



Improved self-reliance and integration of refugees in Ecuador

Concept Note for: *Refugee and Host Community Graduation Approach Project in Ecuador*

By: The Poverty Alleviation Coalition Ecuador

December 2019

Contents

PROJECT SUMMARY	3
Acronyms	4

BACKGROUND	5
Problem analysis	5

PROJECT OPERATING MODEL	6
Project Goal	6
PROJECT APPROACH	6
Project objectives	8

PROJECT IMPACT AND SUSTAINABILITY	9
Intended IMPACT	9

PROJECT MANAGEMENT AND GOVERNANCE	11
Coalition Organisational capacity	11
ADAPTIVE AND COORDINATED MANAGEMENT	11

MONITORING AND EVALUATION	12
---------------------------	----

PROJECT BUDGET	13
Funding Request	13
Project Budget	13

Project Summary

Ecuador is a middle-income country ranking 98 on UNDP's Human Development Scale. 24.5% of Ecuadorians are living in extreme poverty (INEC, National Institute for Statistics). At the same time, Ecuador hosts the largest number of recognized refugees in the Latin American and Caribbean region since 2010. Refugees and others of concern (asylum-seekers and persons in a refugee like situation) face significant barriers to inclusion and sustainable livelihoods in the country. In recent years, the country's economic situation has worsened, partly as a result of a drop in oil prices (Ecuador's main export commodity). This has meant less state resources are available for social protection programmes, and less employment opportunities in a contracting labour market. For persons of concern, challenges are further compounded by discrimination and exploitation in the labor market.

This project's overall goal is to increase the self-reliance and integration of refugees and host communities in Ecuador through the Graduation Model. The model has been adapted to the Ecuadorian context, through a combination of elements of the Graduation Model with those of the Family Assistance Service (*Servicio de Acompañamiento Familiar*) of the Ministry of Economic and Social Inclusion (MIES). Four thousand and five hundred families will be included in the programme, which will have the added benefit of strengthening the national protection system for vulnerable families of people of concern and Ecuadorians, who will have access to rights and services under similar conditions.

FUNDING REQUEST

Total: \$ 12.609.961,75	Target no. of Households: 6,000	Duration: 4 years
--------------------------------	--	--------------------------

IMPLEMENTING PARTNER

- HIAS in collaboration with Ministry of Economic and Social Inclusion (MIES) and UNHCR

EXPECTED OUTCOMES

Six thousand (6,000) families will be included in the program (1,500 per year in four years) with an 84% graduation rate expected. Eighty percent of participants will be female headed households. Specifically, the following outcomes will be achieved:

- Over 3.000 new business will be designed and implemented. The objective of the programme is that 70% of the developed enterprises remain active after their first year of operation.
- Over 2.700 persons will receive professional training.
- 81% of the families will overcome the extreme poverty line
- 90% of the families will achieve their food security through the acquisition of nutritional eating habits
- At least the 50% of the families will improve their financial inclusion.

ACRONYMS

BPRM	US Department of State Bureau of Population, Refugees, and Migration
CGAP	Consultative Group to Assist the Poor
CoP	Community of Practice
FSP	Financial Service Provider
GoE	Government of Ecuador
GA	Graduation Approach
HIAS	Hebrew Immigrant Aid Society
KYC	Know Your Client
LPMD	Less Poverty, More Development (government program)
LII	Local Integration Index
MIES	Ministry for Economic and Social Inclusion
M&E	Monitoring and Evaluation
NGO	Non-governmental organization
NRC	Norwegian Refugee Council
PEI	Partnership for Economic Inclusion
PAF	Plan de Acompañamiento Familiar (Accompanying Family Support)
PoC	Person of Concern
SGBV	Sexual and gender-based violence
UNHCR	The UN Refugee Agency
WFP	World Food Programme

Background

PROBLEM ANALYSIS

Ecuador is a middle-income country ranking 98 on the UNDP Human Development Scale. Ecuador experienced rapid growth due to high oil prices until 2014, extraction of oil being a major export and cornerstone of Ecuador's economy. Due to the subsequent drop in oil prices, Ecuador's growth rate has dropped to 2.4 per cent per annum since 2017(OECD). Currently more than 24 per cent of Ecuadorians live in extreme poverty (INEC, National Institute for Statistics).

Ecuador is the country with the largest number of recognized refugees in South America (68,708 as of 31 October 2019, 97.4 per cent of them Colombians). Until the Venezuelan crisis, Colombians were the largest group of asylum-seekers in Ecuador. Colombians are still arriving, and their numbers have in fact increased since last year as a result of worsening security conditions, in particular in areas where the departure of the FARC in the wake of the 2016 peace-agreement has left a power vacuum and where new armed groups are fighting over influence and territory, including in the border areas with Ecuador. As a result of the crisis in Venezuela, since 2017 more than 2.2 million Venezuelans have entered the country. The majority traveled onwards to Peru and Chile, but between 400,000 and 500,000 are estimated to be staying in Ecuador. Since last year Venezuelans have become (for the first time) the largest number of asylum-seekers in Ecuador (14,155 asylum applications by Venezuelans versus 4,628 applications by Colombians until 31 October 2019).

Throughout 2019 Ecuador has been gradually imposing increasingly stringent entry restrictions for Venezuelans, cumulating in the visa requirement as of 26 August. As a result, arrival numbers dropped dramatically, from an average to 2,500 daily to some 30. At the same time the Ecuadorian government has taken steps towards the registration and regularization of Venezuelans. More than 150,000 Venezuelans have completed their online registration.

Ecuador's national legislation for the protection of refugees and asylum-seekers incorporates the provisions of the 1951 Refugee Convention and its 1967 Protocol. The 2008 Constitution establishes the same rights and obligations for every person in Ecuador, regardless of their nationality or migration status. Recognized refugees and asylum-seekers (those formally admitted to the asylum procedure) can work and have access to healthcare, education, and other government services. However, the arrival of a large number of Venezuelans (the net migration of Venezuelans is equivalent to two per cent of the Ecuadorian population) has put serious pressure on government services and generated competition for jobs with segments of the local population, which has in turn increased discrimination and xenophobia, adding to the plight of an already vulnerable population. According to the results of UNHCR protection monitoring, 27 per cent of Venezuelans have specific needs (serious or critical medical conditions, women at risks, disabilities, children at risk). Thirty-six per cent have conducted at least part of their journey from Venezuela on foot, and one out of four households have suffered incidents along the way (theft, intimidation or harassment, scams, physical assault or abuse and threats). Of those remaining in the country, only 23 per cent have been able to access a temporary or permanent residence permit.

Despite a favorable legal environment, persons of concern (recognized refugees, asylum-seekers and those in a refugee-like situation) still face significant barriers to developing sustainable livelihoods and integration. The situation is worse for the growing numbers of Venezuelans without legal status. The economic downturn of recent years has led to an increase in unemployment and underemployment. For persons of concern the resulting challenges are compounded by discrimination and exploitation in the labor market. This has led many to set up their own businesses, which are mostly informal due to costly and burdensome bureaucratic procedures, even for those with a regular migratory status. At the same time business growth is limited in the current economic climate, not to mention the barriers to financial inclusion faced by persons of concern which make it more difficult for them to accumulate savings and borrow the capital required for business growth.

Project Operating Model

PROJECT GOAL

The overall goal is to increase the self-reliance and integration of refugees and host communities in Ecuador through the Graduation Model.

PROJECT APPROACH

The Graduation Model is an 18-month comprehensive programme which aims to “graduate” participants out of extreme poverty and (in many cases) away from dependence on humanitarian assistance. The model combines livelihoods protection (consumption support and savings) with livelihoods promotion (assets and skills) to achieve self-reliance, resilience and integration. The model moreover emphasizes the need for families to build local support networks within their communities, as a proven means towards integration and to overcome possible shocks.

With support from Trickle Up, in 2015 UNHCR and HIAS launched a pilot with 200 Colombian and Ecuadorian families. Seventy-two% of participants graduated. In May 2016 UNHCR Ecuador and HIAS rolled out the program nationally and by March 2019, 2978 families were participating in the Graduation Model, from which eighty-four % graduated so far.

In 2018, the Graduation Model in Ecuador entered a new phase. UNHCR and HIAS partnered with the Ministry of Economic and Social Inclusion (MIES), to combine elements of the Graduation Model with the Ecuadorian Family Coaching Programme (*Servicio de Acompañamiento Familiar*), to ensure participating persons of concern have equal access to governmental social protection services as vulnerable Ecuadorians, with the final objective of aligning assistance programmes to the national social protection system to foster integration. Under the agreement with MIES, UNHCR/HIAS provide financial assistance to persons of concern as well as seed capital for enterprise development to Ecuadorians, while persons of concern receive the same type of technical assistance from MIES (through MIES/governmental referral system to social services, support and care) as Ecuadorians. The initial pilot reached 225 vulnerable households (90 persons of concern and 135 Ecuadorians) in 2018 in two communities in northern Ecuador. In 2019, the project was extended to three more localities with 288 additional households (150 persons of concern and 138 Ecuadorians), covering four provinces of northern Ecuador. Based on lessons learnt the joint (UNHCR-HIAS-MIES) model will include the following phases and activities:

1. Preparatory phase:

1.1 **Market and socio-economic assessments** in order to match participants’ socio-economic and education profile with possible income generating activities.

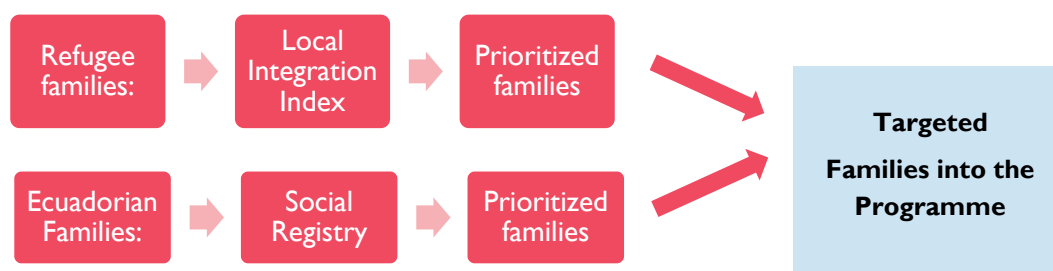
1.2 **Targeting** of households living in extreme poverty to be included in the program.

Ecuadorians will be selected from among those who are currently receiving the Human Development Cash Assistance (Bono de Desarrollo Humano) in accordance with the inclusion in the Social Registry.

Persons of concern are screened based on a [Local Integration Index](#) which measures their levels of vulnerability and economic and social inclusion. HIAS staff administer a questionnaire which includes questions on legal, economic and socio-cultural aspects of the family’s situation in the country, perceived level of integration, access to services, living conditions and income level. Those households that score 35 points or less (out of a maximum of 100) are eligible. Those with special needs may be referred to specific services before they are considered for the program.

Priority households are identified based on different protection profiles, including youth- and female-headed households, households with young children and pregnant teenagers, people with disabilities or chronic diseases and households with victims of SGBV or torture survivors. A coach from HIAS conducts a home visit to validate the household information and further assess the household’s needs, ability and interest in taking part in the program.

Figure 1. targeting phase



2. Implementation Phase:

The implementation phase includes the following components:

Coaching: Involves regular home visits by a coach who provides mentoring and psychosocial support to help participants progress through the program. The coaching is conducted by the MIES Family Assistance Service with the collaboration of a HIAS coach as part of the MIES' social promoters' team. Coaches assess participant households' needs holistically, including protection needs, livelihoods development and other basic needs. They can refer families to government services according to identified needs. The coaching process lasts 18 months and is tailored per family.

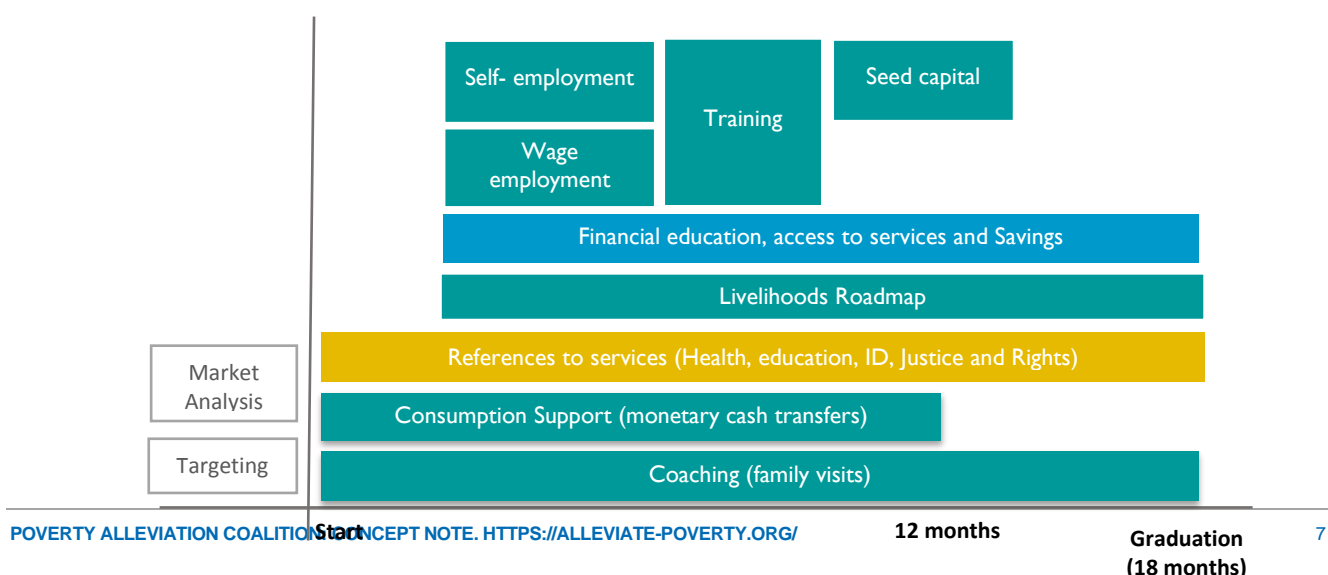
Consumption support: Provided through cash transfers. The Ecuadorian Government provides cash support through the Human Development Cash Assistance Programme for Ecuadorians, while UNHCR provides cash transfers to persons of concern for 12 months. Amounts vary per household size, with Ecuadorians and persons of concern receiving the same amount.

Financial inclusion: Includes financial education, the promotion of savings and access to bank accounts and credits, implemented by HIAS in partnership with local financial service providers for Ecuadorians and persons of concern. This component is aligned with the strategy of MIES to promote access to financial services for vulnerable households. Persons of concern have access to MIES complimentary productive loans scheme.

Community Inclusion and network development: MIES methodology includes family group training on co-responsibility in education and health, SGBV, community participation and the promotion of coexistence and peace. Community-based activities reinforce social cohesion, networking and resilience among person of concern and Ecuadorians to face community challenges together.

Livelihood Promotion: HIAS Livelihood coaches support families to develop a livelihoods plan based on personal interests, experience and linked with market assessments. This component includes vocational training, the provision of seed capital and networking with the private sector. These services are mirrored with those provided by MIES through its Economic Inclusion Centers. HIAS Livelihood coaches are part of the MIES local economic inclusion teams which connect families with a wider range of livelihoods services such as job fairs, specialized training provided by the Ministry of Agriculture and Livestock and producer associations.

FIGURE 2. ECUADORIAN GRADUATION MODEL SCHEME MIES-UNHCR-HIAS



PROJECT OBJECTIVES

Outcome 1: Basic needs are met (e.g. food security, shelter and education) initially through cash transfers.

Outcome 2: Enhanced self-reliance and economic resilience through employment, business opportunities and financial inclusion.

Outcome 3: Increased access to rights through awareness, advocacy and a reinforced social protection system.

Outcome 4: Strengthened social integration and participation, through joint interventions with host communities.

The **theory of change** to achieve the proposed objectives is the following:

If persons of concern and vulnerable Ecuadorian families have their basic needs met, participate in (vocational) trainings, are part of local networks and have improved access to social protection services, they can look for employment or develop their own business.

If they have access to sustainable income generating activities (employment or self-employment) and savings they will be more resilient in the face of shocks and stressors.

This improved resilience will lead to strengthened self-reliance and economic and social inclusion, enabling them to locally integrate and contribute to the local economy.

Project Impact and Sustainability

INTENDED IMPACT

Six thousand (6,000) families will be included in the program (1,500 per year in four years) with an 84 percent graduation rate expected. Eighty percent of participants will be female headed households. Successful participating families will have achieved the outcomes described in table 1.

Table 1: Logical Framework

Outcome and Outputs	Activities	Indicative Indicators
Outcome 1: Basic needs met through cash transfers.	1.1 Consumption support delivered through cash interventions.	<ul style="list-style-type: none"> > # of participants that reach the minimum consumption of nutritious food groups. > # of children attending school
Outcome 2: Enhanced self-reliance and economic resilience through employment, business opportunities and financial inclusion.	2.1 Labour profile assessment and matching with market needs. 2.2 Skills training to improve opportunities in the labour market (entrepreneurship or wage employment). 2.3 Entrepreneurship support: Business model training, design and delivery of seed capital. 2.4 Referrals and advocacy with the private sector for wage employment opportunities or access to markets. 2.5 Financial literacy training and promote access to financial services.	<ul style="list-style-type: none"> > # of participants receiving individual employment consultation (job referrals and information on income generating possibilities through entrepreneurship). > % of participants that develop an income generating activity who report a higher household income level at the end of the programme. > % of participants that improve savings after the financial literacy training.
Outcome 3: Increased access to rights through awareness, advocacy and a reinforced social protection system.	3.1 Implement community assessments. 3.2 Conduct awareness creation on rights and access to services of the social protection system. 3.3 Develop capacity building platforms with the social protection system actors.	<ul style="list-style-type: none"> > # of referrals and advocacy activities coordinated with the social protection system. > # of participants that improve access to protection services.
Outcome 4: Strengthened social integration and participation, through joint interventions with host communities.	4.1 Implement community workshops to promote integration. 4.2 Support the creation of psychosocial and productive networks that include host communities and refugees.	<ul style="list-style-type: none"> > # of community workshops implemented. > # of refugee-host joint initiatives established and functional

Table 2: Impact Criteria

INDICATOR DESCRIPTION	INDICATOR	DETAILS
# of business designed and implemented	3150	Over 3.000 new business will be designed and implemented. The objective of the programme is that 70% of the developed enterprises remain active after their first year of operation.
# of professional training scholarships delivered	2700	Over 2.700 persons will receive professional training.
% of families expected to overcome extreme poverty	81%	81% of the families will overcome the extreme poverty line
% of families expected to reach a minimum consumption of nutritious food groups	90%	90% of the families will achieve their food security through the acquisition of nutritional eating habits
% of families expected to access to financial services programmes	50%	At least the 50% of the families will improve their financial inclusion.

Also, as a result of the combination of empowerment, access to information and protection mechanisms, and increased income, a reduction of gender violence rates is expected amongst participant families.

Project Management and Governance

COALITION ORGANISATIONAL CAPACITY

UNHCR Ecuador has a Representation in Quito. In addition, the Field Office in Quito covers the central provinces of Pichincha, Santo Domingo, Cotopaxi, Tungurahua and Chimborazo. Three Field Offices (in Esmeraldas, Tulcan/Ibarra and Lago Agrio) cover the length of the border with Colombia. The Guayaquil Field Office covers the provinces of Manabí, Santa Elena, Guayas, Azuay, El Oro and Loja. Field units have been established in Huaquillas (El Oro) and Cuenca (Azuay) and are planned in Machala and Manta. UNHCR will mainly play a facilitation, coordination role.

MIES is the Ministry in charge of public policy and regulations on social and economic inclusion. Its programmes cover a person's life cycle and focus on infants, children, youth, elderly, persons with disabilities and households living in poverty and extreme poverty. As part of its social protection system, MIES is in charge of the conditional cash transfer programme (Bono de Desarrollo Humano), the Family Coaching Service and the Economic Inclusion Centres that prioritize households in poverty and extreme poverty. MIES will implement some components of the program including coaching, consumption support for Ecuadorians, network development, etc.

The project is anchored in MIES' organisational structure and benefits from multilevel administration (at the national, regional and local level) and technical support by skilled staff in economic and social inclusion. Under the leadership of the Vice ministry of Economic Inclusion, the Undersecretary of Family and the Undersecretary of Economic Inclusion provide guidance to their teams and oversee the operation of joint efforts.

The International NGO HIAS has its main office in Quito, and 15 Field Offices covering the provinces of Azuay, Esmeraldas, Guayas, Imbabura, Sucumbíos, Santo Domingo, Carchi, Manabi, El Oro, Tungurahua and Pichincha. HIAS will be the direct implementer of the project. HIAS has a National Livelihoods Coordinator and a Graduation Model Coordinator, who supervise coaching and livelihoods teams in all locations where the joint project is implemented.

ADAPTIVE AND COORDINATED MANAGEMENT

An "inter-institutional committee" meets every three months to facilitate coordination at a national level. The committee assesses overall program progress and discusses improvement plans and strategies when needed. According to needs, specific technical areas groups can be conformed.

At the local level "case review committees" evaluate the progress of participants, and identify strategies of support to those who are underperforming, including possible referral by MIES to other services or institutions that can support participants with their specific need.

Monitoring and Evaluation

At the national level, UNHCR, MIES and HIAS periodically assess progress. HIAS has a robust internal platform to capture data from participants. Initial data is captured by HIAS staff during the targeting process (used to calculate the LII), and additional participant-level data is captured by coaches during every visit (two per month) using tablets. The result is a database with over 60 data fields, including information on participants' LII, demographic profile (household size, age, sex, etc.), and program monitoring data. Monitoring data tracks progress through the Graduation criteria indicators.

Family coaching and support: An important component of the programme are family visits and coaching, which allows to track the progress of each family, towards an initial family plan that is developed throughout the intervention. The family plan includes support that the family needs, depending on the situation of each family member (for example, medical attention required for pregnant women), as well as the responsibilities that the family need to comply with (such as ensuring that children go to school).

During family visits, coaches can gather information on the difficulties and barriers family members are facing, and propose several actions of support, either by direct response from MIES/HIAS/UNHCR or through referrals to other institutions and partners.

Project Budget

FUNDING REQUEST

For the implementation of this program **1,500 households will be targeted per year**, which means that **in four years 6,000 households** will have participated in this program.

The total budget needed for achieving this goal is **\$ 12.609.961,75**.

PROJECT BUDGET

The budget is formulated considering current market prices and based on the experience of the Graduation Model in Ecuador. Amounts are estimates and can change according to the donor's proposal and context changes.

Table 3: project budget over 4 years

Program Costs	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
	\$ 1.741.500,00	\$ 1.741.500,00	\$ 1.741.500,00	\$ 1.741.500,00	\$ 6.966.000,00
Consumption support through cash transfers to improve food security and nutrition (Outcome 1)	\$ 280.500,00	\$ 280.500,00	\$ 280.500,00	\$ 280.500,00	\$ 1.122.000,00
Facilitate access to employment, business opportunities and financial inclusion, including but not limited to skills training, entrepreneurship support, job fairs, etc. (Outcome 2)	\$ 900.000,00	\$ 900.000,00	\$ 900.000,00	\$ 900.000,00	\$ 3.600.000,00
Community assessments, awareness/advocacy forums, capacity building activities to increase awareness and access to rights and social protection (Outcome 3)	\$ 280.500,00	\$ 280.500,00	\$ 280.500,00	\$ 280.500,00	\$ 1.122.000,00
Joint refugee – host community workshops, networks and initiatives to strengthen social integration and participation (Outcome 4)	\$ 280.500,00	\$ 280.500,00	\$ 280.500,00	\$ 280.500,00	\$ 1.122.000,00
Staffing Cost	\$ 1.028.049,94	\$ 1.028.049,94	\$ 1.028.049,94	\$ 1.028.049,94	\$ 4.112.199,76
Direct Staff	\$ 976.209,94	\$ 976.209,94	\$ 976.209,94	\$ 976.209,94	\$ 3.904.839,76
Support Staff	\$ 51.840,00	\$ 51.840,00	\$ 51.840,00	\$ 51.840,00	\$ 207.360,00
Indirect Costs	\$ 382.940,50	\$ 382.940,50	\$ 382.940,50	\$ 382.940,50	\$ 1.531.762,00
Travel and Transportation	\$ 120.000,00	\$ 120.000,00	\$ 120.000,00	\$ 120.000,00	\$ 480.000,00
Supplies, Rent and Utilities	\$ 180.000,00	\$ 180.000,00	\$ 180.000,00	\$ 180.000,00	\$ 720.000,00
Implementation Costs	\$ 82.940,50	\$ 82.940,50	\$ 82.940,50	\$ 82.940,50	\$ 324.275,50
Total	\$ 3.152.490,44	\$ 3.152.490,44	\$ 3.152.490,44	\$ 3.152.490,44	\$ 12.609.961,75