Ecuador showed gross domestic product (GDP) growth before the COVID-19 health crisis, resulting in a relative decrease in poverty and major public investment. However, the poverty rate rose from 21.5 percent in 2017 to 25.2 percent in 2022 while extreme poverty from 7.9 percent to 8.2 percent, with a large difference in rural and urban contexts. 41 percent of the rural population lives under the poverty line compared to 17.8 percent in urban areas. The influx of migrants continued through 2022 increasing the number of migrants living in Ecuador. Between 2021 and 2022, violent deaths grew by 82 percent in Ecuador. It is the sixth most violent country in the region. The Ukraine conflict has further exacerbated existing economic and social issues, resulting in rising inflation and production deficits. Annual inflation reached 3.8 percent in 2022, up from 0.13 percent in 2021. The rapid price increase has caused social unrest and a Government deficit as it tries to curb the increasing costs.

Ecuador is vulnerable to climate change, prone to natural hazards, and faces environmental degradation, threatening food systems and potentially increasing malnutrition and poverty rates across the country.

Operational Updates

- In June, WFP provided value vouchers to 33,078 migrants across the country and additional cash-based transfers (CBT) to 17,343 Pregnant and Lactating Women and Girls in 16 provinces out of the 24.
- WFP assisted 10,820 migrants, refugees, and people from host communities with hot meals at shelters and canteens. Additionally, 2,747 on-the-move migrants received a food kit and a one-time voucher to buy food at local supermarkets.
- As part of the emergency food assistance for vulnerable Ecuadorians, WFP assisted 1,712 households with CBT (USD 240 each) and guidance on nutrition in Chimborazo, Bolívar, Morona Santiago and Pastaza.
- On 27 June, the transformative gender approaches project closing event was held in the province of Azuay with the support of the Catalunya Local Government. The project strengthened the capacities of 300 smallholder farmers to establish learning communities and provided training on clean production oriented towards agroecology and irrigation solutions for demonstration plots.
- In June, WFP assisted 1,135 children in Montúfar as part of its school feeding programme started in May.
- In June, WFP Ecuador started working with central and local governments to prevent and respond to the Niño phenomenon through a new project financed by USAID’s Bureau for Humanitarian Assistance. As part of this initiative, WFP assists local governments in enhancing emergency operation committees and community brigades and reviewing and adjusting contingency plans.

In Numbers

- 10.2 mt of food assistance distributed*
- USD 2.2 m cash-based transfers made*
- USD 5.1 m six months (July - December 2023) net funding requirements, representing 21 percent of total
- 77,542 people assisted* in JUNE 2023

*Preliminary figures

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In response to the heavy rains and flooding in the Esmeraldas province on 3 June, WFP assisted six temporary shelters, targeting 1,559 people with over 84,000 hot meals. Additionally, WFP is supporting 1,873 beneficiaries outside the shelters through CBT.

**Monitoring**
- Unemployment rates reached 4.3 percent in the second quarter of 2023, indicating a reduction of 1.2 percent versus the first quarter of the year. Adequate employment rates reached 33.8 percent, an overall increase of 2.8 percent.

**Challenges**
- Overall inflation for June 2023 reached 0.37 percent with consumer inflation increasing by 1.69 percent compared to March 2023, impacting mostly the price of food and non-alcoholic beverages.
- As the El Niño phenomenon approaches, Ecuador is expected to experience a rise in natural hazards affecting food security, such as floods and landslides.

**Donors**
China, Canada, European Union, Germany, Japan, United States of America, Catalunya Local Government, and private and multilateral donors.

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