Early Warning System

IADB-EC-T1471

Support to Promote Integration of Ecuadorian Economy into Global and Regional Value Chains

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Quick Facts

Countries	Ecuador
Financial Institutions	Inter-American Development Bank (IADB)
Status	Proposed
Bank Risk Rating	C
Voting Date	2021-12-06
Borrower	Government of Ecuador
Sectors	Industry and Trade, Law and Government, Technical Cooperation
Investment Type(s)	Advisory Services, Grant
Investment Amount (USD)	$ 0.20 million
Project Cost (USD)	$ 0.20 million

Project Description

The objective of this TC is to support Ecuador in the design and implementation of the country's new trade policy "Mas Ecuador en el mundo y mas mundo en el Ecuador", aimed at promoting the internationalization of the Ecuadorian economy to achieve an economic reactivation more sustainable and accelerate job recovery. To implement this policy, three strategic lines of work have been identified: (i) promote the country's trade openness and reduce trade costs to facilitate growth and diversification of exports; (ii) promote an adequate business environment to facilitate the attraction and establishment of productive foreign direct investment; (iii) strengthen production and export development for an effective insertion of local companies in global and regional value chains.

Ecuador has a significant lag in the internationalization of its economy. First, the country has a limited network of trade agreements, where less than 40% of trade is with preferential trading partners. It does not have a Free Trade Agreement with the United States, its main trading partner, which represents 30% of total exports. Additionally, the country registers an average tariff (12.3% in 2019) quite high compared to several countries in the region (Peru 2.4%; Colombia 5.4%) and still has a wide room for improvement to reduce the logistics costs and times associated with foreign trade operations. (Time to import is 60% greater than the average for the region (documentary compliance) and the time to export 40% greater (customs clearance)).

Investment Description

- Inter-American Development Bank (IADB)

Contact Information

ACCOUNTABILITY MECHANISM OF IADB

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at http://www.iadb.org/en/mici/mici,1752.html (in English) or http://www.iadb.org/es/mici/mici,1752.html (Spanish).