Operational Context

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 July, WFP provided value vouchers to 25,251 migrants across the country and additional cash-based transfers (CBT) to 11,026 Pregnant and Breastfeeding Women and Girls in 16 provinces out of 24 of the country.
- WFP assisted 10,007 migrants, refugees, and people from host communities with hot meals at shelters and canteens. Additionally, 4,149 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 192 households with CBT (USD 240 each), reaching 667 individuals. This assistance included guidance on nutrition in Chimbote, Bolivar, Morona Santiago and Pastaza.
- In response to the heavy rains and flooding in the Esmeraldas province on 3 June, WFP supported six temporary shelters throughout July, assisting 1457 individuals preparing and delivering hot meals in July. Over 200,000 hot meals were served during this intervention, which ended on 31 July.
- As part of the Arroz Pato (Rice Duck) and the transformative gender approaches to resilient agro-food systems projects in Manabi, WFP established a sales point for agro-ecological products like rice, ducks, crab and vegetables. This is an important milestone as the sales point allows farmers to sell their products directly and promote fair trade practices.
In July, WFP met with central and local governments as part of the “Disaster Risk Reduction and Preparedness with a Food Security and Gender Approach” project to prevent and respond to the El Niño phenomenon. This initiative started in June and is financed by USAID’s Bureau for Humanitarian Assistance resources. WFP plans to assist local governments in enhancing emergency operation committees and community brigades and reviewing contingency plans.

**Monitoring**

- In July, monthly inflation compared to June increased to 0.54 percent, and the annual inflation rate between July 2022 and July 2023 reached 2.07 percent. The monthly increase is the highest since 2014 and has been driven by rising food prices, especially rice (17.19 percent), plantain (19.62 percent) and sugar (8.68 percent).

- In July, the unemployment rate reached 3.8 percent, showing a decrease of 0.2 percent compared to June 2022, as indicated by the National Employment, Unemployment and Underemployment Survey conducted by the National Institute of Statistics and Census. Adequate employment had a modest improvement, reaching 34.5 percent by June 2023. An increase of 0.5 percent from June 2022.

**Challenges**

- As the El Niño phenomenon approaches, Ecuador is expected to experience a rise in natural hazards affecting food security, such as floods and landslides.

- On 24 July, a state of emergency was declared in three provinces (Manabí, Los Ríos and Guayas) after a shooting in Manta resulted in the death of three people, including the mayor. As a result, missions were suspended for 72 hours in Esmeraldas.

**Donors**

China, Canada, European Union, Japan, United States of America and private donors.

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