

# Joint Programme Document

## A. COVER PAGE

**1. Fund Name:** Joint SDG Fund

**2. MPTFO Project Reference Number**

**3. Joint programme title**

Financing SDGs in Ecuador and targeting chronic child malnutrition

**4. Short title** Financing SDGs and targeting malnutrition

**5. Country and region** Ecuador - Latin America and the Caribbean

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**9. Short description:**

Within the Secretary-General's Financing Strategy<sup>1</sup> and of the Addis Ababa Action Agenda (AAAA), and in accordance with a national context of severe fiscal policy restraint, this program proposes developing an enabling environment to improve the financing architecture of sustainable development in Ecuador while, at the same time, capitalizing on public and private resources for the SDGs. As a key aspect of this intervention, the strengthened financing architecture will be applied to one of the country's main health problems -chronic child malnutrition (CCM)- to provide support to improve its related indicators. Ecuador has the highest prevalence in the region after Guatemala; 23% of children younger than five years old have CCM, which increases their chances of falling behind in their learning development and of contracting diseases. This, in turn, negatively affects national productivity, poverty and inequality indicators, particularly for females.

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<sup>1</sup> Roadmap for Financing the 2030 Agenda for Sustainable Development 2019 – 2021

The **first outcome** includes the design of an Integrated National Financing Framework (INFF) in order to: analyze finance cash flows for development, align the national budget with the SDGs, prioritize vulnerable groups when designing policies, select policies with larger multiplying effects on the SDGs, estimate the financing gaps of these SDGs, establish innovative financing mechanisms, implement a multi-sector and multi-actor coordination mechanism, monitor financing flows and provide accountability, favoring an equal participation of women in decision-making processes.

For the **second outcome**, the program will roll out the implementation of the INFF applied to an acute set of issues related to CCM. Both the government and the UN in Ecuador have identified this as a priority issue and this project will work jointly with the efforts of IFIs in the country. Innovative tools will be devised to mobilize and align public and other resources, and to enable private investments associated with the reduction of CCM. Inclusive dialogue and coordination mechanisms will be implemented, bolstering the informed participation of women in the discussion and decision-making processes, and a scale-up proposal will be devised towards other policies related to equality, particularly gender equality.

These two outcomes will be closely linked: the macro analysis studies will provide elements for the design of specific tools that can be applied towards the reduction of CCM. In turn, this attempt will provide feedback to the general proposal of the INFF.

#### 10. Keywords:

- Financing
- Funding
- Integrated National Financing Framework (INFF)
- Sustainable development
- SDGs
- Chronic child malnutrition

#### 11. Overview of budget

<b>Joint SDG Fund contribution</b>	USD 999.966
Co-funding 1 (UNDP)	USD 124.800
Co-funding 2 (UNICEF)	USD 149.550
Co-funding 3 (WFP)	USD 116.248
<b>TOTAL</b>	<b>USD 1.390.564</b>

#### 12. Timeframe:

<b>Start date</b>	<b>End date</b>	<b>Duration</b> (in months)
September 2020	September 2022	24 months

#### 13. Gender Marker:

Total scoring: 2.5

#### 14. Participating UN Organizations (PUNO) and Partners:

##### 14.1 PUNO

- **UNDP (convening agency)**

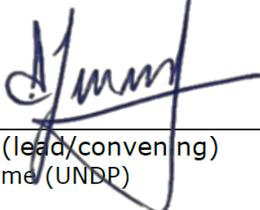
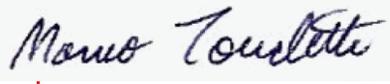
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## SIGNATURE PAGE

<p><b>Resident Coordinator a.i.</b>          Mr. Agustín Zimmermann  <i>Date</i> 12-JUN-2020  <i>Signature and seal</i></p> 	<p><b>National Coordinating Authority</b>          Ministerio de Economía y Finanzas  <i>Name of representative</i>  <i>Date</i>  <i>Signature and seal</i></p>
<p><b>Participating UN Organization</b> (lead/convening)          United Nations Development Programme (UNDP)          Ms. Matilde Mordt  <i>Date</i> 11-jun.-2020  <i>Signature and seal</i></p> 	
<p><b>Participating UN Organization</b>          UNICEF          Mr. Joaquín González-Alemán  <i>Date</i>  <i>Signature and seal</i></p>  <p style="text-align: right;">11.June.2020</p>	
<p><b>Participating UN Organization</b>          World Food Programme (WFP)          Mr. Mario Touchette  <i>Date</i>  <i>Signature and seal</i> 11 June 2020</p> 	



## B. STRATEGIC FRAMEWORK

### 1. Call for Concept Notes: SDG Financing (2/2019) – Component 1

### 2. Programme Outcome Additional financing leveraged to accelerate SDG achievement (Joint SDG Fund Outcome 2)

### 3. UNDAF Outcomes and Outputs

3.1 Outcomes 1 (people): As of 2022, people, especially groups in need of priority attention and which have been historically excluded, regarding the exercise of their rights, have experienced an increased access to high-quality social services and protection, which has improved their resilience, promoting gender equality and causing a reduction of violence.

- Outcome 1: Capacities and tools for the design, implementation and monitoring of a comprehensive policy which addresses maternal – child healthcare and early childhood healthcare.
- Outcome 2: Capacities and tools for the design, implementation and monitoring of comprehensive services and protection policies for CAYA [*Children, Adolescents and Young Adults*] (health, education, food, etc.)

3.2 Outcome 4 (peace): As of 2022, Ecuador has reinforced and coordinated institutions which work for public management and citizen engagement for the protection of rights, and the consolidation of a democratic society of peace and equality.

- Outcome 1: Tools and capacities developed for the implementation of transparency standards and of anticorruption efforts regarding public management and regulatory frameworks.
- Outcome 4: Tools and capacities for the incorporation of the rights approach for planning tools and for fiscal policy, and their coordination with the 2030 Agenda.
- Outcome 5: Capacities and tools for the generation of SDG statistics and progress reports.

### 4. SDG Targets directly addressed by the Joint Programme

#### 4.1 List of goals and targets

SDG 17.	Targets 17.1, 17.9, 17.17 and 17.18
SDG 2.	Targets 2.2
SDG 3.	Targets 3.8 and 3.c
SDG 1.	Targets 1.1, 1.2, 1.a and 1.b.
SDG 5.	Targets 5.1.
SDG 10.	Targets 10.2 and 10.4

#### 4.2 Expected SDG impact

- The design of an Integrated National Financing Framework (INFF) for sustainable development will contribute to the performance of all SDGs because it will provide common guidelines for public and private actors, and it will generate an enabling environment to speed up the achievement of the 2030 Agenda.

- The INFF will contribute towards SDG 17, particularly to its following targets: No. 1 because it will bolster the mobilization and alignment of internal and external resources for the implementation of prioritized policies, No. 9 because it will reinforce the capacities of national institutions associated to planning and budgeting, No. 17 by bolstering the implementation of multi-actor alliances to finance development, and No. 18 by improving the availability of high-quality data disaggregated by income, gender, age, race, ethnicity, migratory status and disability.
- The implementation of the INFF to chronic child malnutrition (CCM) will have an impact in the achievement of SDGs 2 and 3, particularly for the following targets: No. 2.2 because it will seek the reduction of malnourishment, No. 3.8 by bolstering the access to essential health services, and No. 3.c. by reinforcing the financing of health benefits associated to the prevention of CCM.
- Finally, establishing priorities for policies contemplated in the program focusing on the reduction of poverty, the protection of the most vulnerable populations, gender equality and the reduction of inequality will have an impact on SDGs 1, 5 and 10.

## 5. Relevant objective(s) from the national SDG framework

The objectives of the National Development Plan 2019 – 2021 that are more associated to the SDGs targeted by the joint program are the following:

- Objective 1: Guaranteeing a decent life with equal opportunities for all people.
- Objective 4: Consolidating the sustainability of the social and inclusive economic system and strengthening dollarization.
- Objective 5: Bolstering productivity and competitiveness for sustainable economic growth on a redistributive and inclusive manner.
- Objective 6: Developing productive capacities of the environment to achieve food sovereignty and a good rural standard of living.
- Objective 7: Promoting an engaged society, with a state fully committed to providing services to its citizens.
- Objective 8: Promoting transparency and joint responsibility for a renewed set of social ethics.

## 6. Brief overview of the Theory of Change of the Joint programme

**The problem:** Ecuador’s current economic slowdown (almost nonexistent GDP growth in 2019 and 2020), its public debt (almost half of the GDP in 2019) its fiscal deficit (4% of the GDP in 2019) and the current Covid-19 health emergency restrict the government’s capacity to finance sustainable development. Income inequality (the richest 20% of the population has 42% of the income, and the income of women only represent a third of total average labor income) also puts at risk the key principle of the 2030 Agenda of “Leaving No One Behind.” Although there are efforts to improve the nation’s budget management and to maximize its impact on development, its relation to development objectives must be reinforced. There are no estimates of the existing gap to finance SDGs, nor a comprehensive strategy that incorporates the potentialities of the private and public sectors to align, mobilize and manage resources targeted to development priorities.

These limitations become all the more evident when addressing one of Ecuador's longest-standing public health problems: chronic child malnutrition (CCM). Although significant resources have been invested in health and social inclusion efforts, the current budget structure does not allow for the identification of the actual amounts used to specifically address CCM, nor to evaluate the efficiency of said amounts. Currently, CCM prevalence in the country is the second highest in the region and it affects approximately 325.000 children

under the age of five, limiting their learning capacities and increasing their chances of contracting diseases. This has an impact on economic growth, poverty and inequality, particularly on gender inequality.

**The proposal:** Creating an enabling national environment to finance sustainable development and applying it, particularly, to one of Ecuador's main public health problems - CCM- as a potential test that could be replicated with other pro-equality policies (particularly gender equality), with a multiplying effect on the SDGs.

**Expected effects:** Optimized management of existing resources, available financing for high impact policies with a gender approach and multiplying effects on SDGs, innovative tools to mobilize and align public and private resources for sustainable development identified and tested, resources mobilized to counter CCM and CCM prevalence reduced.

## **7. Trans-boundary and/or regional issues**

Efforts will be implemented to incorporate Ecuador into South – South cooperation opportunities amplified via platforms such as 'SSMart' for Sustainable Development Goals (<http://global-ssmart.org/>) or South-South Global Thinkers (<https://www.ssc-globalthinkers.org/>).

The program will also bolster public policies to ensure an enabling environment for direct foreign investment, while observing human rights.

Cooperation with Peru, the regional reference for accelerated CCM reduction, and other countries with similar contexts will be promoted. Coordination mechanisms will also be established with the "Scaling Up Nutrition Movement", which promotes political concern around nutrition from public leaders and development partners, and with a South-South Cooperation project led by Ecuador's Ministry of Foreign Affairs with support from UNDP.

## C. JOINT PROGRAMME DESCRIPTION

### 1. Baseline and Situation Analysis

#### 1.1 Problem statement

Ecuador’s current limited fiscal space restricts its capacity to finance sustainable development. The global appreciation of the US dollar, the devaluation of neighboring countries’ currencies, the fall of commodity prices and natural disasters have all contributed to slow Ecuador’s economic growth and to increase its public debt and fiscal deficit.

Based on projections from ECLAC presented in December 2019, GDP’s growth was -0.2% for 2019 and 0.1% for 2020. The calculation for 2020 could be even worse due to a more severe reduction of oil prices and the Covid-19 health emergency. In 2019, public debt reached 49% of GDP (WB, April 2019) and the fiscal deficit was 4% of GDP. The Ministry of Economy and Finance estimates that in 2020 the deficit will reach \$3.3 billion (refer to Chart 1), an amount that exceeds the Annual Investment Plan of the country for the year.

**Chart 1: Projected fiscal results in the four-year national plan**  
(in millions of US Dollars)



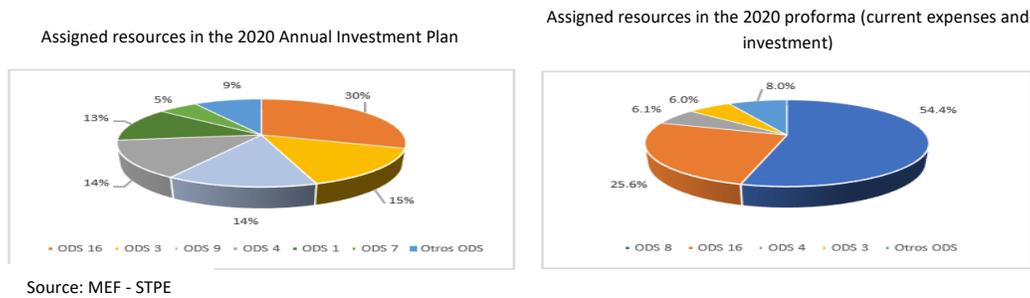
Source: MEF [Ministry of Economy and Finance]  
\*\*Without the deficit derivatives funding account

On the other hand, income inequality puts at risk the achievement of the SDGs and the key principle of the 2030 Agenda of “Leaving No One Behind.” According to ECLAC, the richest 20% of the Ecuadorian population has 42% of the income. From a gender perspective, women earn only 33% of the total average labor income.

Although the government is making efforts to improve the state’s budget management and to maximize its social effects, it is necessary to reinforce the national financial architecture for sustainable development in four areas: a) the budget’s alignment with national plans and the SDGs, prioritizing vulnerable groups, b) the possibility of estimating financing gaps to achieve the SDGs, c) identifying financing strategies to guide public and private investments towards the SDGs, and d) the inclusion of broader actors in the debate and decision-making processes linked to the funding of priority policies.

In reference to point a), while formulating the General Budget of the Nation for 2020, an attempt to align the budget with the SDGs was attempted for investment expenses and the total budget (refer to Chart 2). A thorough review of this attempt revealed inaccuracies in the alignment methodology, producing outcomes that do not necessarily reflect reality. Accordingly, the alignment shows a concentration of resources in a few SDGs, rendering invisible the resources assigned to other sectors and overestimating the resources assigned to goals such as No. 16.

**Chart 2: Attempt to align the national general budget with SDGs**



Consequently, even though the national regulations establish that it is mandatory to jointly coordinate the budget and the planning processes, the current budget structure does not allow for the verification of what specific assigned resources are allocated to the national objectives or to the SDGs because they are linked more closely to activities than to results.

Although Ecuador has classifiers to guide budget allocations in equality and environmental policies, national institutions do not accurately and sufficiently include said policies when planning and inputting data to the finance management system. As such, it is key to reinforce the incorporation of the equality approaches indicated in the Constitution (gender, interculturality, age, disabilities and migration) in planning and budgeting exercises.

Therefore, the "Planifica Ecuador" Technical Secretariat and the Ministry of Economy and Finance consider that it is necessary to reinforce the efforts linking national planning processes with the SDGs, and the budget to the planning process, incorporating equality approaches.

Regarding point b), in addition to not being able to precisely estimate what has been assigned to each objective, there are no calculations of the cost of the priority initiatives that could have multiplying effects regarding development. Consequently, it is not possible to estimate the financing gaps to meet the requirements of the 2030 Agenda.

Regarding point c), only considering public resources to finance sustainable development creates a limitation because they are insufficient. Although there are initiatives from the private sector surrounding SDGs, they are not coordinated with public sector's initiatives and they are not quantified either. As such, there is not a general overview of a mechanism that could consolidate a common strategy.

Finally, and even though sustainable development is in the interest of society as a whole, the discussion regarding its financing is concentrated in specialists of the public financial sector, which limits the creation of diverse inclusive and innovative alternatives to mobilize and align resources from other public, private, academic and civil society actors.

These four problems associated with the national financial architecture negatively affect the efforts implemented by Ecuador towards sustainable development. One of the most acute development issues in the country is the alarming chronic child malnutrition (CCM) prevalence: CCM prevalence on children aged 2 years and below has increased from 24.8 % to 27.2 % (2014 – 2018) and approximately 1 of every 4 children below 5 years old (23%) have this condition, which places Ecuador as the country with the 2nd highest prevalence in the region after Guatemala.

Despite efforts implemented at a national level, the prevalence only fell 0.9 percentage points in children with ages below 5 years old in comparison with 2014 (a variation that is not statistically significant). This is attributed, amongst other things, to not being able to execute a nominal follow-up of children, to an inefficient assignation of resources to the services that directly affect the immediate causes of CCM, and to weak inter-institutional coordination at the local level.

## 1.2 SDGs and targets

The joint program is targeted towards structuring an Integrated National Financing Framework (INFF) that will allow a more appropriate financial architecture for sustainable development, contributing, as such, towards inclusive and sustainable economic growth, while meeting the requirements of the principle of “Leaving No One Behind.” As the tables below show, the program will specifically contribute to the strengthening of implementation mechanisms (SDG 17) and, consequently, towards modifying the living conditions of people, particularly of children below 5 years old (SDGs 1, 2, 3, 5 and 10). It will also support the definition of some of the indicators in Ecuador.

<b>Contribution of the program to targets associated to the implementation mechanisms</b>		
<b>Targets</b>	<b>Baseline</b>	<b>Amount in Ecuador<sup>2</sup></b>
<b>17.1.</b> Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection.	Indicator 17.1.1 Total government revenue as a proportion of the 2018 GDP Indicator 17.1.2 Proportion of domestic budget funded by 2018 domestic taxes.	32.08% 38.51%.
<b>17.9</b> Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the sustainable development goals, including through North-South, South-South and triangular cooperation	Indicator 17.9.1 Dollar value of financial and technical assistance (including through North-South, South-South and triangular cooperation) committed to developing countries	It is not possible to officially estimate the indicator in Ecuador at present.
<b>17.17</b> Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	Indicator 17.17.1 Amount of United States dollars committed to public-private and civil society partnerships	Idem
<b>17.18</b> By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts	Indicator 17.18.1 Proportion of sustainable development indicators produced at the national level with full disaggregation when relevant to the target	Idem

<sup>2</sup> According to the National Statistics Office (INEC), Ecuador does not have the capacity to measure some SDG indicators yet. This however does not mean that this programme will not contribute to the identified targets.

<b>Contribution of the program to targets associated to the reduction of chronic malnutrition</b>		
<b>Targets</b>	<b>Baseline</b>	<b>Amount</b>
<b>2.2</b> By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons	2.2.1 Prevalence of stunting among children under 5 years of age	23.9% (2014).
<b>3.8</b> Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	3.8.1 Coverage of essential health services	It is not possible to estimate the indicator.
<b>3.c</b> Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States	3.c.1 Health worker density and distribution	Idem

<b>Contribution of the program to targets associated to poverty, gender and equality</b>		
<b>Targets</b>	<b>Baseline</b>	<b>Amount</b>
<b>1.1</b> By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day	1.1.1 Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural)	5.1% (2018)
<b>1.2</b> By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	1.2.2 Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	38% (2018)
<b>1.a.</b> Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programs and policies to end poverty in all its dimensions	1.a.1 Proportion of resources allocated by the government directly to poverty reduction programs  1.a.2 Proportion of total government spending on essential services (education, health and social protection)	It is not possible to estimate these indicators.
<b>1.b</b> Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions	1.b.1. Proportion of government recurrent and capital spending to sectors that disproportionately benefit women, the poor and vulnerable groups	Idem
<b>5.1</b> End all forms of discrimination against all women and girls everywhere	5.1.1 Whether or not legal frameworks are in place to promote, enforce and monitor equality and non-discrimination on the basis of sex	Idem
<b>10.2</b> By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	10.2.1 Proportion of people living below 50 per cent of median income, by age, sex and persons with disabilities	20% (2018).
<b>10.4</b> Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality	10.4.1 Labour share of GDP, comprising wages and social protection transfers	37.7% (2018)

## Interrelationships and systemic change opportunities

SDGs are closely and mutually associated. Implementing mechanisms so that one of the goals is met will necessarily have effects over the progress of other goals in the medium and long term. Under a scenario of limited resources and limitless needs to reach sustainable development, it is critical to establish an INFF (SDG 17) that a) incorporates the country's priorities, b) channels efforts towards issues with larger positive effects over other policies, and c) generates structural changes focusing on the reduction of poverty and the protection of the most vulnerable populations (SDG 1), gender equality (SDG 5) and the reduction of inequality (SDG 10).

The program also proposes the application of concrete tools to mobilize, align and use, more efficiently, the available resources associated with the reduction of chronic child malnourishment (CCM), a national priority that because of its multi-causality needs to be addressed jointly by several institutions. Coordinated financing efforts will allow for the implementation of policies to reduce CCM (SDG 2) which will in turn have future effects on issues such as: school performance (SDG 4), the acquisition of skills (SDG 4), the risks of contracting diseases (SDG 3), productivity (SDG 8), malnourishment reproduction (a higher probability of low weight upon birth for children of women who were malnourished during their childhood) (SDGs 2 and 3), poverty (SDG 1) and inequality (SDGs 10 and 5).

### 1.3 Stakeholder mapping and target groups

#### The public sector

- The Ministry of Economy and Finance (**MEF**) leads the program. It is the entity in charge of designing and managing economic policy and public finance.
- The Office of the Vice - President of the Republic is the entity in charge of coordinating, the implementation of the 2030 Agenda in Ecuador, jointly with the national planning entity. It directs, at a national level, the Advisory Committee for the implementation of the SDGs.
- The Planifica Ecuador [*Ecuador Plans*] Technical Secretariat (**STPE**) is a public institution in charge of preparing the national plans for the medium and long terms.
- The Technical Secretariat of the Toda una Vida [*An Entire Life*] Plan (**STPTV**) is in charge of the services provided to populations with higher levels of poverty and vulnerability. It coordinates Misión Ternura [*Kindness Mission*], a program that focuses on integral services to children, with emphasis in preventing CCM.

#### Other actors of the public sector

- The National Assembly. Approves the budget and since 2017 has a Parliamentary Group for Poverty Eradication and SDG Achievement.
- The Ministry of Public Health. Provides services to prevent CCM.
- The Ministry of Economic and Social Inclusion. Implements the social public policy.
- The Ministry of Agriculture and Livestock Farming. Addresses topics of food development and sovereignty.
- The five National Councils of Equality. They are in charge of issues related to gender, intergenerational, peoples, nationalities, disabilities and migration issues.
- The national associations of local governments (Congope [*Consortium of Autonomous Governments of Ecuadorian Provinces*] and AME [*Association of Ecuadorian Municipalities*]). They provide support for SDGs localization.
- The Central Bank. Conducts macroeconomic and equity analysis.
- Banca Pública de Desarrollo [*Development Public Banking*]. Provides mechanisms to increase the availability of resources for sustainable development.

- The Decentralized Autonomous Governments (GAD). They plan, jointly with other public institutions and society actors, for local development. Municipal governments have exclusive authority over the supply of drinkable water and sewage.
- Canton GADs of Otavalo (Ibarra Province) and Guamote (Chimborazo Province).

#### Development Banks

- The program has been designed considering the joint efforts with the Development Bank of Latin America (CAF), the World Bank (WB) and the Inter-American Development Bank (IADB).

#### The private sector

- Global Compact – Ecuador. Provides a network of over two hundred companies and organizations committed to the SDGs.
- CERES [*Ecuadorian Consortium for Social Responsibility*]. A network integrated by companies, business foundations and organizations committed to social, environmental and economic sustainability.
- CEMDES [*Business Council for the Sustainable Development of Ecuador*]. Organization of businesspeople for sustainable development.
- Ecuador 2030. Project bolstered by the Comité Empresarial Ecuatoriano [*Ecuadorian Business Committee*], the most representative association of the private sector, committed to achieving the SDGs.
- Asociación de Bancos Privados del Ecuador [*Ecuadorian Association of Private Banks*]. Engages on initiatives associated to financial inclusion.

#### Civil Society organizations

- Iniciativa ODS Territorio [*Territory SDGs Initiative*]. Links actors of civil society, NGOs and international cooperation to achieve the SDGs.
- Frente Nacional de Mujeres Trabajadoras [*National Front of Working Women*].
- Centro Ecuatoriano de Desarrollo y Estudios Alternativos [*Ecuadorian Center of Alternative Development and Research*].
- Aldeas Infantiles SOS Ecuador [*Children's Villages Ecuador SOS*].
- Centro de atención a la mujer y la familia de Otavalo [*Otavalo's Services Center for Women and Families*].
- Cruz Roja de Otavalo [*Otavalo's Red Cross*].

#### Academia

- Escuela Politécnica del Litoral (ESPOL). Provides support to the United Nations system and to the MEF [*Ministry of Economy and Finance*] regarding the analysis of social spending trends and their effects.
- Facultad Latinoamericana de Ciencias Sociales Sede Ecuador [*Latin American School of Social Sciences, Ecuador's Branch*].
- Universidad Técnica Particular de Loja (UTPL).

The **Resident Coordinator's Office** (RCO) provides support to the coordination processes of the agencies, funds and programmes of the United Nations system, guaranteeing a coherent and effective planning and execution of activities, as well as safekeeping the principle of "leaving no one behind." It contributes to the execution of joint programs by strategically involving relevant *stakeholders*. Externally, it engages in high-level political dialogues to ensure the commitment of actors and the visibility of the proposal's results.

The **United Nations Development Programme** (UNDP) is the joint program's lead agency. As such, it will a) coordinate and monitor the deployment of common activities; b) advise the national government regarding the dialogue processes to finance SDGs; and c) contribute

with a worldwide network of experts, methodological tools and lessons learned at the national and global level to design an INFF for sustainable development. UNDP will also make sure that UN agencies work closely together to provide feedback and ensure complementarity between the two proposal outcomes.

UNDP has developed a structured approach to providing country level support on financing for sustainable development that includes: mapping of different financial flows; reviewing of financing policies, public and private expenditure and institutional structures; identifying and costing priority interventions; and devising financing strategies. On the other hand, its laboratory for the accelerated achievement of SDGs will contribute by exploring, testing and implementing innovative financing practices supported by the network of global laboratories.

The **United Nations Children's Fund** (UNICEF) will participate in dialogues for resource mobilization and will contribute with national, regional and international experience. Within the framework of the second outcome, it will contribute by: a) providing technical support to design a methodological tool that will increase resource efficiency to combat CCM, b) exploring innovative mechanisms to identify fiscal space to align or increase the availability of public resources to implement CCM policy and technical support for its design, and c) providing support for the systemization of the experience and a proposal to scale-up the mechanism towards other priority public policies to achieve the SDGs.

The **World Food Programme** (WFP), like UNICEF, will be part of the dialogue processes and will contribute with its experience at national, regional and international levels in subjects related to the nutritional gap, and the social and economic effects of malnutrition. Within the framework of the second component, it will provide support for a) the consolidation of dialogue fora at local and national levels to align the resources to reduce chronic child malnutrition and coordinate them with existing fora to implement a malnutrition reduction policy; and b) providing counseling in the design of a mechanism that creates an enabling environment of private resources free of conflict of interest to reduce chronic child malnutrition.

The first outcome will benefit the Ecuadorian population as a whole (17.5 million people), while the second outcome will be targeted at 325.000 children under the age of 5 in priority territories served by the national program "Misión Ternura".

## 2. Programme Strategy

### 2.1. Overall strategy

#### a. Why is it a transformational strategy?

This is a transformational proposal because it will adopt a comprehensive approach to financing for sustainable development in which the participation of public and private agents is considered essential. Acknowledging that public resources are key to comply with the principle of "leaving no one behind", it proposes creating strategies to increase and align the resources assigned for development efforts, within the framework of the recommendations of the UN human rights mechanisms<sup>3</sup>. However, recognizing that public resources are insufficient, it also looks to create enabling investment conditions, transform production and incentivize patterns to align private initiatives with the SDGs, in accordance with the strategy of the Secretary-General and of the Addis Ababa Action Agenda. It is also a transformational strategy because it seeks to change the institutional planning and budgeting culture. By

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<sup>3</sup> ESCR 2019 paragraph 6c

promoting the alignment of the budget with the national planning process and the SDGs, it gives priority to budgetary decisions based on concrete results under an equality approach. Additionally, it compels the consideration of a prospective scenario of at least ten years, placing sustainable development at the center of the debate.

**b. How does it differ from the conventional and/or alternative approaches?**

Achieving the SDGs calls for breaking the silos and ensuring the engagement of several actors to address multidimensional development challenges. In adopting a whole of society approach, the design of financing alternatives stops being a subject solely of financial specialists of the public sector, to become an area of interest for broader sectors, promoting, in particular, the informed participation of women. In the traditional approaches, engagement is bolstered while formulating policies, but not when analyzing the financing process per se. The program proposes structuring national and local coordination mechanisms that will bolster the dialogue process between state actors, academia, the private sector and civil society regarding financing issues, with equal representation of males and females. This will ensure the design of innovative financing alternatives, which are gender sensitive and set up in the context of local reality, and they will allow the alignment of public and private investments towards sustainable development. The proposal includes a technical assistance and IT platform used to manage the financing process and monitor results (SIGOB - [*Democratic Governance Information and Management System*]), which will increase the transparency levels and will allow establishing new financing policies.

Finally, this is the first time that national efforts are coordinated with the support of the United Nations system, CAF and the IDB to create financial implementation mechanisms to fight chronic child malnutrition (CCM) in Ecuador.

**c) How does the program contribute towards speeding up the attainment of the SDGs?**

- Having an INFF makes it easier for public and private actors to have a compass to jointly guide them towards the achievement of the 2030 Agenda.
- Designing an INFF includes establishing a priority for the policies and, as such, prevents the scattered execution of efforts. This allows the mobilization and alignment of resources towards specific policies preselected because of their high impact on the achievement of several SDGs<sup>4</sup>.
- Aligning the planning and budgetary processes implies focusing on public management with interventions with concrete results. This will increase the efficiency levels regarding the execution of priority policies.
- The INFF contemplates the design of policy tools to a) mobilize additional public resources and to align the existing ones towards priority policies, as well as creating an enabling environment for the alignment of private investments; and to b) provide efficiency regarding the use of public resources, which will allow identifying fiscal space<sup>5</sup> for other policies.

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<sup>4</sup> UNDP has identified four broad areas for financing for the SDGs: a) Generate income, that is, any existing or innovative mechanism or instrument that can generate and / or leverage financial resources for the SDGs (such as impact investing, green taxes etc); b) Realign current expenditures, that is, any measure that can redirect existing financial flows towards the SDGs; c) Avoid the need for future expenses, that is, any measure that can prevent or reduce future financial needs by eliminating or modifying existing counterproductive policies and investments and d) Deliver financial resources more effectively and efficiently, improving cost effectiveness and efficiency in budget execution, including the quality of public spending, achieve synergies and / or favor a more equitable distribution of resources. Examples include results-based budgeting, central hiring, or staff incentives. ([www.undp.org/content/sdfinance](http://www.undp.org/content/sdfinance))

<sup>5</sup> According to UNICEF, fiscal space can be defined as the availability of budgetary room that allows a government to provide resources for a desired purpose without any prejudice to the sustainability of a government's financial position. Budgetary room can potentially be increased through four pathways, each with ramifications and at times

- The proposed monitoring mechanism will analyze if resources are adequately channeled, and this will allow timely corrections.

**d) What will be the UN added value?**

Know how: UNDP, UNICEF and WFP will draw on their experiences, access to information and lessons learned on financing for development globally, adapting these to the local context.

Comparable experiences: The involved agencies have provided support to countries to consolidate methodological tools related to the alignment of national planning process adapted to the 2030 Agenda, to link the budget to the planning process, to analyze cash flows (for instance, the Development Finance Assessment tool), to estimate financing gaps, and to design financing tools and monitoring mechanisms, among others.

Convening power: The agencies and the RCO will provide support to the national government to convene different actors for dialogues regarding the financing of the SDGs and, in particular, on CCM.

Innovation: Initiatives such as UNDP's global laboratory network to accelerate the attainment of SDGs will contribute by exploring, testing and implementing innovative practices and tools, such as new IT technologies and alternative data sources for the decision-making processes. The program will explore new financial mechanisms such as blended finance, bonds, guaranteed development loans, impact investing, enterprise challenge funds, social and development impact bonds and crowdfunding.

Collaboration with IFIs: IFIs are strategic allies of the UN on sustainable financing for development. Collaborative efforts at a national level will allow the maximization of the impact of implemented actions. Currently, CAF and the WB provide support in the fight against CCM by devising a results-based budget plan and a mechanism of rated follow-up of services provided to children. This program will complement these efforts by providing support to increase the efficiency of resources use in health units, and in identifying and designing tools to mobilize and align public and private resources. The IADB works to identify bottlenecks and measures to increase efficiency regarding the use of resources in health services of the public and private sectors and in the School Meals Program. The lessons learned in these interventions will be registered and incorporated.

Providing support to sustainability: The strengthening of capacities will be fundamental to providing sustainability of the processes. In view of the upcoming presidential and parliamentary elections in 2021, particular attention will be given to ensure that incoming authorities provide continuity to the envisaged actions. Subnational authorities will remain the same during the implementation period of the program.

Human rights approach: The agencies will provide technical advice so that the proposals of public policy tools include a human rights approach, aligned with the recommendations of the UN mechanisms regarding human rights.

**e) How are the national priorities and incentives aligned to those of the UN?**

The Ecuadorian government has formally reiterated its commitment with the 2030 Agenda and its 17 goals. In July 2017, the National Assembly approved a resolution project to align its work with SDGs; in November of the same year, the National Development Plan was approved, which generally adheres to the 2030 Agenda; and in 2018, via decrees 371 and 622, the President of the Republic declared the implementation of the 2030 Agenda as a national government policy.

The National Development Plan Toda Una Vida is aligned to the SDGs and has seven priority social policies, including "Misión Ternura", targeted at the reduction of CCM. Thus, the fight to eradicate CCM is a priority of the UN in Ecuador.

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trade-offs, for fiscal sustainability: 1) additional domestic revenue dedicated to a particular purpose, 2) additional foreign grants, 3) additional borrowing or 4) efficiency gains.

In addition, a Letter of Intent was signed in March 2019 with the International Monetary Fund in which the government makes explicit the Government's intent to: promote the international competitiveness of the economy; promote growth with a central role of the private sector; reinforce transparency by improving the information supply and the monitoring system on all the stages of the budgetary cycle; improve the efficiency and quality of expenses; increase social aid expenses; and provide more support to the most vulnerable population by strengthening the National Development Plan.

**f) How will the government lead the joint program and how will it maintain and/or increase its results?**

The MEF will lead the process. For monitoring purposes of the program, a governmental technical team composed by the MEF, the Planning *Secretariat* and the STPTV will be established. The supervising team will participate in all structuring stages of the INFF and it will provide feedback. It will offer clear guidance during the process and a sense of ownership of the governmental counterparties, which, in turn, will ensure sustaining and increasing the achieved results.

**g) Which is the expected situation after concluding the program?**

The following is expected after concluding the joint program: a solid link between national and budgeting processes with the SDGs; determining the financing gaps for the SDGs; a better and more extended allocation of resources towards actions with high impact and multiplying effects on SDGs; and a set of specific tools for the mobilization of public and private resources for priority interventions, specifically for the reduction of CCM.

## **2.2 Theory of Change**

### **The problem**

Ecuador's current economic slowdown (an almost nonexistent GDP growth in 2019 and 2020), its public debt (almost half of GDP in 2019) and its fiscal deficit (4% of GDP in 2019, which will likely increase because of the oil price reduction and the Covid-19 outbreak emergency) restrict its capacity to finance sustainable development. Likewise, income inequality puts at risk the principle of the 2030 Agenda of "leaving no one behind": the richest 20% of the population have 42% of the income, and the income of women only represent a third of the total average labor income.

Although there are efforts to improve the budgetary management of the country, to align it with SDGs and to maximize its effects, the budget structure does not allow estimating the assigned resources by specific development results. Additionally, although there is a mechanism to include prioritized vulnerable groups in the budget, the information is not adequately registered so that gaps may not be visualized, analyzed and addressed. Also, there are no cost estimates regarding prioritized policies, so it is not possible to calculate the existent gaps to finance sustainable development. The country does not have a strategy to manage, mobilize and align public and private resources and to create an enabling environment to achieve the SDGs.

These limitations become visible in the struggle against chronic child malnutrition (CCM): although a great amount of resources have been invested in health and social inclusion efforts, the current budget structure does not allow for the identification of the actual amounts assigned to address CCM, nor to evaluate the efficiency of the assigned resources. Currently, the CCM prevalence in the country is the second highest in the region. The fact that 1 of every 4 children under 5 years old has CCM in a country of a medium – high developmental level is

alarming. On the other hand, although childcare activities are mainly carried out by women<sup>6</sup>, the needs of women are not necessarily considered in dialogue and decision-making processes.

## The proposal

Within the Secretary-General's Financing Strategy and the Addis Ababa Action Agenda (AAAA), the joint program proposes contributing towards a better financing architecture for sustainable development in Ecuador and leveraging resources from the public and private sectors, particularly to counter the problem of chronic child malnutrition (CCM). To do so, two outcomes must be targeted: a) the design and the implementation of an Integrated National Financing Framework (INFF) for sustainable development and b) applying the INFF to CCM reduction policy. Both are closely and mutually related: the analysis undertaken at a macro level will provide elements for the design of specific tools to diminish CCM. In turn, the concrete application of the INFF to reduce CCM will provide feedback to the general proposal of the INFF.

The first outcome proposes the following enabling activities:

- Implementing a multi-actor (public and private sector, academia and civil society) coordination and dialogue mechanism for the INFF, with equal participation of males and females, to create governance conditions regarding public and private financing for sustainable development. This mechanism will analyze the financing of sustainable development in the country and a common roadmap will be developed to consolidate the INFF.
- Strengthening institutional capacities, promoting reforms and providing methodologies to a) link planning and budgetary exercises with the SDGs, focusing on prioritized vulnerable groups in the planning and registration processes of the budgetary information, b) establishing higher priorities for gender responsive policies and for policies that have multiplying effects on the SDGs, c) estimating financing gaps and d) aligning public and private resources towards development goals.
- Providing feedback to financing processes and bolstering dialogue and engagement to increase transparency. An IT platform will be implemented to monitor and provide accountability regarding SDG funding.
- Finally, the roadmap of the INFF will be prepared jointly with both the public and private sectors and civil society, and will include financing tools for SDGs in Ecuador.

The second outcome will provide support to national and local governments to apply the INFF to a specific pilot initiative: CCM reduction. This includes consolidating multi-actor coordination and dialogue mechanisms at national and local levels for financing efforts, the collaborative analysis of CCM financing efforts, the design and trial of innovative tools for the mobilization and alignment of public and private resources to reduce CCM, the systematization of the process and the formulation of a proposal to scale-up to other gender policies with multiplying effects on the achievement of SDGs.

## Expected results

The implementation of the first outcome will allow the attainment of the following results: aligning the budget with the national planning process and with the SDGs; disaggregating budget data and analysis by equality approaches (gender, intercultural, generational, disabilities and human mobility); prioritizing policies with high multiplying effects on the

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<sup>6</sup> In Ecuador, women do 77% of the total nonremunerated work hours of the homes, which represents 19.1% of the GDP.

SDGs; estimating the financing gaps of these policies; consolidating a financing solution roadmap; and establishing an INFF coordination mechanism and monitoring system for the resources allocated to the SDGs.

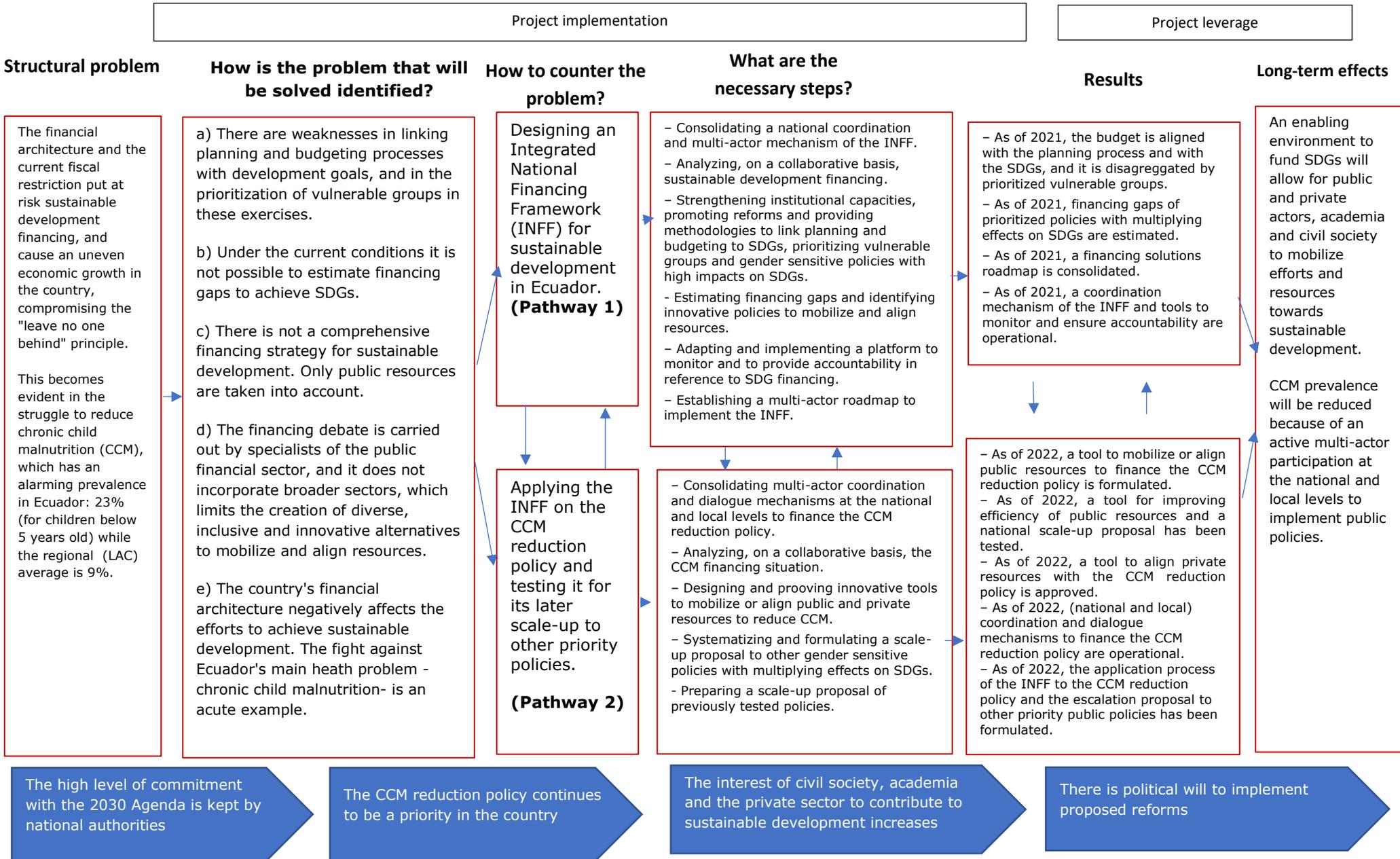
The implementation of the second outcome will provide the Government a concrete example of the INFF's usefulness in tackling a specific public policy problem, in this case CCM. The program will thus ensure that the country has an effective finance strategy for the CCM reduction policy at national and local levels, taking into consideration the differentiated effects for males and females. The strategy will include tools to mobilize and align public and private resources, and to improve the efficiency of public resources. Accordingly, coordination and dialogue mechanisms will be established to reduce CCM, and a systematization of the INFF application process for CCM reduction and a scale-up proposal for other priority policies will be available. The ultimate aim of this component is moving the needles on CCM indicators in Ecuador in the right direction.

**Basic assumptions:**

The high level of commitment with the 2030 Agenda is maintained, as well as the priority given to CCM reduction in the country; there is broad interest by civil society, academia, and the private sector to participate in debates around financing sustainable development; and there is a political will to implement the proposed reforms.

**Risks**

- The Covid-19 health emergency raises many different challenges related with health system capacities and socio-economic problems. Uncertainty regarding the evolution of the pandemic could modify the joint program planning, extending scheduled deadlines.
- The change of government (2021) could alter the relationships of the state with relevant actors, which could create difficulties in the dialogue processes.
- Lack of awareness of new national authorities regarding CCM problems could lead to deviation of budgetary resources.
- A work overload and high rotation of government counterparts that could affect the implementation process; and reluctance to change from the officials.



### 2.3 Expected results by outcome and outputs

In alignment with outcome 2 and outcome 4 of the Joint SDG Fund, this program proposes contributing towards a better financing architecture for sustainable development in Ecuador and a better leveraging of resources from the public and private sectors, particularly regarding child malnutrition. The two following outcomes are expected:

**Outcome 1. The Ecuadorian government develops an Integrated National Financing Framework (INFF) for sustainable development.** This will allow a better management and monitoring of existing resources, an improved application of said resources towards gender sensitive policies with multiplying effects on the SDGs, and the identification of public and private resources for sustainable development. This outcome is composed of 4 outputs.

Output 1.1. Budget aligned with national planning processes and SDGs, and disaggregated by equality approaches (gender, intercultural, generational, disabilities and human mobility). The efforts of the STPE for the design and implementation of guidelines to align the planning process with the SDGs and to prioritize high impact policies will be supported. The capacities to include gap analysis and equality bolstering mechanisms in the policy formulation process will be reinforced. Support will be provided to the MEF regarding the analysis of cash flows for the development and formulation of guidelines to align the budget with development results. The capacities to incorporate priority vulnerable groups in the registration and analysis of information will be reinforced. *UNDP.*

Output 1.2. Estimated financing gaps of prioritized policies with multiplying effects on SDGs. The results-based budgeting process will allow for the estimation of public resources assigned to prioritized policies aligned with the SDGs. This process will be complemented with an estimate of the necessary costs of these policies and the existing resource gap that needs to be covered to implement them. A methodology will be designed for this process, and the capacities of national institutions will be strengthened. *UNDP.*

Output 1.3. Consolidated roadmap of financing solutions. A guide will be developed to identify public and private financing tools. It will include guidelines for the analysis of disaggregated effects on living conditions if the financing gap is covered, and an estimate of the different financing tools costs. Innovative solutions will be identified to mobilize and align public and private resources with development activities. These inputs will be discussed in the coordination mechanism of the INFF, and they will serve as an input for the preparation of its roadmap. The MEF capacities to assess the impact of financing tools on vulnerable groups will be strengthened. *UNDP.*

Output 1.4. Coordination mechanism of the INFF and monitoring and accountability tools of sustainable development financing established.

Support will be provided to the MEF to establish a national multi-actor dialogue space regarding the financing of sustainable development that ensures equal participation of males and females and promotes transparency. Support will also be provided to the design of its management model, its development and consolidation. Technical assistance and an IT platform will be implemented to monitor the SDGs (SIGOB) which will allow the monitoring and analysis of the budgetary resources that the state and other actors assign to attain SDGs, on a broken-down basis by prioritized groups. *UNDP.*

**Outcome 2. Ecuador applies the INFF to chronic child malnutrition (CCM) reduction policy.** The objective is to contribute towards the reduction of the prevalence of CCM by complementing existing efforts executed by the government, CAF and the World Bank. To put

the program into effect, a budgetary structure will be available based on CCM results and it will be accompanied by a cost estimate of said policy.

Output 2.1. A tool designed to mobilize and align public resources to finance CCM reduction. A feasibility analysis will be conducted to identify adjustments at a fiscal policy level or at a CCM financing reorganization level. The analysis will support the design of a gender sensitive tool to mobilize and/or align public expenditure to reduce CCM. The following are reviewed alternatives for which a feasibility analysis must be undertaken: using 10% of local governments (GADs) resources for populations in need of priority services, generating financial products for GADs with disbursements linked to CCM results, or the creation of fiscal space, for instance a similar tax to the one applied to sugary beverages<sup>7</sup>. *UNICEF*.

Output 2.2. A proven tool focused on the efficient use of public resources and a national scale-up proposal. A tool will be designed to increase the efficiency of resources used by health facilities that provide CCM prevention services. This tool will allow for the identification of bottlenecks and the design of strategies to address them, thus increasing efficiency. Once the tool is tested in two selected highland cantons with high CCM prevalence, a scale-up proposal will be presented at the national level. *UNICEF*.

Output 2.3. An approved tool to align private resources with CCM reduction policy. Based on multi-actor dialogues, the government will receive support for the design of a tool which will generate favorable conditions to influence the decisions of private agents regarding investment on goods and/or services linked to CCM determining factors. Financing alternatives will be analyzed, ensuring equal access for males and females, such as "factoring", social development loans used by private banks and progress purchase initiatives. *WFP*.

Output 2.4. Operating coordination and dialogue mechanisms to finance CCM reduction. National and local spaces to coordinate CCM funding will be established, attached to the general coordination mechanism of the INFF and to local planning offices of the "Misión Ternura" public program. An equal participation of males and females will be promoted. An Integrated Canton Financing Framework (ICFF) will be designed to reduce CCM in two cantons. The learned lessons will be systemized, and a scale-up proposal will be submitted for all canton offices of "Misión Ternura". *WFP*.

Output 2.5. Systemized INFF implementation process for CCM reduction and formulated scale-up proposal for other priority public policies. The systematization will incorporate all CCM reduction financing efforts implemented. It will include a. Results-based budgeting, b. Estimates of the unitary costs, c. Identification of bottlenecks, d. Design of efficiency strategies for resource expenditure, and e. Systematization of lessons learned. This will provide feedback to the results of outcome 1 and it will allow the scale-up of the model to other policy priorities. *UNICEF*.

## **Sustainability**

To maintain the results through time, the outputs include the strengthening of public sector capacities. Also, each outcome will incorporate dialogue spaces that will provide support to the INFF, and sustainability will be ensured via actor's empowerment, transparency and accountability. The proposal will provide a sustainable impact in the long run because establishing an INFF promotes structural changes in how resources are planned and assigned, placing the SDGs at the center of the debate.

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<sup>7</sup> Since 2016, Ecuador levies a tax on sugary beverages. The resources raised have to be directed towards policies for non-transmissible chronic illnesses.

### **SDGs progress**

Structuring an INFF will contribute to the achievement of SDG 17, particularly the attainment of targets 17.1 and 17.3 because it will bolster resource mobilization and alignment for the implementation of policy priorities, 17.9 because it will reinforce the capacities of institutions engaged in planning and budgetary activities, 17.17 by promoting multi-actor alliances to finance development, and 17.18 by improving the availability of high-quality disaggregated data. Applying the INFF to CCM reduction policy will have effects on the attainment of SDGs 2 and 3, particularly on targets 2.1 because it will bolster nutritious diets, 2.2 because it will try to reduce malnutrition, 3.8 by increasing access to essential health services and 3.c. by favoring health services financing activities to prevent CCM. Finally, the prioritization of policies included in the program will focus on reducing poverty and protecting the most vulnerable populations (SDG 1), on gender equality (SDG 5) and on the reduction of inequality (SDG 10).

### **Expected effects**

By 2022, the joint program will have enabled policies with higher multiplying effects on SDGs to be prioritized and these will have adequate financing. The government will have capacities and tools to leverage new resources for development, and to assign and use the existing ones more efficiently. It will also have mechanisms to monitor the resources granted to the SDGs, which will provide feedback regarding public policies and private sector actions. The implementation of the INFF to diminish CCM will improve resource management, which will in turn lead to pregnant women having the necessary prenatal controls, supplements for the correct development of the fetuses and counseling regarding breast-feeding, hygiene and food preparation. Children will be subject to health controls as outlined by the Ministry of Health. The families of children who live in poverty will also receive home counseling about the entire child development process and about joint childcare efforts. Controls and oversight activities will be executed regarding the quality of water for safe consumption at a provincial and municipal level. Consequently, CCM prevalence will be reduced for children below 5 years old, and a substantial reduction will be seen for children under 2. Private actors will also participate in CCM reduction policies through coordination and dialogue mechanisms to provide financing and other resources.

### **Equality approach**

The program will provide support to national institutions regarding the design and prioritization of policies that incorporate gender, disability, intercultural, human mobility and generational equality approaches. This planning effort shall be reflected in the budget. Although the MEF has a guiding classifier for expenses regarding prioritized groups, there are challenges regarding the quality of the information related to design and to the input capacities of the database. Consequently, training will be provided regarding the information inputted to these qualifiers and its analysis.

On the other hand, the MEF will receive methodological and training support to analyze the effects of different financing tools and fiscal policies on equality.

Regarding the monitoring process, the SDGs monitoring platform SIGOB will allow monitoring and analysis activities of the resources allocated to prioritized vulnerable groups. This will allow for actions to eliminate resources gaps and to implement gender responsive policies related to gender-based violence and access to productive resources, among others.

The INFF will be applied to CCM reduction by carrying out an analysis of the effects of incorporating certain financing tools on equality. Additionally, equal, informed and joint participation of women will be encouraged in the national and local coordination mechanisms,

which will facilitate their empowerment and bolster the joint responsibility of males and females regarding CCM reduction.

## **2.4 Budget and value for money**

The proposal of the joint program is targeted towards creating an INFF to improve the financial architecture for sustainable development in the country and leveraging more resources from the public and private sectors, particularly regarding child malnutrition. The total cost to implement the program is USD 1.390.563, of which 72% corresponds to resources from the SDG Fund, and 28% will be provided by participating agencies. From the total amount provided by the participating agencies, 32% (USD 124.800) is a contribution from UNDP, 38% (USD 149.550) from UNICEF and 30% (USD 116.248) from WFP.

The benefits of the project will vastly outweigh the funds provided due to cost savings and more efficient use of resources. This initiative will a) allow for resources to be directed to high impact, gender responsive interventions with a multiplying effect on other SDGs and, as such, will prevent the scattered assignment of efforts and resources; and b) in the specific case of the struggle against CCM, the joint program will complement actions implemented by the government to reduce its prevalence and the impacts on child development. It has been proven that investments in health, nutrition and development of children in their first 5 years of life provide the highest returns and promote better economic development (the annual return on the investment calculated to range between 7% and up to 10%)<sup>8</sup>.

Financial sustainability will be achieved because the proposed intervention will be based on national regulations and it favors processes that have already begun in Ecuador; it envisions the creation and reinforcement of capacities of public officials, which will provide continuity to the processes, and the INFF will include in its design and monitoring mechanisms the consolidation of joint social participation spaces that will create a sense of ownership and accountability by different relevant actors.

The program's budget addresses gender inequalities throughout all outputs with concrete activities in the planning, financing, monitoring and accountability processes. This will allow for a clearer way to a) identify resources allocated for the promotion of equality among males and females in sectorial and institutional planning activities, b) have information disaggregated by gender, c) incorporate women and their specific interests in debates and decision-making exercises regarding financing gaps, and d) identify different and innovative alternatives that include their needs to reduce these gaps.

## **2.5 Partnerships and stakeholder engagement**

The proposal contemplates establishing a coordination mechanism of the INFF that will be directed by the top authority of the Ministry of Economy and Finance (MEF) or his/her delegates, and integrated by representatives of the public and private sector, academia, civil society and international organizations.

The mechanism will be composed of two segments: a governmental advisory committee (comprised of the Office of the Vice-President of the Republic, the MEF, the STPE and the STPTV), and while the program is being implemented by the RCO, an extended dialogue segment comprised by other actors of the public and private sectors, academia, civil society organizations and international organizations.

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<sup>8</sup> James J. Heckman. "Invest in Early Childhood Development: Reduce Deficits, Strengthen the Economy".

The RCO will contribute to the high-level dialogue, for which its convening power will be especially relevant to create large and diverse participation.

UN agencies will work as advisor to public institutions throughout the process. Additionally, they will provide technical assistance based on: comparable experiences in other countries regarding the application of tools to strengthen the financial architecture, mobilizing resources and built-in experience, and capacities to research, test and assist in the implementation of innovative practices and tools. Also, they will leverage national and international experts from within the United Nations System.

UNDP will specifically contribute to the national dialogue process regarding SDG financing. It will provide national and international experts from its global and regional offices, methodological tools and lessons learned at the global level to ensure the structuring of an INFF for sustainable development, and a laboratory to ensure the accelerated attainment of the SDGs. This laboratory will provide support regarding the research, testing and implementation of innovative financing practices and tools, with the aim of incorporating new information technologies and alternative data sources for the purposes of analysis and to facilitate decision-making.

UNICEF will participate in the dialogue process regarding resource mobilization and it will contribute to the process with international experience, in particular related to the design of tools to search for fiscal space. Likewise, based on knowledge at the international and national levels acquired from the implementation of programs that address malnutrition, it will provide feedback to processes related to the identification, implementation and coordination of interinstitutional mechanisms. UNICEF has worked for several years in several cantons of the country promoting the empowerment of local actors to counter CCM.

WFP, like UNICEF, will incorporate dialogue processes regarding CCM. In addition, it will devise methodological tools to facilitate reflection and decision-making processes about the financing of CCM reduction policy at the national and local levels, and it will contribute with experiences at the national, regional and international levels regarding the issues of nutritional gaps and social and economic impacts of malnutrition. It will also provide support for dialogue mechanisms with private actors.

IFIs are strategic allies for the consolidation of an INFF because of their experience in the country, throughout the region and around the world on strategies that contribute to the strengthening of financial architecture. They will be part of the extended national dialogue processes whereby the complementary ties will be strengthened.

Other institutions of the public sector, including the executive branch and other functions of the state will be fundamental to strengthen the dialogue process surrounding financing tools. The National Assembly is a fundamental actor because of its competencies related to the approval and auditing of the national budget.

Development and private banks and private sector associations will provide support in the analysis and design of tools that will enable the mobilization for and alignment of resources with sustainable development.

Academia and civil society will participate with knowledge, local information and elements used for the analysis of the potential differentiated effects of the proposals that will be part of the INFF (for instance, the effects for males and females). They will also be an important source to provide support for the reforms proposed in the coordination mechanisms (national

for SDG financing, and national and local for CCM financing), and for their sustainability once they are implemented.

The coordination mechanisms will convene, as necessary, other actors that could contribute to the processes, such as international experts, donors and other strategic allies.

### 3. Programme implementation

#### 3.1 Governance and implementation arrangements

The national government has stated its formal commitment to the 2030 Agenda via several devices. It established, via Executive Decree No. 371, that “the central and institutional public administrations of the Executive Branch, acting within their capacities, will establish their normative, planning and management tools to comply with the Agenda and they will have the contributions of the private sector, the academia, and the citizens, via several engagement instances as established by the legal system.”

Executive Decree No. 622, of December 21, 2018, establishes that the Vice president of the Republic will be in charge of coordinating and executing, jointly with the Planning and Development National Secretariat, the implementation of the 2030 Agenda, and to link the international Agenda with the national objectives indicated in the 2017 – 2021 National Development Plan. Currently, a National SDG Monitoring Committee is being formed.

The coordination mechanism of the INFF shall be attached to this National SDG Monitoring Committee, once it is officially inaugurated, as a specific body that addresses topics related to SDG financing, and that ensures an equal participation of males and females. This does not mean that its structuring must wait until said official inauguration.

The coordination mechanism of the INFF will be directed by the top authority of the Ministry of Economy and Finance or by his/her delegate, and it will be comprised of representatives of the public and private sectors, the academia, civil society and international organizations.

The Executive Branch institutions that will be part of the coordination mechanism of the INFF will be:

- The Office of the Vice president of the Republic: entity in charge of coordinating and executing, jointly with the Planning Technical Secretariat, the implementation of the 2030 Agenda.
- The Ministry of Economy and Finance: directing entity of public finance.
- The National Planning Technical Secretariat: higher body of the National Decentralized System of Participatory Planning.
- The "Toda Una Vida Plan" Technical Secretariat: entity in charge of coordinating inter-sectorial interventions targeted towards the most vulnerable population groups.

These institutions will form, within the coordination mechanism of the INFF, a governmental supervision board that will procure equal participation of males and females. During the implementation of the joint program, the Resident Coordinator of the United Nations System or his/her delegate and the representatives or the delegates of UNDP, UNICEF and WFP will be members of this board, and they will monitor and provide advice regarding strategic direction and implementation of the program.

While designing the INFF, the board will receive information regarding the technical progress and feedback of the process, and during the implementation stage of the INFF, the board will provide technical and policy guidance.

Each institution of the supervisory board will also delegate technical counterparties to constitute a high-level technical team. This team will actively participate in the creation of several technical tools devised in the INFF design process.

The coordination mechanism of the INFF will also have a dialogue space whereby technical inputs will be presented regarding SDG financing in Ecuador, discussions will be promoted, and proposals will be submitted regarding alternatives for resource mobilization of different sectors. In the short term, the deliverable of the dialogue will be a roadmap of concrete actions to support the financing of prioritized policies with multiplying effects on SDGs.

In the dialogue processes, the UN agencies will operate as facilitators, jointly with the teams of the institutions of the supervisory board. Also, they will provide input from international financing experiences.

The extent of the SDG related subjects imply a wide variety of stakeholders who should be incorporated in finance discussions. Consequently, the coordination mechanism may, as required, hold national and local financing thematic panels.

The first thematic panel to be established should be one that addresses the CCM reduction policy, at the national and local level. The UN agencies will provide technical assistance to this specific process.

Consequently, the UN will play a strategic role by providing guidance in the formation stage of the mechanism, input and technical advice during its implementation stage, and facilitating the dialogue process with several actors. The dialogue process will provide sustainable conditions by empowering governmental actors, as well as actors from academia, the private sector and civil society.

### **3.2 Monitoring, reporting, and evaluation**

Reporting on the Joint SDG Fund will be results-oriented, and evidence based. Each PUNO will provide the Convening/Lead Agent with the following narrative reports prepared in accordance with instructions and templates developed by the Joint SDG Fund Secretariat:

- *Annual narrative progress reports*, to be provided no later than one (1) month (31 January) after the end of the calendar year, and must include the result matrix, updated risk log, and anticipated expenditures and results for the next 12-month funding period;
- *Mid-term progress review report* to be submitted halfway through the implementation of Joint Programme<sup>9</sup>; and
- *Final consolidated narrative report*, after the completion of the joint programme, to be provided no later than two (2) months after the operational closure of the activities of the joint programme.

The Convening/Lead Agent will compile the narrative reports of PUNOs and submit a consolidated report to the Joint SDG Fund Secretariat, through the Resident Coordinator.

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<sup>9</sup> This will be the basis for release of funding for the second year of implementation.

The Resident Coordinator will be required to monitor the implementation of the joint programme, with the involvement of Joint SDG Fund Secretariat to which it must submit data and information when requested. As a minimum, joint programmes will prepare, and submit to the Joint SDG Fund Secretariat, 6-month monitoring updates. Additional insights (such as policy papers, value for money analysis, case studies, infographics, blogs) might need to be provided, per request of the Joint SDG Fund Secretariat. Joint programme will allocate resources for monitoring and evaluation in the budget.

Data for all indicators of the results framework will be shared with the Fund Secretariat on a regular basis, in order to allow the Fund Secretariat to aggregate results at the global level and integrate findings into reporting on progress of the Joint SDG Fund.

PUNOs will be required to include information on complementary funding received from other sources (both UN cost sharing, and external sources of funding) for the activities supported by the Fund, including in kind contributions and/or South-South Cooperation initiatives, in the reporting done throughout the year.

PUNOs at Headquarters level shall provide the Administrative Agent with the following statements and reports prepared in accordance with its accounting and reporting procedures, consolidate the financial reports, as follows:

- Annual financial reports as of 31st December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period; and
- A final financial report, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than 30 April of the year following the operational closing of the project activities.

In addition, regular updates on financial delivery might need to be provided, per request of the Fund Secretariat.

After completion of a joint programme, a final, *independent and gender-responsive*<sup>10</sup> *evaluation* will be organized by the Resident Coordinator. The cost needs to be budgeted, and in case there are no remaining funds at the end of the joint programme, it will be the responsibility of PUNOs to pay for the final, independent evaluation from their own resources.

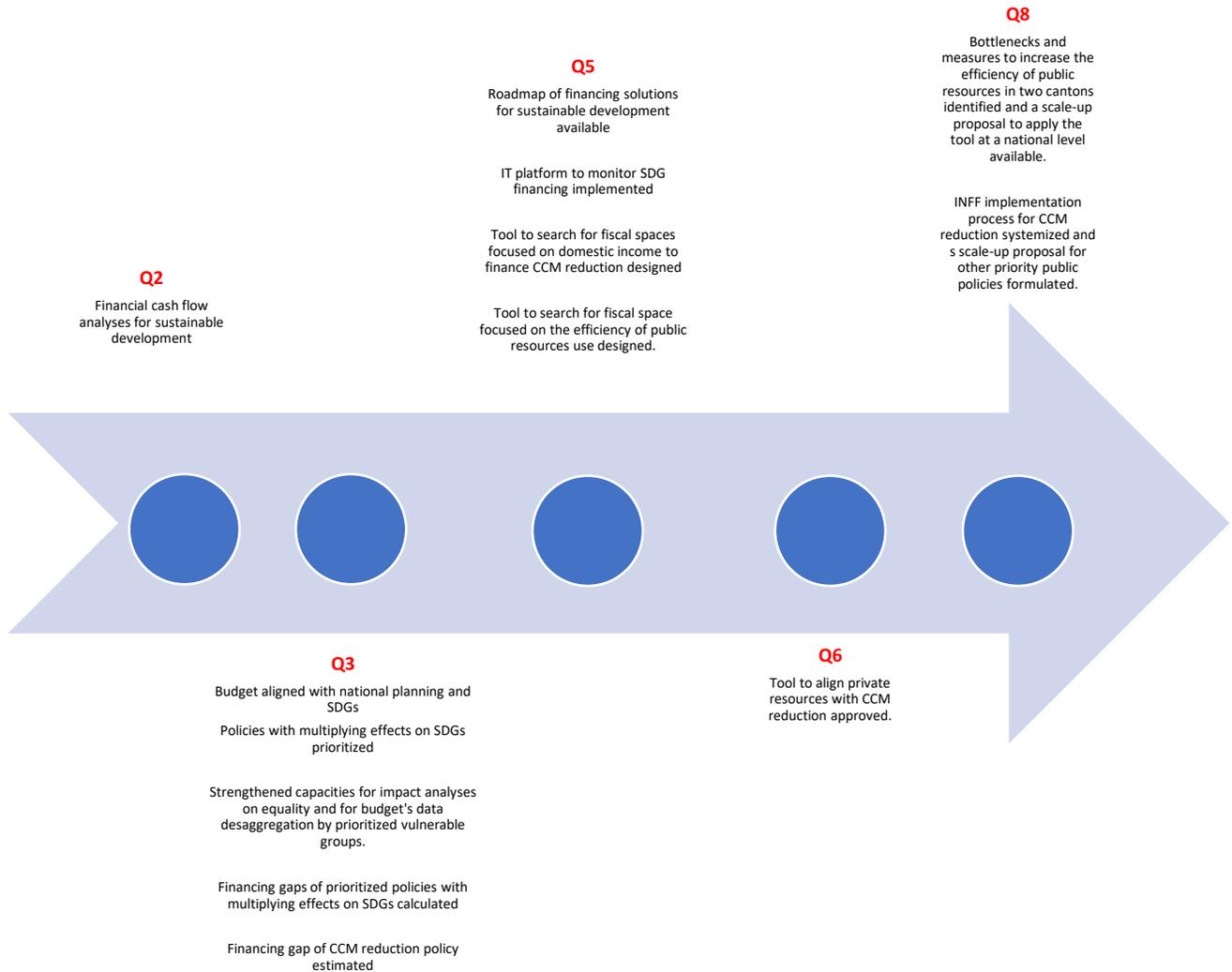
The joint programme will be subjected to a joint final independent evaluation. It will be managed jointly by PUNOs as per established process for independent evaluations, including the use of a joint evaluation steering group and dedicated evaluation managers not involved in the implementation of the joint programme. The evaluations will follow the United Nations Evaluation Group's (UNEG) Norms and Standards for Evaluation in the UN System, using the guidance on Joint Evaluation and relevant UNDG guidance on evaluations. The management and implementation of the joint evaluation will have due regard to the evaluation policies of PUNOs to ensure the requirements of those policies are met and the evaluation is conducted with use of appropriate guidance from PUNOs on joint evaluation. The evaluation process will be participative and will involve all relevant programme's stakeholders and partners. Evaluation results will be disseminated amongst government, development partners, civil society, and other stakeholders. A joint management response will be produced upon completion of the evaluation process and made publicly available on the evaluation platforms or similar of PUNOs.

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<sup>10</sup> [How to manage a gender responsive evaluation, Evaluation handbook](#), UN Women, 2015

The program's main milestones are the following:

**Chart 3: Program's main milestones**



**3.3 Accountability, financial management, and public disclosure**

The Joint Programme will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the funds will be channeled for the Joint Programme through the AA. Each Participating UN Organization receiving funds through the pass-through has signed a standard Memorandum of Understanding with the AA.

Each Participating UN Organization (PUNO) shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent of the Joint SDG Fund (Multi-Partner Trust Fund Office). Such funds will be administered by each UN Agency, Fund,

and Programme in accordance with its own regulations, rules, directives and procedures. Each PUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Indirect costs of the Participating Organizations recovered through programme support costs will be 7%. All other costs incurred by each PUNO in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

Funding by the Joint SDG Fund will be provided on annual basis, upon successful performance of the joint programme.

Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the Joint SDG Fund.

PUNOs and partners must comply with Joint SDG Fund brand guidelines, which includes information on donor visibility requirements.

Each PUNO will take appropriate measures to publicize the Joint SDG Fund and give due credit to the other PUNOs. All related publicity material, official notices, reports and publications, provided to the press or Fund beneficiaries, will acknowledge the role of the host Government, donors, PUNOs, the Administrative Agent, and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating Organization and partners in all external communications related to the Joint SDG Fund.

### **3.4 Legal context**

The 2019 – 2022 United Nations Cooperation Framework for sustainable development was signed by the Ecuadorian government on June 2018. It includes the signatures of the three agencies which are part of the joint programme proposal:

Agency name: United Nations Development Programme (UNDP)  
Agreement title: Standard Basic Assistance Agreement or SBAA  
Agreement date: January 19, 2005.

Agency name: United Nations Children’s Fund (UNICEF)  
Agreement title: Basic Cooperation Agreement (BCA) between the government and the UNICEF.  
Agreement date: March 8, 1991.

Agency name: World Food Programme (WFP)  
Agreement title: Basic Agreement related to assistance from the World Food Programme, signed by the government and by the WFP.  
Agreement date: August 21, 1969, and an amendment was published in the same Official Registry on October 22, 1998.

## D. ANNEXES

### Annex 1. List of related initiatives

Name of initiative/project	Key expected results	Links to the joint programme	Lead organization	Other partners	Budget and funding source	Contact person (name and email)
Financial Management Modernization Program	<ul style="list-style-type: none"> <li>– Quick efficiency, effectiveness and sustainability analysis of priority topics: school issues and meals.</li> <li>– Results based budget built-in capability via a prototype in child development centers.</li> </ul>	Lessons learned will be extracted from developed experience.	IADB	<ul style="list-style-type: none"> <li>– National Directorate of Spending Quality</li> <li>– Office of the Vice - Minister of finance</li> </ul>	N/A [it does not apply]	Camila Mejía <a href="mailto:camilam@iadb.org">camilam@iadb.org</a> State Modernization Specialist – IDB
Ecuador's Social Protection Network Project	<ul style="list-style-type: none"> <li>– Improvement of the quality, integration and sustainability of selected programs of: Child development and protection of people of advanced age.</li> <li>– Technical assistance for the development, monitoring and evaluation of capacities.</li> </ul>	It includes nominal monitoring efforts, within the "Misión Ternura" framework (CCM reduction in Ecuador)	WB	<ul style="list-style-type: none"> <li>– STPTV</li> <li>– MIES [<i>Ministry of Economic and Social Inclusion</i>]</li> </ul>	350 million	Nelson Gutiérrez <a href="mailto:ngutierrez@worldbank.org">ngutierrez@worldbank.org</a>
Technical Assistance for Budgets based on Results for CCM [ <i>Chronic Child Malnutrition</i> ] Reduction in Ecuador	<ul style="list-style-type: none"> <li>– Structure of results based budgeting for the five priority products for CCM reduction in Ecuador.</li> <li>– Estimate of unitary costs of the benefits of priority products for CCM reduction.</li> </ul>	<ul style="list-style-type: none"> <li>– It will be the basis used to estimate financing gaps. The joint program proposal is complementary.</li> </ul>	CAF	<ul style="list-style-type: none"> <li>– MEF [<i>Ministry of Economy and Finance</i>]</li> <li>– Planning Secretariat</li> </ul>	N/A	Lenin Parreño <a href="mailto:lparreno@caf.org">lparreno@caf.org</a>
Support initiative for the national government regarding SDG implementation	<ul style="list-style-type: none"> <li>– Implementation of the Advisory Committee for the implementation of the</li> </ul>	The coordination mechanism of the national financing framework for sustainable development will be a part of the	UNDP	<ul style="list-style-type: none"> <li>– Office of the Vice - president of the Republic</li> </ul>	UNDP internal funds	Alejandra Peña <a href="mailto:alejandra.pena@undp.org">alejandra.pena@undp.org</a> Technician of the Democratic Governance and Social Development Area

	<p>2030 Agenda regarding Sustainable Development</p> <p>– Preparation of the 2020 National Voluntary Exam</p>	<p>Advisory Committee for the Implementation of the 2030 Agenda.</p> <p>The preparation of the National Voluntary Exams regarding SDG reporting will receive the input of the National Financing Framework proposed by this program.</p>		<p>- Planning Secretariat</p>		<p>UNDP</p>
<p>Support initiative for the Ministry of Finance</p>	<p>– Social spending monitoring</p> <p>– Impact analysis of the economic measures.</p>	<p>The social spending analysis is directly linked to SDG financing mechanisms</p>	<p>United Nations System</p>	<p>- Ministry of Economy and Finance</p> <p>- ESPOL University</p>	<p>United Nations System Funds</p>	<p>Esther Almeida <a href="mailto:esther.almeida@one.un.org">esther.almeida@one.un.org</a> Coordination official Resident Coordinator's Office</p>
	<p>1. Social policies that ensure the adequate nutritional status and health of children, the adequate care of expectant mothers, and that prevent teenage pregnancies.</p> <p>2. Evidence generation for public policies.</p> <p>3. Effectiveness and coordination of inter-sectorial bodies.</p> <p>4. Capacity building for health professionals and health establishments with a focus on the first 1000 days of life and appropriate approaches. Adequate follow-up and monitoring of children and expectant mothers.</p> <p>5. Local management model to improve the health and nutrition of children and expectant mothers.</p>	<p>Malnutrition reduction program</p>	<p>UNICEF</p>	<p>- Ministry of Public Health</p> <p>- STPTV</p> <p>- MIES</p> <p>- Local governments</p> <p>- Civil society</p> <p>- Community-based organizations</p> <p>- Academia</p>		<p>Katherine Silva <a href="mailto:mksilva@unicef.org">mksilva@unicef.org</a> UNICEF Health and Nutrition Officer</p>

	<p>6. Communities and families count with adequate tools to foster positive parenting and childcare practices.</p> <p>7. Community water boards with greater management capacity to improve the quality of water services.</p>					
Maternal and Neonatal Death Reduction Program	<p>8. Technical support for the implementation, certification and update of the ESAMyN [<i>Friendly Health Establishments for Mothers and Children</i>] norms</p>	<p>Reinforcement of health professionals and establishments capacities focusing on the first 1000 days of life, according to established protocols</p> <p>Adequate follow-up and monitoring of children and expectant mothers.</p> <p>Reinforcement of the healthcare system regarding maternal and neonatal health</p>	UNICEF	<p>Ministry of Public Health</p> <p>The entire health network</p> <p>Civil society</p> <p>Academia</p>		<p>Katherine Silva <a href="mailto:mksilva@unicef.org">mksilva@unicef.org</a></p>

## Annex 2. Results Framework

### 2.1. Targets for Joint SDG Fund Results Framework

**Joint SDG Fund Outcome 2:** Additional financing leveraged to accelerate SDG achievement

Indicators	Targets	
	2021	2022
2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope <sup>11</sup>	0	3
2.2: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale <sup>12</sup>	0	2

**Joint SDG Fund Output 4:** Integrated financing strategies for accelerating SDG progress implemented

Indicators	Targets	
	2021	2022
4.1: #of integrated financing strategies that were tested (disaggregated by % successful / unsuccessful)	0	4
4.2: #of integrated financing strategies that have been implemented with partners in lead <sup>13</sup>	0	2
4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational	0	4

### Joint SDG Fund Operational Performance Indicators

- Level of coherence of UN in implementing programme country<sup>14</sup>
- Reduced transaction costs for the participating UN agencies in interaction with national/regional and local authorities and/or public entities compared to other joint programmes in the country in question
- Annual % of financial delivery
- Joint programme operationally closed within original end date
- Joint programme financially closed 18 months after their operational closure
- Joint programme facilitated engagement with diverse stakeholders (e.g. parliamentarians, civil society, IFIs, bilateral/multilateral actor, private sector)
- Joint programme included addressing inequalities (QCPR) and the principle of “Leaving No One Behind”
- Joint programme featured gender results at the outcome level

<sup>11</sup>Additional resources mobilized for other/ additional sector /s or through new sources/means

<sup>12</sup>Additional resources mobilized for the same multi-sectoral solution.

<sup>13</sup> This will be disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners

<sup>14</sup> Annual survey will provide qualitative information towards this indicator.

- Joint programme undertook or drew upon relevant human rights analysis, and have developed or implemented a strategy to address human rights issues
- Joint programme planned for and can demonstrate positive results/effects for youth
- Joint programme considered the needs of persons with disabilities
- Joint programme made use of risk analysis in programme planning
- Joint programme conducted do-no-harm / due diligence and were designed to take into consideration opportunities in the areas of the environment and climate change

## 2.2. Joint programme Results framework

Result / Indicators	Baseline	2021 Target	2022 Target	Means of Verification	Responsible partner
Outcome 1. The Ecuadorian government will have a national financing framework (INFF) for sustainable development.					
As of 2022, Ecuador will have an INFF for sustainable development	There is no INFF in Ecuador		An INFF designed in Ecuador	INFF document	MEF [ <i>Ministry of Economy and Finance</i> ] STPE [ <i>Ecuador Plans Technical Secretariat</i> ]
Output 1.1. Budget aligned with national planning processes and with SDGs, and disaggregated by equality approaches (gender, intercultural, generational, disabilities and human mobility).					
As of 2021, methodological guidance should be formulated to align national planning with SDGs.	There are no methodological guidelines to align national planning with the SDGs.	Methodological guidelines to align the National Development Plan with the established SDGs.		Methodological guidelines document	STPE
As of 2021, national planning should be aligned with SDGs.	A still general alignment of the national development plan with SDGs has been undertaken.	A rigorous alignment of the National Development Plan with SDGs has been implemented		Document regarding the alignment of the National Development Plan with SDGs.	STPE

<p>As of 2021, tools should be provided and capacities reinforced so that public officials participate in all processes of the formulation of sectorial and institutional policies, gap analysis and mechanisms to promote equality.</p>	<p>Institutions abilities to cross-implement the planning process with an equality approach are weak</p>	<p>Capacities to mainstream the planning process with reinforced equality approaches (gender, disability, intercultural, human mobility and generational equality approaches).</p>		<p>Program reports</p>	<p>STPE MEF</p>
<p>As of 2021, an SDG financing cash flow analysis should be implemented.</p>	<p>The alignment of the national budget with SDGs has limitations regarding the classification of information (92% of the budget is aligned with 4 SDGs).</p>	<p>Financing cash flow analysis executed (it includes a disaggregation by Expenditure Guiding Classifiers) and rated in the coordination mechanism framework.</p>		<p>Financing cash flow analysis document</p>	<p>MEF STPE</p>
<p>As of 2021, harmonized methodological guidelines to align the national budget with national planning and SDGs should be formulated,</p>	<p>Specific exercises have been executed regarding the alignment of the national budget with development goals.</p>	<p>Prepared harmonized methodological guidelines to align the national budget with national planning and reinforced capacities for their application.</p>		<p>Methodological guidelines document. Capacity building workshop reports.</p>	<p>MEF STPE</p>

and application capacities should be reinforced.	However, there are no harmonized methodological guidelines.				
Percentage of institutions in charge of priority policies that have modified their budgetary structure with an approach based on results.	The baseline will be established after figuring out the gender-sensitive policy priorities which have multiplying effects on the SDGs.		50%	Program reports	MEF
As of 2021, the creation of a results based budgeting structure should be supported for 2 priority public policies that have multiplying effects linked to CCM reduction.	There is no results based budgeting structure for priority policies that have multiplying effects linked to CCM reduction.	2 priority policies with multiplying effects linked to CCM reduction have results based budgeting		Program reports	MEF
As of 2021, information input capacities regarding the Spending Guiding Classifiers for equality and environmental policies should be reinforced	There is evidence of weaknesses regarding information input of spending classifiers	Reinforced information input capacities regarding Spending Guiding Classifiers on equality (gender, disability, intercultural, human mobility and generational equality) and		Program reports	MEF

		environmental policies			
Percentage of institutions in charge of priority policies that adequately disaggregate information by prioritized vulnerable groups	The baseline will be established after setting priorities for gender sensitive policies with multiplying effects on SDGs.		60%	Program reports	MEF
As of 2021, a methodology to prioritize gender sensitive policies with multiplying effect on SDGs should be designed.	There is no priority methodology of policies which have multiplying effects on SDGs.	Designed priority methodology of policies with high multiplying effects on SDGs.		Methodology document	MEF STPE STPTV [ <i>An Entire Life Plan Technical Secretariat</i> ]
Number of priority gender-sensitive policies with a high multiplying effect on SDGs.	No priorities have been established for policies with high multiplying effects on SDGs.	Priorities will be assigned for a minimum of 10		Program reports	
As of 2021, technical assistance should be provided to establish priorities for policies with high multiplying effects on SDGs.	No priorities have been established for policies with high multiplying effects on SDGs.	Assigned priorities for policies with high multiplying effects on SDGs.		Prioritization document	MEF STPE STPTV
Output 1.2. Estimated financing gaps of prioritized policies with multiplying effects on SDGs.					

As of 2021, methodological guidelines to estimate financing costs and gaps for priority policies should be designed, and the capacity for their implementation should be reinforced.	There are no harmonized methodological guidelines to estimate the priority policies financing costs and gaps.	Designed methodological guidelines to estimate priority policies financing costs and gaps, and reinforced capacities of the governmental counterparties.		Methodological guidelines document	MEF STPE
As of 2021, an overall cost estimate of priority policies with multiplying effects on SDGs should be implemented, and the financing gaps should be estimated.	There are no financing gap estimates	General estimate of financing gaps of priority policies with multiplying effects on SDGs.		Program reports	MEF STPE
<b>Output 1.3. Consolidated financial solutions roadmap</b>					
As of 2021, a guide to establish and prioritize policies to finance development should be formulated, and the associated implementation capacities should be reinforced.	There is no guide to define and prioritize policies to finance development	Formulated guide to prioritize policies to finance development, and reinforced capacities for its implementation.		Program reports guiding document	MEF

As of 2021, financing tools that can be applied in Ecuador should be identified.	No set of financing policies has been identified for its inclusion in an INFF.	Identification of financing tools that could be used in Ecuador. At least 10 tools have been identified.		Program reports	MEF
As of 2021, a multi-actor roadmap for actions that support SDG financing should be formulated.	There is no multi-actor roadmap to provide SDG financing support.	Multi-actor roadmap regarding actions that provide SDG financing support.		Roadmap document	MEF
Number of agreed financing tools that have been included in the multi-actor roadmap	No set of financing policies has been identified for its consolidation in an INFF	At least 5 tools have been agreed upon.			MEF
As of 2021, the MEF capacities should be reinforced to evaluate the impact of tax policies regarding equality.	A weakness regarding the evaluation of the impact of the fiscal policies on equity has been identified.	Reinforced capacities of the MEF to evaluate the impact of tax policies on equality.		Program reports	MEF
Output 1.4. Coordination mechanism of the INFF and monitoring and accountability tools of sustainable development financing established					
As of 2021, an IT platform that will provide support to monitor budget allocations to SDGs should be installed	There is no platform that allows for visualizing the resources allocated to SDGs.	IT platform to monitor allocations for sustainable development, disaggregated by gender, disability, intercultural, human mobility and		Program reports	MEF

		generational approaches.			
As of 2021, the INFF coordination mechanism should be established	There is no INFF coordination mechanism.	An established INFF coordination mechanism.		Program reports	MEF
Percentage of females who participate in the mechanism.	There is no INFF coordination mechanism.	At least 40%		Minutes	MEF
As of 2022, the participation of women should be included in the decision-making process, and their specific needs should be incorporated in prioritized policies	There is no INFF coordination mechanism.		The INFF coordination mechanism includes the participation of women in decision-making process and it incorporates their specific needs in priority policies	Minutes	MEF
<b>Outcome 2. Ecuador applies the INFF to the chronic child malnutrition (CCM) reduction policy.</b>					
As of 2022, the INFF should be applied to the CCM reduction policy.	No INFF has been applied to the CCM reduction policy.		An INFF is applied to the CCM reduction policy.		Reports and documents
<b>Output 2.1. A tool designed to mobilize and align public resources to finance CCM reduction.</b>					
As of 2022, a tool to search for fiscal space focused on domestic income to finance the CCM reduction	There are no tools to search for fiscal space focused on domestic income to finance the		Designed tool to search for fiscal space focused on domestic income to finance the	Document of the tool used to search for fiscal space.	STPTV MEF

policy should be designed.	CCM reduction policy.		CCM reduction policy.		
Output 2.2. A proven tool focused on public resources efficient and a national scale-up proposal					
As of 2021, a tool to search for fiscal space focused on the efficiency of public resources used to finance the CCM reduction policy should be designed.	There is no tool to search for fiscal space focused on the efficiency of the public resources used to finance the CCM reduction policy.	Tool to search for fiscal space focused on the efficiency of the public resources used to finance the CCM reduction policy.		Document of the tool used to search for fiscal space.	STPTV MEF
Number of cantons on which a tool to search for fiscal space focused on the efficiency of public resources used should be tested.		2		Program reports.	STPTV MEF
As of 2021, a proposal to escalate the application of the tool at a national level should be structured.	No tool to search for fiscal space focused on the efficiency of the public resources used to finance the CCM reduction policy has been tested.		Escalation proposal to apply the tool at a national level.	Program and proposal reports.	STPTV MEF
Output 2.3. An approved tool to align private resources with the CCM reduction policy					
As of 2022, an innovative tool to	There is no innovative tool		A designed tool to align	Program reports	MEF STPTV

mobilize private resources towards CCM reduction should be designed.	to mobilize private resources towards CCM reduction.		private resources for CCM reduction.		
Output 2.4. Operating coordination and dialogue mechanisms to finance CCM reduction.					
As of 2022, a management model and coordination tools should be designed at national and local levels regarding the coordination mechanisms to finance the CCM reduction policy, and technical assistance for their implementation should be provided.	There are no coordination mechanisms to finance the CCM reduction policy.	Formulated management model and coordination tools at national and local levels for the coordination mechanisms to finance the CCM reduction policy.	A functioning national coordination mechanism to finance the CCM reduction policy.	Document of the management model and of the coordination tools.  Minutes	STPTV
Number of cantons in which the coordination mechanisms to finance the CCM reduction policy have been implemented.	There are no coordination mechanisms to finance the CCM reduction policy.		2		
Percentage of females who participate in the national	There are no coordination mechanisms to finance the		At least 40%		STPTV

coordination mechanism.	CCM reduction policy.				
Output 2.5. Systemized INFF implementation process for CCM reduction and formulated scale-up proposal for other priority public policies					
As of 2022, the process to apply the INFF to CCM reduction should be systemized, methodological guidelines to apply the INFF to specific policies be designed and a scale-up proposal to other policies with multiplying effects on SDGs implemented.	The application process of the INFF to the CCM reduction policy has not been systemized.		Systemized application process of the INFF to the CCM reduction policy. Designed methodological guidelines to apply the INFF to specific policies. Formulated scale-up proposal to other policies with multiplying effects on SDGs.	Document which includes: the systematization, the methodological guidelines, and the scale-up proposal	STPTV MEF

### Annex 3. Gender marker matrix

<b>Indicator</b>		<b>Score</b>	<b>Findings and Explanation</b>	<b>Evidence or Means of Verification</b>
<i>N°</i>	<i>Formulation</i>			
1.1	Context analysis integrate gender analysis	<b>3</b>	<p>Three problems are identified: 1) unequal economic income; 2) a weak inclusion of the gender equality approach and other equality approaches in the overall budget of the country; and 3) the lack of participation of women, on equal conditions, in the decision-making processes regarding malnutrition reduction policies, and an insufficient inclusion of their specific needs in said policies.</p> <p>Regarding 1) inequalities regarding income are particularly intense between males and females.</p> <p>Regarding 2), although there are guiding classifiers of the state budget expenditure in equality and environmental policies, national institutions do not include these policies in a sufficiently precise manner when planning or when this data is being input to the national finance management system.</p> <p>Regarding 3), the dialogue mechanisms about chronic child malnutrition do not specifically promote a joint and equal participation of women, and the malnutrition related policies do not incorporate their specific needs.</p>	Section C.1: Baseline and situation analysis.
1.2	Gender Equality mainstreamed in proposed outputs	<b>3</b>	Outputs include concrete actions to incorporate, in national planning and budgeting exercises, equality policies, including gender equality, and this is visible in monitoring and accountability processes regarding sustainable financing for development.	Expected results by outcome and outputs, Work plan, Budget
1.3	Programme output indicators measure changes on gender equality	<b>2</b>	The joint program includes indicators that measure: the participation of males and females in coordination mechanisms and in dialogue process around the INFF, the participation of women in decision-making processes regarding SDG financing and malnutrition, the disaggregation of the national budget by gender and prioritized vulnerable groups, and the strengthening of capacities to measure the impact of fiscal policies on equality.	Annex 2. Indicators in outputs 1.1 (2 indicators), 1.3, 1.4 (2 indicators), and 2.4. Results Framework, 2.2. Joint program Results framework
2.1	PUNO collaborate and engage with Government on gender equality and the empowerment of women	<b>2</b>	The joint program, developed under consultation with representatives of the MEF, the Office of the Vice - president, the Planning Secretariat and the STPTV, mainstreams gender equality because it promotes its incorporation in the planning, budgeting, monitoring and accountability cycle of the INFF and its application in the CCM reduction policy. The proposal includes, specifically, the engagement of the national	Section A (14.2) Section C (1.3)

			mechanism to promote women equality: the National Council for Gender Equality.	
2.2	PUNO collaborate and engages with women's/gender equality CSOs	<b>3</b>	The joint program will mobilize actors of civil society to maintain an extended dialogue around SDG financing, which will include organizations of women at national and local levels. The structure of the dialogue processes regarding financing will have equal participation and will seek the same conditions for the participation of males and females.	Section A (14.2) Section C Expected results by outcome and outputs (1.3 y 2.3)
3.1	Programme proposes a gender-responsive budget	<b>2</b>	28% of the budget will be specifically targeted to the strengthening of policies with and equality approach.	Budget
<b>Total scoring</b>		<b>2.5</b>		

## Annex 4. Budget and Work Plan

### 4.1 Budget per UNSDG categories

UNDG BUDGET CATEGORIES	UNDP		UNICEF		WFP		Total	
	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)
1. Staff and other personnel	130.131	124.800	-	149.550,00	40.000	116.248	170.131	390.598
2. Supplies, Commodities, Materials	7.250		5.000,00		19.523		31.773	
3. Equipment, Vehicles, and Furniture (including Depreciation)	5.669		-		0		5.669	
4. Contractual services	292.372		194.901,87		88.000		575.274	
5. Travel	8.200		1.500,00		25.000		34.700	
6. Transfers and Grants to Counterparts	0		75.000,00		0		75.000	
7. General Operating and other Direct Costs	22.000		-		20.000		42.000	
<b>Total Direct Costs</b>	<b>465.622</b>				<b>276.401,87</b>			
8. Indirect Support Costs (Max. 7%)	32.594		19.348,13		13.477		65.418	
<b>TOTAL Costs</b>	<b>498.216</b>	<b>124.800</b>	<b>295.750,00</b>	<b>149.550,00</b>	<b>206.000</b>	<b>116.248</b>	<b>999.965</b>	<b>390.598</b>
<b>1st year</b>	214.917	98.000	121.550,00	50.165,00	103.000	58.124	439.467	206.289
<b>2nd year</b>	283.299	26.800	174.200,00	99.385,00	103.000	58.124	560.498	184.309

The total cost of implementing this program is USD 1.390.563, of which 72% is expected to be financed by the SDG Fund (USD 999.965) and 28% by participating agencies (USD 390.598).

Resources will be used to strengthen institutional capacities, bolster reforms, and design and apply methodological tools to:

#### Outcome 1

- Link planning and budgeting to SDGs.
- Incorporate prioritized vulnerable groups in planning and budget data
- Prioritize gender sensitive policies and policies with multiplying effects on SDGs
- Estimate financing gaps for sustainable development
- Identify innovative tools to mobilize and align public and private resources to SDGs
- Provide training on impact analysis of public policies on equality
- Assess the differentiated impact of tax policies for different populations
- Establish the management model of the INFF coordination mechanism
- Facilitate multi-actor dialogue mechanisms

- Implement a monitoring IT tool of SDG financing
- Systemize the process and to prepare the INFF document.

Outcome 2:

- Design and apply financing tools to search for fiscal space (one used to mobilize and align public resources to reduce CCM, and another one to increase efficiency in resources use).
- Design a tool to mobilize private resources for CCM reduction.
- Test the tools and formulate a national scale-up proposal.
- Structure national and local multi-actor dialogue mechanism
- Systemize the processes to estimate financing gaps, to design public and private financing tools, and to escalate them to other gender sensitive policies with multiplying effects on SDGs.

Additionally, resources will be used to design a system to monitor the results of the joint program and to strategically disclose said results, and to carry out an independent assessment of the program during the final implementation stage.

PUNO's contributions will reinforce programmatic activities and will ensure that results and products are achieved.

## 4.2 Budget per SDG targets

SDG TARGETS		%	USD
1	1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.	0.58	8,000
2	1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	0.72	10,000
3	1.a. Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions	7.25	100,847
4	1.b Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions	5.03	70,000
5	2.2 By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons	15.52	215,855
6	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	0.72	10,000
7	3.c Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States.	1.80	25,000
8	5.1 End all forms of discrimination against all women and girls everywhere	4.93	68,580
9	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	6.47	90,030
10	10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality .	10.31	143,325
11	17.1. Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection.	18.72	260,260
12	17.9 Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the sustainable development goals, including through North-South, South-South and triangular cooperation.	9.51	132,300
13	17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	17.11	237,867
14	17.18 By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts	1.33	18,500
<b>TOTAL</b>		<b>100.00</b>	<b>1,390,563</b>

The SDG goal-based budget was established considering all planned activities of the program.

The design of an Integrated National Financing Framework (INFF) for sustainable development in Ecuador will have an impact on SDG targets 1.1, 1.2, 1.a, 1.b, 3.c, 17.1, 17.9, 17.17, and 17.18. Likewise, financing CCM reduction will positively impact targets 2.1 and 3.8.

All proposed activities seek to provide implementation means for priority policies focused on reducing inequity, providing services to the most vulnerable populations and bolstering gender equality. Consequently, the program will also help to positively move the needles of SDG targets 5.1, 10.2 and 10.4 in Ecuador.

### 4.3 Work plan

Outcome 1			Outcome 1. The Ecuadorian government develops an Integrated National Financing Framework (INFF) for sustainable development.																
Output	Annual target/s		List of activities	Time frame								PLANNED BUDGET			PUNO/s involved	Implementing partner/s involved			
	2020 - 2021	2022		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Overall budget description	Joint SDG Fund (USD)	PUNO Contributions (USD)			Total Cost (USD)		
1.1. Budget aligned with national planning processes and with SDGs, and disaggregated by equality approaches (gender, intercultural, generational, disabilities and human mobility).	<p>As of 2021, methodological guidance should be formulated to align national planning with SDGs.</p> <p>As of 2021, national planning should be aligned with SDGs.</p> <p>As of 2021, tools should be provided and capacities reinforced so that public officials participate in all processes of the formulation of sectorial and institutional policies, gap analysis and mechanisms to promote equality.</p> <p>As of 2021, an SDG financing cash flow analysis should be implemented.</p> <p>As of 2021, harmonized methodological guidelines to align the national budget with national planning and SDGs should be formulated, and application capacities should be reinforced.</p> <p>Percentage of institutions in charge of priority policies that have modified their budgetary structure with an approach based on results.</p> <p>As of 2021, the creation of a results based budgeting structure should be supported for 2 priority public policies that have multiplying effects linked to CCM reduction.</p> <p>As of 2021, information input capacities regarding the Spending Guiding Classifiers for equality and environmental policies should be reinforced.</p> <p>Percentage of institutions in charge of priority policies that adequately disaggregate information by prioritized vulnerable groups.</p> <p>As of 2021, a methodology to prioritize gender sensitive policies with multiplying effect on SDGs should be designed.</p> <p>Number of priority gender-sensitive policies with a high multiplying effect on SDGs.</p> <p>As of 2021, technical assistance should be provided to establish priorities for policies with high multiplying effects on SDGs.</p>		Design and application of methodological guidelines to align national planning with SDGs	X	X	X							<p>Technical assistance and strengthening of capacities of the national government to align its budget to the national planning and to the 2030 Agenda, and to prioritize policies with multiplying effects on SDGs.</p>	77,980	20,000	97,980	UNDP	<p>Ministry of Economy and Finance</p> <p>Planning Secretariat</p> <p>Toda una Vida Plan</p> <p>Technical Secretariat</p>	
			Developing a tool to prioritize policies			X													
			Financial cash flow analyses for sustainable development			X	X												
			Preparing a methodology to align the budget with national planning and SDGs			X	X												
			Strengthening capacities to implement methodologies, undertake equality analyses, and correctly use the expenditure classifier.					X	X										
			Technical assistance to apply the methodologies and align planning and budgeting with SDGs																
										X		X							X
1.2. Estimated financing gaps of prioritized policies with multiplying effects on SDGs.	<p>As of 2021, methodological guidelines to estimate financing costs and gaps for priority policies should be designed, and the capacity for their implementation should be reinforced.</p> <p>As of 2021, an overall cost estimate of priority policies with multiplying effects on SDGs should be implemented, and the financing gaps should be estimated.</p>		Preparing a methodology to estimate costs and financing gaps of priority public policies.		X	X					<p>Technical assistance to design a cost and gaps estimation methodology, and to estimate the financing gaps of prioritized policies</p>	48,910	30,000	78,910	UNDP	<p>Ministry of Economy and Finance</p>			
			Training of the Ministry of Finance (MEF) staff on the methodology.			X													
			Technical assistance provided to the MEF.				X	X											
1.3. Consolidated roadmap of financial solutions	<p>As of 2021, a guide to establish and prioritize policies to finance development should be formulated, and the associated implementation capacities should be reinforced.</p> <p>As of 2021, financing tools that can be applied in Ecuador should be identified.</p> <p>As of 2021, a multi-actor roadmap for actions that support SDG financing should be formulated.</p> <p>Number of agreed financing tools that have been included in the multi-actor roadmap</p> <p>As of 2021, the MEF capacities should be reinforced to evaluate the impact of tax policies regarding equality.</p>		Preparing a guide to identify financing policies.		X						<p>Technical assistance to identify financing tools for sustainable development.</p>	20,160	50,000	70,160	UNDP	<p>Ministry of Economy and Finance</p> <p>Planning Secretariat</p>			
			Training of staff from national and other type of institutions on the guide.			X													
						X	X	X	X										
			Technical assistance to implement the guide.																
1.4. Coordination mechanism of the INFF and monitoring and accountability tools of sustainable development financing established.	<p>As of 2021, an IT platform that will provide support to monitor budget allocations to SDGs should be installed</p> <p>As of 2021, the INFF coordination mechanism should be established</p> <p>Percentage of females who participate in the mechanism.</p>	<p>As of 2022, the INFF coordination mechanism should be fully operational</p> <p>As of 2022, the participation of women should be included in the decision-making process, and their specific needs should be incorporated in prioritized policies</p>	Establishing the management model of the INFF coordination mechanism.	X	X						<p>Technical and logistical support to implement an IT platform to monitor SDG financing, and to implement a coordination mechanism for the INFF.</p>	126,572	24,800	151,372	UNDP	<p>Office of the Vice-president of the Republic</p> <p>Ministry of Economy and Finance</p>			
			Coordination and dialogue workshops.		X	X													
			Systemizing the process and preparing the INFF document.				X												
			Designing, printing and distributing the INFF document.						X										
			Designing and installing an SDG financing monitoring IT platform.			X	X												
Technical assistance to manage the platform and to guarantee its interoperability with other systems						X													



Joint programme management			List of activities	Time frame				PLANNED BUDGET			PUNO/s involved	Implementing partner/s involved						
				Q1	Q2	Q3	Q4	Q1	Q2	Q3			Q4	Overall budget description	Joint SDG Fund (USD)	PUNO Contributions (USD)	Total Cost (USD)	
<b>Unit of operational coordination</b>	As of 2020, a coordination unit of the program should be implemented providing services to the 3 agencies	As of 2022, the coordination unit of the program should be working correctly	Hiring of the programme's coordinator	X														
			Purchase of equipment, materials, and office space	X								100,000	0	<b>100,000</b>	UNDP			
			Transportation expenses		X	X	X	X	X									
<b>A designed and implemented communication and monitoring strategy</b>	As of 2021, the communication and monitoring strategy of the program should be designed	As of 2022, the communication and monitoring strategy of the program should be implemented	Design and implementation of a communication and monitoring strategy	X	X								50,000	0	<b>50,000</b>	UNDP UNICEF WFP	Ministry of Economy and Finance Planning Secretariat Toda Una Vida Plan Technical Secretariat	
<b>Program final evaluation</b>		As of 2022, a final evaluation of the program as a whole should be executed	Final evaluation of the programme										20,000	0	<b>20,000</b>	UNDP UNICEF WFP		

## **Annex 5. Risk Management Plan**

Within the framework of the proposal, nine contextual, programmatic and institutional risks have been identified.

### **Contextual risks**

The Covid-19 outbreak emergency raises many different challenges for countries. Besides those related with health systems capacities, devastating effects on economic activities are expected. Immediate and medium term uncertainty regarding the evolution of the pandemic could modify the joint program planning, extending scheduled deadlines. To counter this risk and move on with the proposed work plan, the use of information technologies will be fostered.

The proposal wages on equal participation conditions on which actors of civil society, academia, and the private and public sectors are incorporated. The change of government in 2021 could modify the relationships between the state and the social and economic actors of the country, which could produce difficulties in the dialogue processes for the design of the INFF. Consequently, it is necessary to establish an INFF coordination mechanism and to implement dialogues from the start. Thus, there would be a support structure whereby the appropriate participants of the process will try to uphold its continuity.

On the other hand, there could be a lack of knowledge and/or sensitivity from the new national authorities and the local authorities regarding CCM issues, and regarding the need to create implementation mechanisms for a policy to reduce it. To counter this risk, it is necessary to establish a dialogue process with society and to emphasize its relevance for Ecuador, as well as to strengthen local dialogue mechanisms. Finally, it is also necessary to adequately communicate the problems, consequences and need for action, as well as the importance of having the means to implement these actions.

### **Programmatic risks**

Regarding the programmatic risks, the new government to be elected in 2021 could decide to focus institutional efforts on specific SDGs, without considering the entire 2030 Agenda nor the opportunity and importance of priority state interventions. To counter that, it is essential to have an early activation of the INFF coordination mechanism, and the implementation of dialogue spaces that provide support to the agreements. In addition, an advocacy exercise by UN agencies to promote the implementation of high-impact, gender responsive policies with multiplying effects on SDGs could be a positive contribution.

Likewise, the new government may not consider CCM as a priority public policy and, as such, resources may not be budgeted. A situation with these characteristics could be mitigated via awareness actions with presidential candidates, and via a joint approach with the WB, CAF and the national government, and the advocacy of actors from the national and local coordination mechanisms for CCM reduction.

### **Institutional risks**

There could be a lack of understanding of the objectives of the joint program by the new authorities and officials for the new management period; work overload and high rotation of the governmental counterparts that could affect the implementation

process; and resistance to change by officials. These three risks could be mitigated via communication and advocacy processes establishing the importance of the INFF, as well as via technical assistance and the strengthening of capacities.

### Fiduciary risks

The emergency of the coronavirus pandemic could aggravate Ecuador's economic crisis and temporarily alter external debt payments, which would limit the possibility to channel new resources to the country. It is therefore key to introduce this topic in the INFF coordination mechanism, as to have a support base for measures adopted by different actors at the national level. The UN system will continuously advise the national Government in its decision-making processes.

Risks	Risk Level:	Likelihood:	Impact:	Mitigating measures	Responsible Org./Person
<b>Contextual risks</b>					
The coronavirus pandemic causes uncertainties regarding the future and could modify the joint program planning, extending scheduled deadlines.	15	5	3	Information technologies are used to foster dialogues among relevant actors	UN agencies
The change of government could modify relationships of the state with relevant actors, which could create difficulties in the dialogue processes for the design of the INFF.	6	2	3	Establishing the INFF coordination mechanisms and implementing dialogue processes since the start of the execution of the joint program. Implementation of UNDP social standards.	UN agencies
Lack of awareness from the new national authorities and the current local authorities regarding CCM, and the need to create implementation mechanisms for its reduction.	6	3	2	National coordination mechanism to finance CCM reduction. Canton coordination mechanisms to finance CCM reduction. Communication strategy.	UN agencies
<b>Programmatic risks</b>					
The new government to be elected in 2021 could decide to focus institutional efforts on specific SDGs without considering the entire 2030 Agenda nor the importance of previously prioritized state interventions	6	2	3	Establishing the INFF coordination mechanism and implementing dialogue processes. Advocacy strategies to establish the importance of SDGs.	UN agencies

The new government may not consider CCM as a public policy priority and, as such, it may not budget for it.	4	1	4	Alliances with IFIs (WB and CAF) for political advocacy. National coordination mechanism to finance the CCM reduction policy. Canton coordination mechanisms to finance the CCM reduction policy. Communication strategy. Advocacy strategies to establish the importance of CCM reduction and SDG achievement	UN agencies
<b>Institutional risks</b>					
Lack of understanding of the objectives of the joint program by new authorities and officials in the new management period.	6	2	3	Establishing the INFF coordination mechanism and implementing dialogue processes from the start. Communication strategy. Advocacy strategies to establish the importance of having an INFF.	UN agencies
Work overload and high rotation of governmental counterparties, which affect the implementation process.	6	3	2	Technical assistance.	UN agencies
Resistance to change by officials that does not allow progress in the objectives established by the joint program.	9	3	3	Communication strategy. Capacities strengthening.	MEF UN agencies
<b>Fiduciary risks</b>					
The emergency of the coronavirus pandemic could aggravate Ecuador's economic crisis and temporarily alter external debt payments, which would limit the possibility to channel new resources to the country.	12	4	3	Establishment of the INFF coordination mechanism and dialogue spaces. UN advisory to national government.	UN agencies