the mobilization of resources and instruments with better terms and conditions. Despite the complex conditions in Ecuador, IDB Invest mobilized more than \$1.5 billion (Figure 2.1.5, Annex II), achieving mobilization ratios between 0.66 and 1.1 in different client segments. This occurred in the context of high-country risk (among the highest in LAC). Particularly, in the FI segment, mobilization increased the average additionality of operations under supervision, as it was higher than originally planned. Some clients reported that their association with IDB Invest allowed them to access international financing for the first time -mainly from multilaterals and to a lesser extent from private banks- or to improve their credit conditions. On the other hand, in all three of IDB Invest's business segments, clients reported that they obtained better terms than those available in the local market.

In addition, it provided non-financial additionality using different instruments such as advisory services (ADV) and promoting systemic effects to meet the objectives of the CSs. For example, IDB Invest used ADV to strengthen FIs' sustainability strategies and capacity building for the issuance of thematic bonds (Box 6.1). In the corporate segment, it sought to influence its clients' value chains with loans and ADV, supporting the growth of local suppliers (MSMEs) and the adoption of environmental and social standards (in its clients and their suppliers), although in some cases there were difficulties in implementing these standards. In addition, it introduced the first reverse factoring operation in the country. These operations were aligned with the objectives of *increasing the contribution of private investment and productivity to growth and export markets*. In infrastructure, the financing of the port of Posorja, the first project developed under the country's PPP legal framework in force at the time, aligned with the objectives of *export markets* and *logistics performance*, stands out. The port was the first in the country to adhere to a zero-carbon government program.

Source: OVE, based on interviews, DELTA's corporate databases, and operations documents.

5.13 **A quarter of the corporate segment operations (aligned to GO1) were prepaid or suspended due to client decisions, without affecting the contribution feasibility of the IDB Invest program.** In total, five transactions were prepaid (four of them in the corporate segment). In some cases, the initial financing conditions were timely and valued by clients, especially in crisis contexts where local banks withdrew. However, the rigidity of certain contractual terms, together with the subsequent improvement in the environment and conditions offered by the local financial system, reduced the competitiveness of these loans. For example, a loan was considered convenient by the client, particularly as it was disbursed during the pandemic. However, it was subsequently prepaid due to restrictions

associated with financial *covenants* and collateral requirements¹¹³. Since the operations were implemented despite the prepayments, this is not considered to have affected their contribution to the objectives, although the expected profitability for IDB Invest. Additionally, one operation was cancelled, due to an internal restructuring of the client and, as of June 2025, three GO1 operations are suspended (*on hold*)¹¹⁴ by decision of the clients.

VI. EFFECTIVENESS AND SUSTAINABILITY

6.1 **This section presents the IDB Group's contribution to the objectives of the CS and examines the sustainability of its results.** The contribution and sustainability of the IDB Group to the objectives of the CSs through the CP¹¹⁵ and extra-programmatic support, including technical support and resource mobilization, were analyzed. OVE interviewed all IDB and IDB Invest team leaders with reimbursable operations during the period. During the mission to Ecuador in February 2025, OVE conducted more than 60 semi-structured interviews¹¹⁶ and visited the implementation sites of 9 projects. In line with the Protocol, the XCPE is focused on reporting results and contribution to date (April 2025)¹¹⁷. Country products analyze the contribution of the IDB Group CP to the objectives of the CS, reporting on outputs and outcomes. Since the results are attributable to multiple factors, the analysis is limited to reporting the IDB Group's contribution. See Table 6.1 for contribution by objective, Annex I for methodology, and Annex III for details at the operations level.

¹¹³ See Annex V for more information on the reasons for prepayment and on-hold operations.

¹¹⁴ There are three transactions approved by the Board of Directors, but for which the financial closing/closing has not been completed.

¹¹⁵ The analysis is based on a triangulation of internal and external sources, including database analysis, document review, interviews and field visits (detailed information in Annexes I and II).

¹¹⁶ Including IDB Group staff, national executive branch authorities, public companies and banks, subnational governments, IDB project executing unit staff, IDB Invest's private sector clients, and beneficiaries of both public and private projects.

¹¹⁷ The analysis in this section was performed with information up to April 2025, including the PMR II 2024.

Table 6.1. Summary of the IDB Group's contribution to the objectives (as of April 2025)

GO	Objectives (reconstructed vertical logic)	Contribution	
		CS1	CS2
High, Medium, Low			
Productive Area			
GO1. Expansion of private investment	Investment climate (CS1) & Regulatory frameworks (CS2)	ER 5.1	ER 1.1, ER 1.2
	Export Market Access (CS1)	ER 7.1, ER 7.2	-
	Access to financing (CS1 & CS2)	ER 6.1	ER 2.1
GO2. Productive infrastructure	Infrastructure: Private participation (CS1) and competitiveness (CS2)	ER 3.1, ER 3.2	ER 3.1, ER 3.2
	Energy: Energy reform (CS1) & Renewable energies (CS2)	ER 4.1	ER 3.3
Fiscal Area			
GO3. Finance and public management	Public spending: Efficiency (CS1 & CS2) & Digitalization (CS2)	ER 2.1	ER 4.1, ER 4.2
	Public revenues: Mitigate fiscal risk due to oil price (CS1) & Increase revenue (CS2)	ER 1.1	ER 5.1
	Fiscal consolidation ¹		●
Social Area			
GO4. Employment	Reducing job insecurity (CS2)	-	ER 6.1, ER 6.2, ER 6.3
GO5. Social Services	Education (CS1 & CS2)	ER 8.1	ER 7.1
	Health (CS1 & CS2)	ER 8.2	ER 7.2
	Digital connectivity (CS2)		ER 7.5
	Migration ² , Social protection ² Citizen Security ²		● ●
Young Portfolio			
GO6. Housing	Housing (CS1 & CS2)	ER 9.1	ER 7.3
GO7. Water and Sanitation	Water Services (CS1 & CS2)	ER 11.1	ER 7.4
	Sanitation Services (CS1)	ER 11.2	-
GO8. Agricultural public goods and services	Provision of agricultural public goods and services (CS1)	ER 10.1, ER 10.2	-

Notes: High Contribution, Medium Contribution, Low Contribution. See Annex III for a detailed analysis by objective and operation. OVE reconstructed the vertical logic to facilitate the analysis of the objectives and simplified their names (see paragraphs 3.11 and 4.3). The numbering of the ERs is the original numbering of each CS (see Table 3.1). 1: Objective included by OVE aligned to the Fiscal Area in both CSs. 2: Objectives included by OVE, aligned to the "social services" SOs in CS1 and CS2.

Source: OVE, based on the analysis of corporate databases, interviews, and documents for monitoring operations.

A. Productive Area

GO1. Investment expansion

Investment climate (CS1) & Regulatory frameworks (CS2)

6.2 **The Bank made a medium contribution to the improvement of the investment climate and regulatory frameworks, with progress in financial regulation and the recent energy reform to favor private investment.** IDB operations aimed at improving the regulatory framework and institutional efficiency to reduce transaction costs in a cross-cutting manner had contributions in financial regulation¹¹⁸ and, to a lesser extent, trade and investment facilitation¹¹⁹ through PBL and various TCP¹²⁰.

¹¹⁸ The PBL EC-L1280 supported key reforms to modernize and deepen the financial system in a context of high uncertainty. The prohibition of ECB financing to the central government, and the creation of the Monetary Policy and Regulation Board and the Financial Policy and Regulation Board are highlighted. Although the second phase was not approved, progress was made in some of the planned reforms, such as the adjustment of the maximum lending rate methodology (see Annexes IV and V for details).

¹¹⁹ Progress focused on institutional strengthening, such as the Foreign Trade Committee (COMEX) and the Strategic Committee for Investment Promotion and Attraction (CEPAI). They supported trade facilitation measures: reduction of tariffs on 667 items (benefiting more than 6,000 companies) and the elimination of prior control documents for 40% of the products subject to tariffs.

¹²⁰ The PBL EC-L1280/2021, and the TCP EC-T1418, EC-T1480, EC-T1481, EC-T1533.

The supported reforms helped to establish the necessary conditions to attract investment. However, beyond certain increases in the number of investment contracts approved in 2021 and 2022, significant progress in investment has not yet been observed (MPCEIP, 2025). Regarding operations for regulatory improvement in the mining and electricity sectors, the PBLs approved in 2023 and 2024 met their policy conditions and enabled private investment¹²¹ (see Boxes 4.1 and 4.2 and Annex IV). Finally, both the INVs that supported the strengthening of public capacities in mining (EC-L1257/2020) and the one that supported the creation of a one-stop investment window (EC-L1243/2019) had significant delays and had disbursements of 15% and 22% respectively as of April 2025.

Export Market Access (CS1)

- 6.3 **The IDB Group had a medium contribution to the increase in exports and a high contribution to the logistical improvement during the CS1.** During the period, non-oil exports had a compound annual growth rate of 11.7%, even during the pandemic. The IDB supported Ecuador in strengthening its non-oil export sector through support for reforms (via PBL and TCP), technical assistance for client support (including training for the negotiation of trade agreements¹²²) and financing. In *logistics*, the port of Posorja, financed by IDB Invest, stands out. Although its start-up was slow, it has demonstrated sustained improvement in efficiency during 2020-2024, ranking first in LAC in 2024 (WB, 2025c). Finally, IDB Invest's operations with corporate clients (including export companies), for capital investments and capacity expansion, had mixed results in terms of productivity, MSME integration and productive linkages¹²³.

Access to financing (CS1 & CS2)

- 6.4 **The IDB Group made a high contribution to access the financing, supporting the growth of FI loan portfolios, the introduction of new financial products and the fostering of capital markets.** As of June 2025, the IDB Group program disbursed \$869.5¹²⁴ in long-term financing through 25 operations, mainly to public and private FIs that then financed companies. Supporting the growth of FI credit portfolios was crucial in the context of high-country risk and liquidity needs, accentuated by the pandemic. Half of the IDB Group's loans to FIs that reported results met or are very close to meeting their portfolio growth targets. IDB Group operations financed loans to more than 200,000 MSMEs¹²⁵. On the other hand, IDB Invest led the promotion of capital market development through the promotion

¹²¹ Among others, it includes the approval of a law that allows private companies to develop electricity generation projects of up to 100 megawatts without the need for public tenders, and exempts renewable energy generators of up to 10 MW from reverting their assets to the State at the end of the concession, thus encouraging investment in renewable energies (EC-L1287/2023, EC-L1293/2024).

¹²² The IDB supported the negotiations of trade agreements during the period with studies, training and technical assistance (EC-T1471). It also supported the Ministry of Production and ProEcuador in market intelligence, trade promotion and internationalization plans (see Annex V).

¹²³ Corporate projects achieved relevant advances (such as new production lines or regional expansion), but did not achieve all the proposed goals. Several projects were prepaid or did not generate information to evaluate their impact on MSMEs.

¹²⁴ In addition to \$785.5 million in short-term financing through IDB Invest's TFFP and SCF, and the EC-L1280/2021 PBL, which disbursed \$400 million and supported financial system reforms.

¹²⁵ 188,500 MSMEs benefited from IDB Invest operations (DELTA Analytics), and more than 23,300 loans were granted to MSMEs through IDB INV (4,734 via EC-L1279 and 18,664 via EC-L1269).

of thematic bonds (Box 6.1) and the first reverse factoring operation in the country¹²⁶ (Annex V), and the IDB provided technical assistance to public FIs for operational strengthening¹²⁷.

Box 6.1. Fostering capital markets in Ecuador

IDB Invest played a pioneering role in fostering the financial market in Ecuador, closing transactions with financial institutions for the issuance of thematic bonds and strengthening their capacity to issue them. The capital market in Ecuador has been characterized by its limited development (IMF, 2025a). Among them, FIs had no experience in the issuance of thematic bonds. IDB Invest promoted these instruments by providing advisory services to FIs to develop the thematic bond frameworks and facilitate their first issues. In 2018 IDB Invest supported the first issuance of a green bond in the country with Banco Pichincha (11762-05/2018), with the participation of IFC and Proparco, establishing market standards resulting in seven issues with different themes (blue, sustainable, social, gender, and diversity and inclusion bonds). Also noteworthy is the approval of a thematic bond issue with a cooperative (Jardin Azuayo 13943-01/2022), a market segment perceived as riskier. In total, IDB Invest acquired \$270 million in FI bonds, equivalent to 57% of the total issued, and was able to mobilize an additional \$225 million in impact portfolios. These bond purchases represent nearly 30% of the total bonds issued in the country (BVQ, 2025). This was accompanied by an institutional strengthening strategy, in which IDB Invest disclosed and provided advisory services to associations such as ASOBANCA and the Quito Stock Exchange on sustainable finance, securitization and best practices (see Annex V for more details).

- 6.5 **The macroeconomic context, changes in political priorities, and government budget constraints represent the main factors that could affect the sustainability of GO1 results.** Fiscal constraints and budget ceilings may limit tax benefit policies for the promotion of international trade^{129F128}. In turn, the depth and continuity of sectoral reforms could depend on continued political support, and on the continuity of reforms related to the sectoral tariff structure. In *access to finance*, most of the FI operations that partially achieved their goals were the result of unfavorable economic and social conditions that adversely affected the growth of loan portfolios during the evaluation period. Business activity was affected by the pandemic, political conditions, insecurity, and power outages, which affected the growth of loan portfolios and put the sustainability of results at risk. Ecuador's complex macroeconomic and social context also affects country risk levels and, consequently, this could be detrimental to the development of IDB Invest's long-term operations and resource mobilization.

GO2. Productive infrastructure

Infrastructure: Private participation (CS1) and competitiveness (CS2)

- 6.6 **The contribution to infrastructure objectives was medium, with the Quito metro and the Posorja port coming into operation, although progress in PPPs was lower.** The transportation and logistics portfolio has performed well, although some challenges were encountered during its implementation. The IDB

¹²⁶ Despite delays, which were solved by IDB Invest, it promoted the diversification of the country's financial product offer, which is limited.

¹²⁷ A TCP to the CFN streamlined the operation of the National Guarantee Fund, facilitating its access to final beneficiaries. Another (RG-T3690/2020) strengthened CONAFIPS' operational capacity (see Section 4.B), supporting the development of the Environmental and Social Risk Management System (SARAS). Its implementation had a systemic effect: SEPS required the Cooperatives to adopt individual SARAS, taking as a model the one developed by CONAFIPS.

¹²⁸ CEPAL relied on tax incentives such as the exemption of the Foreign Exchange Outflow Tax. In 2024 the MEF established an annual tax expenditure ceiling of US\$104.9 million for these incentives, which has raised concerns about sustainability.

played a truly relevant role in the construction and commissioning of the first metro line in the country (see Box 6.2), achieving a reduction in travel time, although it has a lower usage than expected according to the PCR validated by OVE¹²⁹ (EC-L1111 y EC-L1124). In turn, IDB Invest financed the construction of the deep-water port of Posorja (12177-01/2018), currently the country's main port and the most efficient in Latin America (WB, 2025c). In roads, PROVIAL I (EC-L1125/2013) met its time and cost reduction targets in the vast majority of the secondary routes intervened with the program, in addition to the fact that more than double the number of kilometers planned by the program were attended to and the number of provincial inventories considered in the program was updated. PROVIAL II (EC-L1289/2023), however, reached eligibility at the end of 2024 and had disbursements of less than 1% as of April 2025. On the other hand, no progress has been made in PPP operations supported by the IDB¹³⁰. The INV had multiple implementation challenges and has disbursements below 10% despite continued support from the IDB¹³¹ (EC-L1230/2018), while the PBL supported reforms to the law (EC-L1252/2019), but failed to structure new projects since that time.

- 6.7 **Sustainability risks are related to the contracting of long-term maintenance of the works carried out.** *Empresa Pública Metropolitana del Metro de Quito* (EPMMQ)¹³² has not yet contracted long-term maintenance services, which could jeopardize the project's sustainability. However, the company has initiated a new process for this contract. Furthermore, the lower number of users than originally estimated could jeopardize the financial sustainability of the company, and there remains a need for greater integration of the Metro with the city's public transportation systems managed by private cooperatives. In the case of roadprograms (Provia), maintenance may involve additional challenges, given that they are the responsibility of the GADs, being exposed to the risk of financial sustainability and local government capacities.

¹²⁹ The PCR indicates that the lower ridership was due to the pandemic, the increase in telecommuting, and the delay in the implementation of the integrated public transportation system in Quito.

¹³⁰ Ecuador, with support from the IDB and WB, promoted actions to improve the regulatory and institutional framework for PPPs (to strengthen the capacities of SIPP staff, PPP prioritization strategy at the national level, development of a monitoring platform for projects under preparation, evaluation methodologies, among others). However, these actions did not materialize into a large, consolidated PPP portfolio mainly due to financial constraints (Economist Impact, 2024).

¹³¹ Coordination challenges due to multiple executing units, lack of personnel at the initial stages and lack of government commitment, budget ceilings, staff turnover, and change of authorities. However, it was able to establish a trust fund to support the financial closure of subnational PPPs (see Annex VI).

¹³² Based on interviews and media reports, EPMMQ's lack of institutional capacity building delayed the start-up of the metro, even when construction had been completed.

Box 6.2. Contribution to the development of Quito's public transportation system

The IDB Group played a truly relevant role in the coordination of the stakeholders involved in the development of the country's first metro line in Quito, contributing to mitigating the problems related to mobility. Quito's urban development in a north-south direction and the accelerated growth of the city have imposed challenges for sustainable urban mobility, evidencing the need for an articulated public transportation system. The project for the first Metro line in Ecuador, co-financed with other multilateral organizations, achieved the construction and commissioning of 23 km of metro line, 15 stations, and a depot with a maintenance area, constituting an important advance in the creation of this articulated system (EC-L1111 and EC-L1124). Coordination with the WB and CAF allowed the IDB to lead actions on procurement and environmental and social safeguarding. In addition, the IDB allocated TCP to strengthen and operate EPMMQ through institutional development plans, studies, advisory services, and knowledge exchange (EC-T1378, EC-T1558), including a TCP being carried out to plan multimodal integration (EC-T1541).

Energy: Energy reform (CS1) & Renewable energies (CS2)

- 6.8 **The contribution to the energy SOs was medium, with progress in strengthening transmission and distribution, shifting consumption away from fossil fuels, and reforms for private sector entry.** The CP is part of the IDB's long-term support to Ecuador's energy sector and is one of XCPE's largest sector portfolios. Most operations are from the sovereign guaranteed window. The counterparts were primarily the Ministry of Energy (as lead agency and with an EU with experience working with the IDB), which in turn coordinated with the various companies in the sector as sub- or co-executing units¹³³. The operations to strengthen, improve and enhance the efficiency of the national transmission and distribution systems (SNT and SND, respectively) mostly achieved their goals¹³⁴, despite some delays in implementation. These projects made it possible to reduce losses in the system and strengthen the systems to incorporate renewable energy sources and improve the automation of the SND. In general, those projects supported regulatory reforms to encourage private sector entry¹³⁵ (see Box 4.3 and Annex IV). On the other hand, projects to shift energy consumption mostly achieved their goals through the implementation of the National Efficient Cooking Program, the connection of shrimp farms to the grid, and the energy transition plan in the Galapagos¹³⁶. Finally, support was provided to strengthen the leading ministry and public companies¹³⁷.

¹³³ There were two INVs with CELEC EP as sole executing unit (EC-L1117/2014 and RG-L1140/2022).

¹³⁴ INVs EC-L1117/2014, EC-L1136/2014, EC-L1147/2016, EC-L1160/2016 met and/or exceeded most of their objectives and succeeded in realizing their deliverables. Other more recent INVs (EC-L1223/2017 and EC-L1231/2018) have made progress with their deliverables and are still in execution (with results expected by 2026). At the same time, the bidding process for the interconnection with Peru (RG-L1140/2022) began.

¹³⁵ They included: (i) regulation of a guarantee to promote private participation (EC-U0006), (ii) allowing self-supply of regulated consumers, (iii) energy competitiveness law, and regulation, to incorporate real costs in the electricity tariff (supported via EC-T1567). At the same time, more than 800 MW of private generation was tendered for US\$1,000 million (Boxes 4.2 and 4.3).

¹³⁶ INV EC-L1160 far exceeded its mitigation target, displacing 151 kTonCO₂ eq/yr (five times the target), supported via INV EC-L1136 and PBL EC-L1265, which also achieved their targets. In addition, shrimp farms were connected to the grid with reduced diesel consumption (38 of 49 projects as of April 2025, EC-L1223), and the energy transition plan for the Galapagos Islands was published [energy transition plan for the Galapagos Islands \(EC-T1478\)](#) (EC-T1478).

¹³⁷ Financing of technical, environmental and legal studies for projects in the energy sector (EC-L1257 and EC-T1437), development and modernization of regulatory frameworks for mining, natural gas and geothermal energy (EC-L1257), plans to reduce inclusion gaps in the sector (EC-L1147), among others.

- 6.9 **The main sustainability risks are related to the tariff structure, dependence on water sources vulnerable to droughts, growth in domestic demand, and political support for sector reform.** First, the sector experienced a significant crisis in 2024 due to a combination of drought, lack of maintenance, and increased demand (see paragraph 2.10), which could be repeated. Second, the tariff structure has yet to be updated to cover the real costs of the service. Likewise, private sector participation in generation may require continued political support, as this is a strategic sector that has recently come under public management.

B. Fiscal Area

GO3. Finance and public management

Public revenues: Mitigate fiscal risk due to oil price (CS1) & Increase revenue (CS2)

- 6.10 **The IDB's contribution to public revenue targets was low due to implementation challenges in the two main INVs.** One of the INVs is already closed (EC-L1120/2014) with results that did not show significant progress. This operation had problems with the supplier of one of the technological solutions planned to strengthen control activities, which resulted in the unilateral termination of the contract and the cancellation of 53% of the program's funds. The EC-L1253/2022 operation is still in execution, although only 9% disbursed (with half of the time already elapsed). The operation is co-executed by the SRI and SENA. Although the SRI has accumulated experience in implementing project EC-L1120, SENA has no previous experience, and the rotation of hierarchical officials in the institution has not allowed them to consolidate an executing unit (see Annex VI).
- 6.11 **Progress has been made to improve tax management and certain non-reimbursable support.** INV EC-L1120 reduced the number of hours a medium-sized company spend paying income and sales taxes, increased the percentage of corporate income tax returns filed on time, and increased the number of registered taxpayers. At the same time, progress was made in actions such as the signing of agreements of the OECD's Global Transparency Forum, the application of the knowledge of the last beneficiary of the property and multiple proposals to improve tax administration¹³⁸.

Public spending: Efficiency (CS1 & CS2) & Digitalization (CS2)

- 6.12 **The CP had a low contribution to public spending and digitization targets due to cancellations and significant delays of aligned operations.** Several loans faced important limitations (see Annexes III and VI for a detailed analysis). For example, EC-L1118/2013, which sought to improve the management of citizen services, only managed to partially execute its products. Similarly, program EC-L1119/2013 for the Office of the Comptroller General of the State (CGE) faced execution problems, due to limitations in the capacity of the executing unit and restrictions imposed by budget ceilings. This resulted in the cancellation of 50% of the loan proceeds¹³⁹. In the same vein, EC-L1249/2019, which sought to modernize the financial administration, presents limited financial progress and does not show concrete results in its main components, such as the

¹³⁸ Support for the SRI's capacity to analyze the tax data of large taxpayers (EC-T1439), and for the technological renovation of tax and customs agencies (EC-T1506).

¹³⁹ Some products were implemented with CEM resources; it is not possible to attribute progress to the IDB.

implementation of the SINAFIP system, whose contract was cancelled due to a failure in the system when it was put into production. In public enterprise reform, PBL EC-L1252, to support fiscal management, made little progress in its outcome indicators and contributed marginally to the objectives¹⁴⁰. In turn, INV EC-L1251 for the governance reform of public enterprises had a cancellation of 90% of its resources (33% canceled and 57% redirected to address the COVID emergency) due to the non-approval of the Organic Law of Public Enterprises (LOEP)¹⁴¹, necessary to execute its critical activities. INV EC-L1257, for mining governance, disbursed 15% as of April 2025.

- 6.13 **The main results include the strengthening of the MEF's public credit unit.** Two GUPs (EC-U0005 and EC-U0007) were approved, which supported the strengthening of the institutional management of the MEF's public credit unit and the creation of regulations for debt-for-nature conversion operations (see Box 6.3). In digitalization and efficiency, through technical cooperation and other support, consultancies were provided for integrated risk management in SENA's customs processes (EC-T1506/2023), support was provided for financial strategies in the MEF¹⁴², the digitalization of migration services and electricity distribution companies.

¹⁴⁰ According to the PCR, the objective of strengthening the management had an achievement rate of 35% given that public spending did not decrease as expected. The quality and efficiency of spending objective (strengthening the PPP framework) had an achievement rate of 0%. The objective of improving the efficiency and transparency of tax management significantly decreased the time to file VAT returns but did not increase tax collection (it decreased as a percentage of GDP).

¹⁴¹ PBL EC-L1252 included the presentation of the LOEP to the National Assembly and in the second tranche the presentation of its implementation to the presidency on its terms (see Annex VI). LOEP was not approved, so PBL funds were disbursed without achieving a major policy change and INV EC-L1251 was significantly affected. However, the INV provided support for the audit of public oil companies, included within the goals of the IMF agreements (IMF, 2025a).

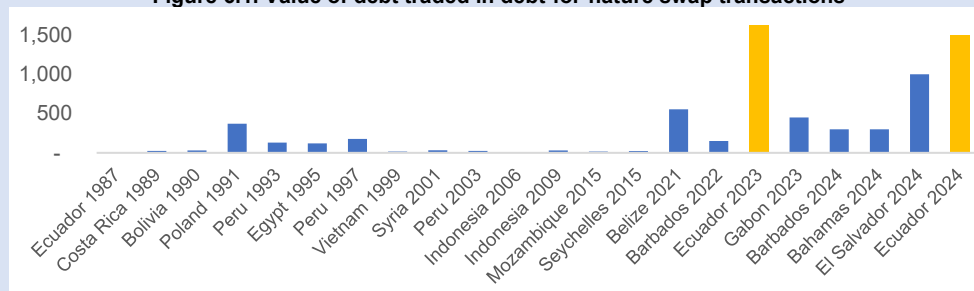
¹⁴² Support was provided for the implementation of a short- and medium-term debt management strategy, a consultancy to optimize fiscal space with best practices, and another technical consultancy on PPPs.

Box 6.3. Debt management strategies with an environmental focus

In a context of fiscal challenges and consolidation efforts, Ecuador undertook two debt-for-nature swaps supported by IDB guarantees based on policy reforms (GUP). These operations are a form of liability management that consists of issuing sustainable financial instruments backed by guarantees, the proceeds of which are used to repurchase outstanding debt and generate savings from the rate differential. Ecuador undertook two IDB-supported debt conversions with GUP (2022 and 2024), as part of a programmatic series of support for policy reforms, which were key to the financial engineering of the swaps.

These two transactions are considered the largest debt-for-nature conversions in history in terms of debt exchanged. The first swap, backed by an \$85 million IDB guarantee (EC-U0005), swapped \$1.6 billion in international bonds for a \$656 million loan, with an estimated savings of \$1.1 billion over 18.5 years. The second swap had an IDB guarantee of US\$155 million (EC-U0007) and allowed the swap of US\$1.5 billion in debt for a new loan of US\$1 billion with an estimated savings of US\$800 million over 11 years.

Figure 6.1. Value of debt traded in debt-for-nature swap transactions



Source: OVE, based on (Radhakrishnan, Patel, Kelly, & Steele, 2025) and (IMF, 2024c)

Part of the savings generated were allocated to conservation activities. The policy conditions included institutional strengthening measures for environmental management in the Ministry of Environment, Water and Ecological Transition, and for debt management in the MEF. The first conversion will finance conservation actions in the Hermandad Marine Reserve in the Galapagos Islands for US\$323 million, and the second will allocate US\$460 million to the Amazon Bio corridor Program (see Annexes IV and VI).

Fiscal consolidation¹⁴³

6.14 **IDB support for fiscal consolidation made an important contribution, supporting and complementing the agreements with the IMF.** The IDB has served as a facilitator of the fiscal reform dialogue through a knowledge agenda, policy dialogue and working groups (see Annex VI), supporting and complementing programs with the IMF (Table 6.4.3, Annex VI). On the expenditure side, the IDB provided support with knowledge products and held working groups to identify strategies to reduce fossil fuel subsidies. These strategies were added to the reforms supported by the energy PBLs to eliminate certain diesel subsidies and electricity, in line with the indicative target of the agreement with the IMF (2020-2022) to improve the primary balance. The IDB also complemented that IMF program on issues related to the fiscal rule and strengthening the debt management office within the MEF. In turn, the IDB is providing technical support for the public procurement system, which is one of the structural goals of the

¹⁴³

See "In-depth study: Support to public finance and management" (Annex VI) for further details.

agreement with the IMF approved in 2024¹⁴⁴. Regarding income, in 2020 the IDB supported the MEF in the formation of a commission of experts to advise on a comprehensive tax reform called "*Mesa para la Reforma Fiscal en Ecuador*", generating a white paper of proposals to broaden the tax base, VAT reform, improve control and promote fiscal transparency. Moreover, a recent TCP (EC-T1542) supports a medium-term fiscal strategy and a country growth agenda with the objective of improving tax collection efficiency, which is expected to be complementary with the IMF's EFF-2024. On the other hand, budget support was key to provide liquidity, mainly during the pandemic, given that Ecuador is a country without access to debt markets and dollarized. This support included three SDLs for US\$1.5 billion which were part of the financing package for the agreements with the IMF, nine PBLs and two GUPs that reduced the financial cost of debt (Box 6.3). In addition, the IDB used a contingent credit line for natural disasters and two INVs to strengthen early warning systems for disasters, which were relevant for the adequate management of contingent liabilities in a context of fiscal constraints and multiple risk factors (Section 4.B).

C. Social Area

GO4. Employment

- 6.15 **The CP made a low contribution to the Employment targets (CS2) due to delays with the only strongly aligned INV.** The CP aligned to GO4 had reduced outreach, relying only on a strongly aligned INV to expand the Public Employment Service, through the improvement of the digital platform and labor certifications. The rest were certain PBL conditions and TCP support. This INV (EC-L1284/2023, US\$25 million) has less than 1% disbursements due to staff turnover and national budget rollovers. In turn, a PBL (EC-L1277/2022)¹⁴⁵ supported multi-sectoral public-private measures and agreements to accelerate the economic integration of women¹⁴⁶. Lastly, non-reimbursable support made it possible to train students and workers, conduct labor market studies, and implement a strategy to promote green jobs with the Ministry of Labor¹⁴⁷.

GO5. Social Services

Education (CS1 & CS2)

- 6.16 **The CP had a low contribution to the education objectives due to serious implementation challenges that caused prolonged delays and significant**

¹⁴⁴ The IDB supported the government in preparing an improvement to the operational framework of the public procurement system by providing technical support for its conceptual design and compliance with an IMF structural target, including through the TCP (EC-T1598); see IMF (2025a). Implementation of the system improvements is expected to be supported with an INV under preparation estimated for the end of 2025 (EC-L1305). In addition, the IDB has a broad program to support improvements in public administration systems, including another INV under preparation to strengthen the oversight functions of the CGE (EC-L1304).

¹⁴⁵ The first loan of the series (EC-L1273) was approved and disbursed in March 2021 during CS1. Employment objectives (GO4) were in effect only in CS2.

¹⁴⁶ Approval of the Organic Law to Promote the Violet Economy and its regulations, the Organic Law on the Right to Human Care and the Organic Law for Equal Pay for Men and Women.

¹⁴⁷ In Santo Domingo and Guayaquil, the training goals were surpassed (542 students and 160 teachers), and 60% of the internship goal (EC-T1307). A pilot certification program for 95 recyclers was launched with SECAP (EC-T1504). In Manta, we conducted labor market studies, designed a seed capital program for migrant women and a training platform (EC-T1494).

project modifications. The four INVs in education faced implementation difficulties, such as lack of budget allocation, changes in the priorities of the authorities, constant staff turnover and capacity limitations in the executing units, paralyzing the portfolio for prolonged periods (see Annex VII). These challenges were compounded by complex implementation arrangements that made their processes even more difficult. Of the four INVs approved during the period, two have no progress to date (approved in 2018 and 2019); another reduced its budget by 80% and had no progress for four years; and the fourth has been waiting to be signed for 21 months.

- 6.17 **The results include advances in access to secondary and higher education, inclusion of vulnerable groups in the educational system, and the creation of knowledge and influence on public policies on issues of quality and access.** In access, IDB Invest financed the construction of a new UDLA campus completed in 2021 (11949-07). Likewise, the percentage of young people between 19 and 29 years of age with a complete basic secondary education increased (EC-L1155). In terms of inclusion, the PBL(EC-L1238) achieved all its policy conditions, increasing the number of students with disabilities taking the adapted "Ser Bachiller" exam, while two TCPs provided job training and technological accessibility to students with disabilities¹⁴⁸. In terms of knowledge creation, the support via TCP on teaching practices stands out, mainly through the Closing the Gap program (see Box 6.4), and the impact on public policies on teacher and student assignment¹⁴⁹.

Box 6.4. Closing the Gap Program (Cerrando Brechas, 2011-2020), supported by eight TCPs

Closing the Gaps is a longitudinal study that sought to answer: *To what extent can a good teacher in the early school years compensate for early childhood deficits?* and *What practices define a good teacher?* The study, led by the Ministry of Education with continued support from the IDB, began in 2011 with the design of a randomized experiment. In 2012, about 15,000 children entering 1st grade of General Basic Education in 204 schools were randomly assigned to their teachers. This made it possible to compare math and language performance among students exposed to different teachers within the same institution, eliminating common biases seen in another research. The first phase followed this cohort during the 2012-2013 academic year and then through six years of primary education. Implementation, monitoring, data collection and analysis were funded by a series of eight TCPs (US\$8.6 million in total), including: two non-CP TCPs (EC-T1236 and EC-T1246), five legacy TCPs (EC-T1322, EC-T1335, EC-T1355, EC-T1372, EC-T1373) and one approved during CS1 (EC-T1401). All the MCTs completed the planned activities, resulting in the publication of multiple knowledge products (including seven publications, see Box 2.5.1 in Annex II) that facilitated regional dialogue on teacher quality. Among other results, the studies highlight that children's learning significantly improves when teachers create favorable environments and are rigorously selected, that teaching policies resulted in significant improvements in the quality of assigned teachers, and that maternal education and family background have a greater influence on mathematical performance than differences among teachers.

¹⁴⁸ EC-T1449 delivered equipment to 340 students, equipped 3 centers with technological devices, implemented an adapted virtual education platform and trained 40 teachers in virtual education. EC-T1351 mentored 100 first grade teachers, resulting in a publication: "[When Promising Interventions Fail: Personalized Coaching for Teachers in a Middle-Income Country](#)".

¹⁴⁹ EC-T1385 prepared evidence on how to improve equity and efficiency in teacher assignment, resulting in the implementation of the national teacher assignment algorithm. EC-T1433 generated two impact evaluations on the effectiveness of student assignment platforms and algorithms, and tools to support the implementation of centralized school assignment systems.

Health (CS1 & CS2)

- 6.18 **The contribution to health objectives was high during CS1 due to the flexibility and good execution that allowed the results to be achieved during the pandemic, and lower in CS2.** The objectives of the operations varied according to the needs and context. First, they focused on structural gaps in coverage and quality, then on emergency care in the pandemic, and finally on care for vulnerable groups and specific issues. Operations for the improvement of management, coverage and quality of services faced implementation challenges and moderate results after significant extensions (EC-L1076/2010 and EC-L1227/2017)¹⁵⁰. In turn, IDB Invest financed two pharmacy chains to expand drug coverage. During the pandemic, the Bank's flexibility in redirecting resources was key to emergency care. The design and execution of INVs EC-L1270, EC-L1272 and the EC-U0003 guarantee allowed the purchase of 4,469,850 vaccines¹⁵¹, exceeding the goals of care for patients with respiratory syndromes, training of health professionals, and referrals to the private system. Resources from other INVs were also redirected to the adequacy of 28 hospitals and the existing CCF was used to address the emergency (see Section 4.B). Operations for attention to vulnerable groups and specific issues have had more modest results. There was some progress in care for people with disabilities¹⁵², pregnant women and children¹⁵³, and in vaccination¹⁵⁴.
- 6.19 **The results related to the construction and rehabilitation of health facilities may face long-term sustainability problems due to the lack of sufficient current spending.** This inadequacy prevents these infrastructures from operating at their maximum capacity, which compromises their maintenance and continuous operation. Without the necessary budget to cover operating costs, the improvements achieved may not last overtime. On the other hand, emergency attention could depend on the IDB Group's capacity to react and flexibility in similar situations.

Digital Connectivity, Migration, Social Protection, and Citizen Security

- 6.20 **The CP also had a medium contribution to the objectives included in the SOs of social services such as migration and social protection, and a low contribution to digital connectivity.** Both strategies included SOs for improving social services, including health ERs, education and digital connectivity. However, the CP deployed a wide range of operations that addressed issues of other social

¹⁵⁰ In EC-L1076/2010, progress was made in the construction and equipping of hospitals, but the adaptation of the care model made it difficult to monitor indicators. In EC-L1227/2017, lack of coordination and administrative delays led to moderate improvements in health service quality.

¹⁵¹ Originally, 7,057,200 vaccines were planned through 2022. However, Ecuador decided to terminate the contract with COVAX early due to brand preferences, among others, and opted to source vaccines through other means. By 2021, when the contract ended, the vaccine target was 3,528,600, so the 4,469,850 doses represented an advance of 127% of what was expected up to that year.

¹⁵² Progress was made in the training of professionals (EC-L1238), but there were challenges that led to poor execution and results. For example, INV EC-L1236 achieved half of the goal for technical aids.

¹⁵³ INV EC-L1258/2019 shows a 84% advance in the outcome indicator of pregnant women with prenatal control. However, INV EC-L1250, reformulated at the end of 2022, has shown no progress in results and only 7% disbursement of the approved amount.

¹⁵⁴ INVs EC-L1273 and EC-L1277 achieved 83% vaccination coverage, although below the 95% target, which is partially explained by limitations in international logistics.

services (see Annex III). In migration, the IDB made progress through non-reimbursable operations, strengthening migration control systems and implementing technology¹⁵⁵. In social protection, cash transfer targets were surpassed, and coverage of vulnerable groups increased during and after the pandemic¹⁵⁶, and child development centers were provided with certified personnel¹⁵⁷. The continuity of these programs could depend on the fiscal space available and the EFF terms with the IMF (they were part of the 2020 EFF). In terms of citizen security, the portfolio is too recent to analyze the contribution¹⁵⁸. Finally, the CP had weak alignment and low contribution to the *digital connectivity* objective (ER7.5, CS2). The only strongly aligned INV had no signature as of June 2025 (EC-L1282/2023).

GO6. Housing (CS1 & CS2)

- 6.21 **The IDB Group made a medium contribution to the housing objectives, representing the main source of financing for the ministry in charge of the sector (MIDUVI).** The CP had an articulated portfolio that incorporated learnings from operations and adapted to changes in national housing policy¹⁵⁹. In terms of subsidies for housing construction, the INV delivered 20,065 total subsidies for housing construction on privately owned land (16,322 via EC-L1113/2012 and 3,743 via EC-L1245/2019), representing 90% of the housing construction goal (22,246 in total)¹⁶⁰. The most recent INVs that seek to address the quantitative and qualitative deficit and finance credits through the Popular and Solidarity Financial Sector, had not been signed as of April 2025 (EC-L1281/2023 and EC-L1290/2024). In terms of mortgage operations, 9,207 loans were granted, more than double the number planned with the guarantee for the issuance of the first social sovereign bond (EC-U0001/2018). Finally, it is noteworthy that IDB resources accounted for the majority of MIDUVI resources, allowing to operate a housing policy that would otherwise be much more limited given fiscal constraints.

¹⁵⁵ Including progress in the number of multidisciplinary support brigades (EC-L1258), strengthening the interoperability of migration control systems (EC-T1459), development of an action plan against the smuggling of migrants and biometric modernization (EC-T1505). In Manta, the ALIA model, mobile clinics and training for social service providers were implemented (EC-T1494).

¹⁵⁶ Contingency Vouchers were granted to 524,148 vulnerable households that were not beneficiaries of other programs, with a coverage of 30% of these households (more than doubling the target) (EC-L1270). Monthly BDH payments were made to 3.4 million households, with 67.4% of households in deciles 1-3 receiving transfers for at least one month (EC-L1276). Finally, the PBL series EC-L1273 and EC-L1277, increased 440,000 transfer beneficiaries, expanding coverage among the three poorest deciles from 37% to 97.5% (the target was 80%) (See Section 4.B).

¹⁵⁷ The goals for personnel certification and identification of early childhood development interventions to be replicated were surpassed (EC-T1369). INV EC-L1235 equipped centers, although it has a cumulative extension of two years and only 31% of disbursements due to a lack of budget allocation, the change in priorities, staff turnover, and the limited time remaining for contract execution (see Annex VII).

¹⁵⁸ Two INVs approved in October 2024 and one PBL in June 2025 are part of the young portfolio. In fairness the CP has an approved INV in 2021 (EC-L1264) that was reformulated in December 2022, with disbursements of 40% and several implementation challenges because of lack of budget allocation and turnover.

¹⁵⁹ Focused on the Savings-Bonus-Credit (ABC) scheme. The first operations sought to build new housing on privately owned land with full subsidies; the most recent operations sought to reactivate mortgage lending, including approaches to serve vulnerable populations.

¹⁶⁰ Exceeding the urban target by six times but meeting 80% of the rural target. INV EC-L1245/2019 was challenged to provide partial subsidies for the purchase of housing built due to reduced demand and was reformulated in 2022 to focus only on full subsidies for new housing.

6.22 **The results obtained are based on subsidies for the construction of new housing on private land, resulting in comprehensive solutions but still insufficient to meet the deficit at the national level.** The sustainability of housing policy may require schemes that incorporate a greater role for mortgages. It is also limited by MIDUVI's fiscal space. The big outstanding issue is the strengthening of the ministry. Although the INVs had components to address the problem, high turnover, changes in internal regulations, the weakness of their management team, and delays in the allocation of resources by the MEF prevented the development of modules to systematize information and streamline processes.

GO7. Water (CS1 & CS2) and Sanitation (CS1)

6.23 **The IDB Group's contribution was medium for water and sanitation objectives (CS1), based on long-term work through sub-nationals and their public enterprises.** It is one of the largest and most consolidated sector portfolios in Ecuador. The GADs executed the INVs, either directly as borrowers or through the BDE in smaller municipalities (see Box 6.5), while IDB Invest financed the concession company in Guayaquil. The projects generally improved access to water and sanitation, although the results were below the planned targets, especially in sanitation. This was primarily due to ambitious targets, implementation delays, regulatory changes, staff turnover, and work stoppages during the pandemic. In addition, the sanitation sector tends to have lower priority than the water sector¹⁶¹, since it has lower visibility and greater difficulty in making household connections. In the larger GADs, such as Quito (EC-L1242) and Portoviejo (EC-L1248), the projects show progress but continue to be implemented and results are expected by 2025-2026¹⁶² In rural and intermediate municipalities, IDB support was key to expanding coverage, achieving 79% of water targets (+47,000 households with new/improved connections), and 56% in sanitation (+35,000 households with new/improved connections). Finally, the housing INVs (GO6) with water components has not yet made significant progress.

6.24 **The sustainability of long-term results depends on improving the operational efficiency of the GADs and their entities.** Despite the institutional strengthening included in the projects, there are still challenges that affect sustainability. The capacity of small municipalities to acquire and manage resources is limited, representing a greater risk than in larger cities such as Quito and Guayaquil, which have more consolidated operators. Technical support for strengthening SENAGUA, ARCA and other operators via EPA EP was valuable, but its impact on operational efficiency is uncertain¹⁶³.

¹⁶¹ This situation is especially evident in multiple works projects that start with project baskets that can later be changed, affecting the non-achievement of goals.

¹⁶² The Calderon Drinking Water Treatment Plant (DWTP) has made notable progress, while the wastewater treatment plants (WWTP) are behind schedule, with an estimated completion date of 2025-2026. The situation is similar with the 4 Esquinas DWTP in Portoviejo, which has made significant progress, while the WWTPs were behind schedule.

¹⁶³ In certain cases, such as EC-T1330, its implementation is evident. Support was also provided to operators in Quito, Cuenca and Galapagos in climate resilience, regulation and solid waste management.

Box 6.5. Working with subnational borrowers in W&S

The IDB Group played a central role in the development of the W&S sector, using a coordination scheme with the BDE, subnational governments and service providers. The intervention was carried out with a combination of INV, TCP and coordination with national and subnational stakeholders. The strategy had a dual approach: on the one hand, channeling resources through the Development Bank of Ecuador (BDE) to finance bundles of projects in small and intermediate GADs without the financial capacity to be direct borrowers. On the other hand, it worked directly with GADs with greater execution and borrowing capacity, such as Quito, Portoviejo and Cuenca (IDB), and with Guayaquil (IDB Invest). The IDB also led actions to strengthen the institutional capacity of the GADs and the BDE.

INV (Approval-Operational Closing)	Borrower	GAD and selected communities	Beneficiaries (new or improved connections)
EC-L1081 (2010-2020)	Rep. Ecuador (BDE co-executing unit)	Rural municipalities: 315 communities	11,218 households for water and 20,211 for sanitation
EC-L1112 (2012-2023)	Rep. Ecuador (BDE executing unit)	Intermediate municipalities: Huamboya, Pastaza, Mera, Montufar, Ambato, Morona, and others	13,972 households for water and 1,719 for sanitation
EC-L1122 (2014-2024)	Rep. Ecuador (BDE executing unit)	Intermediate municipalities: Esmeraldas, Catamayo, Portovelo, Macas, Ambato, and others	22,316 households for water and 13,267 for sanitation
EC-L1159	Interagua	Municipality of Guayaquil	
EC-L1242 (2019-In Progress)	EPMAPS (public company)	Metropolitan District of Quito	In progress (59% disbursed as of March 2025)
EC-L1248 (2019-In Progress)	GAD Portoviejo	Canton of Portoviejo	In progress (79% disbursed as of March 2025)
EC-L1283 (2023-In Execution)	BDE	Municipalities with poverty and malnutrition gaps	Young portfolio (0% disbursed as of March 2025)
EC-L1297 (2025-In Execution)	EP Stage (public company)	Canton of Cuenca	Young portfolio (0% disbursed as of March 2025)

GO8. Agricultural public goods and services (CS1)

- 6.25 **The CP had weak alignment to GO8 objectives due to its reduced outreach, and its contribution to them was low.** The GO8-aligned CP, whose operations were mostly approved in 2018 or earlier, had a strongly aligned INV legacy for rural development in Chimborazo (EC-L1121, US\$15 million), approved in 2013 and fully disbursed in 2018. INV achieved its objectives: an increase of 10 percentage points in irrigation coverage in the treated plots, transformation of the production model and increase in agricultural productivity (30% vs. control group). The technical cooperation projects suffered delays and product cancellations, but were able to support Agrocalidad's 2023-2027 strategic plan, an irrigation study, and support knowledge sharing for producer registration and a Ministry of Agriculture and Livestock census. In turn, the CP included other loans that included rural areas (secondary roads and electric power), but whose focus was not agricultural development, and they were aligned with other GOs. In energy, support was given to the expansion of the national distribution system to increase rural connections¹⁶⁴. In transportation, the Provia I program met the goals of improving the road network, improving rural connectivity (EC-L1125/2013).

¹⁶⁴

More than 20,000 households were connected to the grid through 540 projects, and shrimp producers on the coast through another 38 projects reducing their diesel use (EC-L1223/2017 and EC-L1231/2018).

VII. CONCLUSIONS AND RECOMMENDATIONS

- 7.1 **The evaluation period (2018-2025) was characterized by reduced economic growth, within a context of reduced state drive on the economy and restrictions on private participation.** Public investment was reduced from 6.5% of GDP in 2013 to 1.8% in 2023, and private participation was limited by rigidities in factor and goods markets that have led to resources in Ecuador being employed in less efficient activities. Private investment has been discouraged by the macroeconomic and fiscal situation, and by structural challenges, including those related to the labor, financial and energy markets that hinder productive development. In this context, growth was also constrained by the fall in oil prices and the consequent deterioration of public finances. This was compounded by the effects of the pandemic, historic droughts, an unstable political environment with successive changes of government, and a marked deterioration in security. As part of the fiscal consolidation process and because of the pandemic, Ecuador restructured its debt in 2020 and agreed to two programs with the IMF in 2020 and 2024.
- 7.2 **The IDB Group maintained its position as the main multilateral creditor and its active role in policy dialogue.** The IDB Group's close relationship with the government, sustained by its convening power and accumulated country knowledge, allowed the Bank to consistently support the design of government reforms and public policies throughout the evaluation period. These included energy reform to increase energy efficiency and allow the incorporation of the private sector into the electricity sector, reform to improve the transparency and independence of the Central Bank to strengthen dollarization, and prudential regulation to promote competition in the financial market, among others.
- 7.3 **However, there is still room for improvement in the use of planning and monitoring instruments.** While the IDB Group's CP was relevant, the strategies present areas of opportunity in terms of their role in guiding the Bank's work in the country. In the productive and social areas, the relevance of the objectives was limited by the scope of some of them, and a lack of clear sequencing of the reforms that would be supported. In the fiscal area, the objectives were relevant, although they would have benefited from a more explicit analysis of coordination with the IMF in CS2 (although the EFF was being finalized). In turn, within a context characterized by crisis, the mitigation actions of the CS were generic. On the other hand, given the country's changing context, the mechanisms for updating and monitoring strategies were not used effectively. The Bank did not, for example, modify CS2 through the CPDs to include citizen security objectives (ERs), even though the homicide rate had increased significantly. In addition, even if the country office team monitors operations, it has not updated the progress indicators included in the strategies, which does not make it possible to monitor progress towards the objectives.
- 7.4 **The IDB Group had an innovative, diversified, large and responsive country program.** First, the IDB Group's program was innovative and diversified, including loans and guarantees for policy reforms (with the two largest debt-for-nature conversions in the world), investment programs supported by loans and guarantees, and IDB Invest thematic bonds and reverse factoring to support the objective of access to finance. During the evaluation period, the IDB significantly increased its work with subnational direct borrowers and other public entities that do not depend on the National Budget (PGE), and implemented non-traditional execution schemes, using co-executing units or sub-executing units in 40% of the

INVs. Second, the program was large, doubling the estimated IDB funding framework. It also included twelve PBLs and relevant budget support, given the characteristics of the country (dollarized and with limited access to debt markets). In turn, IDB Invest more than tripled approvals during the period (compared to 2012-2017) and mobilized more than \$1.5 billion within the context of an elevated country risk. Third, the program was responsive, adapting to the needs of the country with operations focused on emerging needs such as the pandemic and security, without neglecting the objectives of the CSs and maintaining strong alignments to most of them.

- 7.5 **Delays in the execution of investment loans have contributed to the sustained increase in the IDB's undisbursed amounts.** During the period, budget support disbursements (PBL+SDL) increased more than five times, although total IDB disbursements increased by 50%. This reflects the 37% decline in investment loan (INV) disbursements from representing three-quarters of loan disbursements in 2012-2017 to less than one-third in 2018-2025. Nevertheless, the IDB maintained its significant participation in Ecuador's Annual Investment Plan (PAI), with INV disbursements averaging 10% of the PAI during the period. During the period under evaluation, INV's portfolio faced multiple implementation challenges, with significant extensions, reformulations and cancellations. These challenges were the result of both the country's complex context and the operational complexity of certain loans. First, the context of fiscal consolidation limited the space available for investment projects, while changes in government led to an unusually high turnover of personnel, which affected technical continuity. In turn, the high operational complexity, derived from the multisectoral loans with co-executing schemes, made implementation even more difficult. The IDB was proactive, intensifying the use of budget support loans, working directly with sub-nationals and others not included in the PGE, and undertaking capacity building initiatives. This led to a group of executing units standing out for achieving satisfactory results thanks to their previous experience with the IDB (energy, SRI), for being given priority during emergencies (health), and for having certain budgetary autonomy (public banks, ESPOL, GAD and its public enterprises), among others.
- 7.6 **The IDB Group's contributions were most significant in the productive area, in certain social objectives (health, water and housing), and in support for fiscal consolidation.** The greatest contributions were associated with the program's correspondence to objectives, support for long-term reforms, the IDB Group's reputation in Ecuador and its sector expertise, and experienced executing units. On the other hand, the lower contributions are associated with significant delays in the execution of the INVs. *In the productive area*, contributions to improve access to financing, access to export markets and, to a lesser extent, the investment climate and regulatory frameworks (GO1). It also stands out the expansion of infrastructure, mainly the Metro in Quito and the port of Posorja, and those related to the energy transition (GO2). *In the fiscal area*, contributions were low in terms of the revenue and expenditure performance of both CSs, but support for fiscal consolidation through dialogue for reforms, complementarity with IMF support, and budget support positively stands out. *In the social area*, there were contributions towards the objectives of health (particularly during the pandemic), migration and social protection from GO5, access to housing (GO6) and water services (GO7). However, the contribution was low for employment (GO4), education (GO5), digital connectivity (GO5), sanitation (GO7) and agricultural public goods and services (GO8). Finally, the sustainability of the results achieved

in the different areas will depend on the country's fiscal evolution, which will determine the space available to maintain the respective works and policies.

Recommendations. Based on the findings, OVE recommends:

1. **To articulate the objectives of the next CS around a development vision that fosters inclusive and sustainable growth in the country.** This implies: **(i)** Using the CS to agree with the country on a roadmap for medium-term reforms needed to promote inclusive and sustainable growth, strengthening the role of the private sector. In agreement with the government, this would require considering regulatory reforms and complementary investments, for example, boosting the labor market, deepening the financial sector, deregulating the energy sector, and strengthening fiscal sustainability; and **(ii)** translate, in agreement with the Government, this roadmap into achievable intermediate objectives within the term of the CS. These objectives should consider the government's agenda, fiscal and execution capacity constraints, and the IDB Group's comparative advantages-including the legacy portfolio.
2. **Anticipate in the CS, and update in the CPDs, the expected synergies between the IDB, IDB Invest and other key cooperating partners.** This implies: **(i)** Making explicit in the CS the roles of IDB and IDB Invest in supporting the objectives and identify the main synergies, subject to updates in the Country Program Documents (CPD), **(ii)** Making explicit in the CS the use of non-financial support to facilitate sectoral diagnoses, consensus building and implementation of medium-term reforms to promote private investment; and **(iii)** Use the CPDs to monitor the progress of the policy dialogue and adjust support programs, seeking to strengthen coordination with other cooperating partners and maintain the focus on promoting the country's inclusive and sustainable growth.
3. **Focus the portfolio on executing units that have shown good performance; selectively utilizing other executing units and execution mechanisms necessary to progressively support the CS objectives, strengthening their execution capabilities.** This implies: **(i)** selecting experienced executing units that have shown good performance, seeking to channel an increasing portion of the investment portfolio; **(ii)** selectively utilizing other executing units or execution mechanisms in critical areas where additional implementation capacity is required to support the objectives; and **(iii)** continuing using technical cooperation and other instruments for training, technical support and dissemination of good practices, using success stories as a reference and promoting knowledge sharing among executing units.
4. **Strengthen risk management during the execution of the CS, providing general guidelines for responding to their occurrence and emphasizing the monitoring of the fiscal context.** This implies: **(i)** Identifying and anticipating in the CS how to mitigate the main risks that may affect the program's contribution, including different scenarios of progress in fiscal consolidation, Ecuador's Annual Investment Plan (PAI) and implementation of reforms; **(ii)** Using available tools (such as CPDs or CS updates) to monitor risks and adapt targets in the face of significant changes in the country context; and **(iii)** Establish criteria, agreed with the country, to further rationalize the investment portfolio, especially in projects with significantly lower than expected performance; these criteria should include, among others, the presence of concrete action plans, defined progress metrics and explicit commitments with the government regarding the allocation of necessary budgetary resources.

REFERENCES

- BBC. (2019, Octubre 14). Crisis en Ecuador: el gobierno de Lenín Moreno deroga el decreto que eliminaba el subsidio a los combustibles y se anuncia el fin de las protestas. BBC News. Retrieved from <https://www.bbc.com/mundo/noticias-america-latina-50037781>
- BCE. (2025). *La economía ecuatoriana reportó una contracción anual de 2,0% en 2024*. Retrieved Mayo 2025, from <https://www.bce.fin.ec/la-economia-ecuatoriana-reporto-una-contraccion-anual-de-20-en-2024/>
- BCE. (2025b). *Estadísticas de Finanzas Públicas*. Retrieved Mayo 2025, from https://contenido.bce.fin.ec/documentos/informacioneconomica/SectorFiscal/ix_OperacionesSPNF.html#
- BVQ. (2025). *Bolsa de Valores de Quito. Bonos temáticos en Ecuador. Crecimiento desde 2019*. Retrieved from <https://statics.teams.cdn.office.net/evergreen-assets/safelinks/2/atp-safelinks.html>
- CEDLA. (2022). *Estadísticas. Educación*. Retrieved from <https://www.cedlas.econo.unlp.edu.ar/wp/en/estadisticas/sedlac/estadisticas/#1496165425791-920f2d43-f84a>
- CID. (2021). *Center for International Development (CID). Growth Lab: Atlas of Economic Complexity*. Retrieved from <https://atlas.cid.harvard.edu/>
- CMNUCC. (2024). *REDD+*. Retrieved from <https://unfccc.int/topics/land-use/workstreams/redd/what-is-redd>
- CNE. (2024). *RESOLUCIÓN DEL PLENO DEL CONSEJO NACIONAL ELECTORAL 1-8-5-2024*. Retrieved from <https://www.cne.gob.ec/wp-content/uploads/2024/05/RESOLUCION-PLE-CNE-1-8-5-2024-signed.pdf>
- CRED. (2025). *The International Disaster Database, Centre for Research on the Epidemiology of Disasters*. Retrieved from <https://www.emdat.be/>
- ECLAC. (2020). *Estudio Económico de América Latina y el Caribe*. Retrieved from <https://repositorio.cepal.org/server/api/core/bitstreams/ba9a5855-fbdf-4643-ae1b-d04b7475c18d/content#:~:text=El%20PIB%20del%20Ecuador%20creci%C3%B3,3,inversi%C3%B3n%20y%20el%2>
- ECLAC. (2020a). *MIPYME en América Latina: un frágil desempeño y nuevos desafíos para las políticas de fomento*.
- ECLAC. (2021). *Economic Survey of Latin America and the Caribbean*. Retrieved from <https://repositorio.cepal.org/server/api/core/bitstreams/d61d5a89-8a8b-43c3-a931-527675736264/content>
- ECLAC. (2025). *CEPALSTAT. Bases de datos y publicaciones estadísticas*. Recuperado el Mayo de 2025, de https://statistics.cepal.org/portal/cepalstat/dashboard.html?indicator_id=3127&area_id=411&lang=en
- Economist Impact. (2024). *Infrascopes 2023/24: Evaluating the environment for public-private partnerships in Latin America and the Caribbean*. New York.

- EIA. (2025). *Energy Information Administration, WTI Spot Prices*. Retrieved from <https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=pet&s=rwtc&f=a>
- FAO. (2019). *Silvopastoral Systems and their Contribution to Improved Resource Use and Sustainable Development Goals: Evidence from Latin America*. Retrieved from <https://openknowledge.fao.org/server/api/core/bitstreams/f78403a3-d9c2-4b81-b999-85031935875c/content>
- FAO. (2024). *The State of the World's Forests 2024: Forest-sector innovations towards a more sustainable future*. Retrieved from Agroforestry: <https://openknowledge.fao.org/server/api/core/bitstreams/6b65d58d-5f96-4525-bb5a-d85d249fbf4f/content>
- FAO/PNUD. (2019). *Silvopastoral Systems and their Contribution to Improved Resource Use and Sustainable Development Goals: Evidence from Latin America*. Retrieved from <https://openknowledge.fao.org/server/api/core/bitstreams/f78403a3-d9c2-4b81-b999-85031935875c/content>
- FDL. (2024). *Lessons From The Ecuador 2020 Debt Restructuring Case. Finance for Development Lab. Policy Note No. 15*. Retrieved from <https://findevlab.org/lessons-from-the-ecuador-2020-debt-restructuring-case/>
- Gobierno de Ecuador. (2024, Enero 9). *Decreto Ejecutivo No.111*. Retrieved from https://www.comunicacion.gob.ec/wp-content/uploads/2024/01/Decreto_Ejecutivo_No._111_20240009145200_20240009145207.pdf
- Gobierno de Ecuador. (2024b). *Proyectos APP Históricos: Acceso a Información, Seguimiento de Actividad y Evaluaciones de Impacto*. Retrieved Julio 18, 2025, from <https://www.appecuador.gob.ec/proyectos-app-historicos-acceso-a-informacion-seguimiento-de-actividad-y-evaluaciones-de-impacto/>
- Gobierno de Ecuador. (2025). *Registro Nacional de Proyectos APP*. Retrieved Julio 18, 2025, from <https://www.appecuador.gob.ec/pipeline/>
- Gobierno de Ecuador. (2025b). *Ecuador inicia la construcción de la Agenda de Crecimiento al 2040*. Retrieved from <https://www.finanzas.gob.ec/ecuador-inicia-la-construccion-de-la-agenda-de-crecimiento-al-2040/>
- IDB. (2022a). *Evaluación corporativa: evaluación de los instrumentos de garantía en el Grupo BID*. Washington DC: Banco Interamericano de Desarrollo, Oficina de Evaluación y Supervisión.
- IDB. (2022b). *Informe anual del Índice de Desarrollo de la Banda Ancha: brecha digital en América Latina y el Caribe*. Washington DC: BID. Retrieved from <https://publications.iadb.org/es/publications/spanish/viewer/Informe-anual-del-Indice-de-Desarrollo-de-la-Banda-Ancha-brecha-digital-en-America-Latina-y-el-Caribe-IDBA-2021.pdf>
- IDB. (2023b). *Ecuador mejorará su oferta de viviendas para población en situación de pobreza y vulnerabilidad*. Retrieved from <https://www.iadb.org/es/noticias/ecuador-mejorara-su-oferta-de-viviendas-para-poblacion-en-situacion-de-pobreza-y>
- IDB. (2025). *Data Marketplace [bases de datos]*.
- IDB Invest. (2024). Background paper for the Ecuador Country Diagnostics for Impact.

- IDB Invest. (2024a). *Core and Additional Mobilization Dashboard*. Retrieved from <https://app.powerbi.com/groups/me/reports/00888237-0bbe-409c-acfe-bdbe8748e53d/ReportSectionbd789c4e3d485499ced2?ctid=9dfb1a05-5f1d-449a-8960-62abcb479e7d&openReportSource=ReportInvitation&experience=power-bi>
- IDB Invest. (2025). *Databricks [bases de datos]*.
- IFC. (2023). *Draft IFC Responsible Exit Principles*. Retrieved from <https://www.ifc.org/content/dam/ifc/doc/2023/ifc-draft-responsible-exit-principles-en.pdf>
- IFC. (2024). *Update on IFC's Approach to Responsible Exit*. Retrieved from <https://www.ifc.org/en/statements/2024/update-ifc-approach-responsible-exit>
- ILO. (2022). *Análisis de la afectación de la pandemia de la COVID-19 en el riesgo de informalidad laboral y pobreza en el Ecuador*. Retrieved from https://www.iess.gob.ec/documents/10162/27352709/18_Analisis_de_la_afectacion_de_la_pandemia_de_la_COVID19.pdf
- ILO. (2025). *ILOSTAT*. Retrieved Mayo 2025, from <https://ilostat.ilo.org/data/>
- ILO. (2025a). *Statistics on unemployment and labour underutilization*. Retrieved Mayo 2025, from <https://ilostat.ilo.org/topics/unemployment-and-labour-underutilization/>
- ILO. (2025b). *Statistics on wages*. Retrieved Mayo 2025, from <https://ilostat.ilo.org/topics/wages/>
- IMF. (2019, Marzo 20). *Ecuador: Staff Report for the 2019 Article IV Consultation and Request for an Extended Arrangement Under the Extended Fund Facility-Press Release; Staff Report; and Statement by the Executive Director for Ecuador*. Retrieved from <https://www.imf.org/en/Publications/CR/Issues/2019/03/20/Ecuador-Staff-Report-for-the-2019-Article-IV-Consultation-and-Request-for-an-Extended-46682>
- IMF. (2020, Octubre 5). *Ecuador: Request for an Extended Arrangement Under the Extended Fund Facility-Press Release; Staff Report; Staff Supplement; and Statement by the Executive Director for Ecuador*. Retrieved from <https://www.imf.org/en/Publications/CR/Issues/2020/10/02/Ecuador-Request-for-an-Extended-Arrangement-Under-the-Extended-Fund-Facility-Press-Release-49803>
- IMF. (2021). *Natural Disasters, Climate-Related Physical And Transition Risks in Ecuador*. Retrieved from <https://www.elibrary.imf.org/downloadpdf/journals/002/2021/229/article-A005-en.xml>
- IMF. (2023). *Ex-Post Evaluation of Exceptional Access Under the 2020 Extended Fund Facility*. Retrieved from <https://www.imf.org/en/Publications/CR/Issues/2023/12/04/Ecuador-Ex-Post-Evaluation-of-Exceptional-Access-under-the-2020-Extended-Fund-Facility-541992>
- IMF. (2024). *Ecuador: Request for an Extended Arrangement Under the Extended Fund Facility-Press Release; Staff Report; and Statement by the Executive Director for Ecuador*. Country Report No. 2024/146.

- IMF. (2024). *Ecuador: Solicitud de un nuevo Acuerdo de Servicio Ampliado del Fondo (EFF). Informe del FMI, mayo 2024*. Retrieved from <https://www.imf.org/en/Publications/CR/Issues/2024/05/31/Ecuador-Request-for-an-Extended-Arrangement-Under-the-Extended-Fund-Facility-Press-Release-549701#:~:text=The%20authorities%20implemented%20swift%20and,an%20ambitious%20structural%20reform%20agenda>
- IMF. (2024a). *ARTICLE IV CONSULTATION AND FIRST REVIEW UNDER THE EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY AND FINANCING ASSURANCES REVIEW—PRESS RELEASE; STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR ECUADOR*. Retrieved from <https://www.imf.org/en/Publications/CR/Issues/2024/12/19/Ecuador-2024-Article-IV-Consultation-and-First-Review-Under-the-Extended-Arrangement-Under-559780>
- IMF. (2024b). *Climate Change Indicators Dashboard*. Retrieved from https://climatedata.imf.org/datasets/0bfab7fb7e0e4050b82bba40cd7a1bd5_0/explore
- IMF. (2024c, Diciembre 19). *Ecuador: Selected Issues*. Retrieved from IMF Staff Country Reports: <https://www.imf.org/en/Publications/CR/Issues/2024/12/19/Ecuador-Selected-Issues-559785>
- IMF. (2025). *World Economic Outlook*. Retrieved Mayo 2025, from <https://www.imf.org/en/Publications/WEO/weo-database/2025/april/download-entire-database>
- IMF. (2025a, Julio 21). *Ecuador: Second Review under the Extended Arrangement under the Extended Fund Facility, Request for Augmentation and Rephasing of Availability Date for the Third Review, and Financing Assurances Review-Press Release; Staff Report; and Statement by the Exec.* Retrieved from https://www.imf.org/en/Publications/CR/Issues/2025/07/21/Ecuador-Second-Review-under-the-Extended-Arrangement-under-the-Extended-Fund-Facility-568812?utm_source=chatgpt.com
- INEC. (2023). *Principales Resultados Encuesta sobre Desnutrición Infantil - ENDI*. Retrieved from https://www.ecuadorencifras.gob.ec/documentos/web-inec/ENDI/Presentacion_de_Resultados_ENDI_R1.pdf
- INEC. (2024). *Resultados Nacionales Definitivos Censo 2022*. INEC. Retrieved from https://www.censoecuador.gob.ec/wp-content/uploads/2024/05/Presentacion_Nacional_2da_entrega.pdf
- INEC. (2024b). *Un Método Alternativo para Medir el déficit habitacional, Censo 2022*. Retrieved from https://www.censoecuador.gob.ec/wp-content/uploads/2024/12/Propuesta_Deficit_Habitacional_final.pdf
- INEC. (2025). *Indicadores de pobreza y desigualdad*. Retrieved Mayo 2025, from <https://www.ecuadorencifras.gob.ec/pobreza-por-ingresos/>
- INEVAL. (2018). *Educación en Ecuador. Resultados de PISA para el Desarrollo*. Quito, Ecuador.
- InSight Crime. (2018). *2018 Homicide rates in Latin America and the Caribbean*. Retrieved from <https://insightcrime.org/news/insight-crime-2018-homicide-roundup/>

- InSight Crime. (2023). *Balance de InSight Crime de los homicidios en 2023*. Retrieved from <https://insightcrime.org/es/noticias/balance-insight-crime-homicidios-2023/>
- InSight Crime. (2025, Febrero). Retrieved Mayo 2025, from <https://insightcrime.org/es/noticias/balance-insight-crime-homicidios-2024/>
- ITC. (2025). *Trademap. Trade statistics for international business development*.
- Karlinsky, A., & Kobak, D. (2021). *Tracking excess mortality across countries during the COVID-19 pandemic with the World Mortality Dataset*. Retrieved from <https://elifesciences.org/articles/69336>
- La República. (2025, Junio 2). Noboa elimina subsidio al diésel para el sector atunero, sin incluir la pesca artesanal. *La República*. Retrieved from <https://www.larepublica.ec/blog/2025/06/02/carolina-jaramillo-hace-los-primeros-anuncios-del-gobierno-en-materia-economica/>
- LAPOP. (2023). *Barómetro de las Américas*. Retrieved from <https://www.participacionciudadana.org/web/wp-content/uploads/2024/02/A1-Ecuador-registra-los-niveles-mas-altos-de-crimen.pdf>
- Lederman, D., Messina, J., Pienknagura, S., & Rigolini, J. (2019). *Latin American entrepreneurs: Many firms but little innovation*.
- Mathieu, E., Ritchie, H., Rodés-Guirao, L., Appel, C., Gavrilov, D., Giattino, C., . . . Roser, M. (2024). *Excess mortality during the Coronavirus pandemic (COVID-19)*. Retrieved from Our World in Data: <https://ourworldindata.org/excess-mortality-covid>
- McKenzie, D., & Paffhausen, A. (2019). Small Firm Death in Developing Countries. *Review of Economics and Statistics*, 101(4), 645-657.
- MEF. (2024). *Ministerio de Economía y Finanzas*. Retrieved from Programación Presupuestaria Cuatrianual, Estrategia y Sostenibilidad Fiscal: 2024-2027: https://www.finanzas.gob.ec/wp-content/uploads/downloads/2024/02/Anexo-2.-Programacion-Cuatrianual_-Estrategia-y-Sostenib
- MEF. (2024a). *Estadísticas Fiscales. Base de datos*. Retrieved from <https://www.finanzas.gob.ec/estadisticas-fiscales/>
- MPCEIP. (2024). *Ministerio de Producción, Comercio Exterior, Inversiones y Pesca*. Retrieved from Boletín de cifras de comercio exterior – Febrero 2024: https://www.produccion.gob.ec/wp-content/uploads/2024/02/VFBoletinComercioExterior_Febrero24.pdf
- MPCEIP. (2025, Mayo). *Ministerio de Producción, Comercio Exterior, Inversiones y Pesca, Boletín de cifras de inversiones: I-IV trimestre 2024*. Retrieved from https://www.produccion.gob.ec/wp-content/uploads/2025/05/BOLETIN-DE-CIFRAS-DE-INVERSIONES-I-IV-TRIMESTRE-2024_FINAL.pdf
- OMS. (2024). *Malnutrition*. Retrieved from <https://www.who.int/news-room/fact-sheets/detail/malnutrition/>
- Pedro Carneiro, Y. C.-A. (2022). When promising interventions fail: Personalized coaching for teachers in a middle-income country. *Journal of Public Economics Plus*, 3. Retrieved from <https://www.sciencedirect.com/science/article/pii/S2666551422000018>

- Primicias. (2024, Diciembre 31). 2024: El año en que se fue y regresó la luz. *Primicias*. Retrieved from <https://www.primicias.ec/economia/crisis-electricidad-cortes-luz-resumen2024-86508/>
- Radhakrishnan, H., Patel, S., Kelly, L., & Steele, P. (2025, Febrero). Aligning debt relief for climate and nature with the Principles of Effective Development Cooperation. *International Institute for Environment and Development*, 1-27. Retrieved from <https://www.iied.org/sites/default/files/pdfs/2025-02/22608iied.pdf>
- Reinhardt, K., & Fanzo, J. (2014). Addressing Chronic Malnutrition through Multi-Sectoral, Sustainable Approaches: A Review of the Causes and Consequences. *Frontiers in Nutrition*. Retrieved from Addressing Chronic Malnutrition through Multi-Sectoral, Sustainable Approaches: A Review of the Causes and Consequences: <https://www.frontiersin.org/journals/nutrition/articles/10.3389/fnut.2014.00013>
- SAT. (2024). *Análisis y estudios tributarios*. Retrieved from <https://portal.sat.gob.gt/portal/analisis-estudios-tributarios/#1506976607233-cfdb5baf-4926>
- SAT. (2024). *Indicadores tributarios*. Retrieved from <https://portal.sat.gob.gt/portal/estadisticas-indicadores-tributarios/#1506924429678-f901207c-76fb>
- UDLA. (2025). *Diplomado en Gestión y Desarrollo de Proyectos en Multilaterales - BID/FACEA*. Retrieved from <https://www.udla.edu.ec/estudios/educacion-continua/diplomado-en-gestion-y-desarrollo-de-proyectos-en-multilaterales/>
- UN. (2023). *Consequences of chronic malnutrition*. Retrieved from <https://www.unitlife.org/chronic-malnutrition-in-details>
- UN. (2025). *UN Water*. Retrieved from <https://www.sdg6data.org/es>
- University of Notre Dame. (2024). *ND-GAIN: Notre Dame Global Adaptation Initiative*. Retrieved from <https://gain.nd.edu/>
- WB. (2017). *Ecuador Enterprise Surveys*. Retrieved from <https://espanol.enterprisesurveys.org/es/data/exploreeconomies/2017/ecuador>
- WB. (2018). *Ecuador - Systematic Country Diagnostic*. Retrieved Mayo 2025, from <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/835601530818848154/ecuador-systematic-country-diagnostic>
- WB. (2021). *La vía rápida hacia nuevas competencias*. Washington DC: Banco Internacional de Reconstrucción y Fomento/Banco Mundial.
- WB. (2022). *Ecuador aumentará financiamiento a las mipymes con crédito de US\$300 millones del BID*. Retrieved Septiembre 2024, from <https://www.iadb.org/es/noticias/ecuador-aumentara-financiamiento-las-mipymes-con-credito-de-us300-millones-del-bid>
- WB. (2024). *The World Bank Group in Ecuador: Country Program Evaluation. Fiscal Years 2008-2022*. Washington DC: Independent Evaluation Group.
- WB. (2024b). *Ecuador: Crecimiento resiliente para un futuro mejor*. Retrieved from <https://documents1.worldbank.org/curated/en/099050924131536292/pdf/P17797312cbabc01b189011ce0839cba821.pdf>

- WB. (2025). *Clasificación de países del Banco Mundial por nivel de ingreso correspondiente a 2025-26*. Retrieved Mayo 2025, from <https://blogs.worldbank.org/es/opendata/understanding-country-income--world-bank-group-income-classifica>
- WB. (2025b). *World Development Indicators*. Retrieved Mayo 2025, from <https://databank.worldbank.org/source/world-development-indicators>
- WB. (2025c). *The Container Port Performance Index 2023*. Retrieved from <https://openknowledge.worldbank.org/server/api/core/bitstreams/695e8bdc-eb9a-439a-a8d5-228593831ce8/content>
- WB. (2025c). *World Bank Enterprise Survey 2024*.
- WB. (2025d). Retrieved from *The Container Port Performance Index 2020 to 2024: Trends and Lessons Learned*: <https://openknowledge.worldbank.org/entities/publication/fa57ba78-0402-4eb4-b168-51708cf526f7>
- WB, OIT, UNESCO. (2023). *Building Better Formal TVET Systems Principles and Practice in Low and Middle Income Countries*. Washington DC: World Bank.
- WIPO. (2023). *Global Innovation Index 2023, Innovation in the face of uncertainty*. <https://www.wipo.int/en/web/global-innovation-index/2023/index>.
- WTO. (2023). *World Trade Organization (WTO)*. Retrieved from *World Tariff Profiles 2023*: https://www.wto.org/english/res_e/booksp_e/world_tariff_profiles23_e.pdf
- Zanoni, W., & Pedemonte, M. (2025). *State Monopolies, Redistribution, and Productivity: Rethinking Ecuador's Growth Constraints*. BID.

Office of Evaluation and Oversight — OVE

OVE delivers independent, high-quality, and relevant evaluation products and services that enhance project success and strengthen institutional capacities, contributing to increased development effectiveness within the IDB Group and across Latin American and the Caribbean countries.



iadb.org/evaluation



linkedin.com/showcase/idb-ove



[@BID_evaluacion](https://twitter.com/BID_evaluacion)