

The Troubles of Transnational Funding in Ecuador

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Abstract

Ecuador is a relatively small country with massive diversity. The middle of the country is divided by the Andes Mountains. To the West, the Pacific Ocean makes for an amazing coastal environment. To the East, the Amazon Rainforest's dense forest takes over. Despite the amazing biodiversity in the country, the environment is threatened due to extractive resources such as petroleum in the Amazon. Lewis (2016) highlights how transnational funding was brought into the country to promote and restore this biodiversity. This funding also generated national funding and the expansion of non- governmental organizations (NGO) to organize this money and set it to specific tasks. Ecuador can also be compared to other countries that face similar issues such as Zimbabwe, Zambia and Mozambique.

Keywords: Transnational Funding, National Funding, NGO

The Troubles of Transnational Funding in Ecuador

Introduction

After thousands of years of human-caused degradation on the Earth, humans are struggling to maintain sustainability within their ecosystems. As concern for climate change, biodiversity loss, deforestation, and natural disasters grow, pleas for help are echoing around the globe. With an unfavorable outlook of the future, the 2002 World Summit in Johannesburg, South Africa, advocated the concept of transnational funding in an attempt to restore the Earth (Pattberg and Widerberg 2016, p. 42). This funding was designed to allow biodiversity hotspots, to remain functional while also allowing humans to develop in sustainable practices. However, “recent studies find little evidence for positive performance (Pattberg and Widerberg 2016, p. 42).”

Despite the attempts to relieve ecosystems from major human caused stressors, many of these transnational corporations have been unable to find success in their work. Pattberg and Widerberg (2016) notes that there are three main building blocks to reach success while transnational corporations work within other countries: Actors, Processes and Contexts. Within these three components are leadership, partners, goal setting, funding, management monitoring, metagovernance, problem structure and sociopolitical contexts. Without the balancing act of these nine conditions, transnational funding will not be successful in other nations. The reasoning behind this is that there is too much of an inconsistency between the ideals of developing countries and ideals of transnational funders. (Zammit 2003, p. 21)”

Ecuador is a small developing country located 1.8312° S, 78.1834° W on the North Eastern part of South America (Ecuador: At-A-Glance 2018). To the West, the Pacific Ocean

borders the Ecuadorian Coast (Image 1). Off the coast, 1,369 km into the Pacific Ocean, the Galapagos Islands is also part of Ecuador. Looking inland, to the North East, Ecuador is bordered by Columbia and to the South by Peru (Ecuador: At-A-Glance 2018). Although small, the country is quite diverse. Ecuador's Coast, at sea level, is known for its mangrove forests and humid climate. Moving into the country, the Andes Mountain Range allows for some of the tallest Mountains in the World. At the highest point, Chimborazo rises 6,267 m from sea level (Ecuador: Facts and Figures 2018). To the East of the Andes, cloud forests and the Amazon's dense jungle take over.

Image 1: Location of Ecuador



With such a wide array of climates and ecosystems, Ecuador is defined as a megadiverse country. After the 2002 World Summit Meeting, hotspots such as Ecuador were seen as a focal point of protection. However, as the country itself did not have the ability to fund its own projects, transnational funders moved in.

Major Transnational Funders working with Ecuador

Transnational Funder's main objective at the start was to work within Ecuador to promote a wide array of sustainable practices. As Ecuador is a biological hotspot, the area was and still is in need of protection. Tammy Lewis in her book, *Ecuador's Environmental Revolutions: Ecoimperialists, Ecodependents and Ecorisitors*, highlights three main funders, Conservation International (CI), World Wildlife Fund (WWF) and the United States Agency for International Development (USAID).

Conservation International is a non-governmental organization that moved into Ecuador in 2001. CI's purpose was and still is to dedicate its time to conserve and sustain biodiversity in high priority areas (Conservation International, n.d.). Conservation International focuses their work within Ecuador to aid citizen-actor decisions. As an organization, Conservation International, is very beneficial to Ecuador. Not only do they work alongside citizens of the country to meet common goals but they also have stable funding and appropriate goal setting while working to complete projects.

Image 2: Project Locations for Mainland Marine and Coastal Protected Areas

Conservation International's newest Ecuadorian project started in March 2016. The current goal is to work within Marine and Coastal Environments to restore biodiversity by preserving and protecting specific marine and land areas (shown in Image 2).



Although Conservation International has worked well with Ecuadorian citizens on many occasions, the government has ceased the expansion of CI projects in several locations.

Unfortunately for CI and other environmental organizations such as World Wildlife Fund, the Amazon Rainforest is rich in petroleum. Therefore, with the high debt and poverty the country faces, resource extraction has taken over to boost Ecuadorian GDP (Lewis 2016 p. 3).

Since 1962 and the construction of the Charles Darwin Research Station, the World Wildlife Fund has been apart of eco-tourism and the sustainable development of Ecuador (World Wildlife Fund, 2014). WWF focuses on the Pacific Coast in Manta and Guayaquil; the Galapagos Eco-Region; and the Amazon around Putumayo and Pastaza. WWF prides itself in the ability to work with the Ecuadorian people and strengthen governmental institutions to reduce the human footprint (World Wildlife Fund, 2014).

The United States Agency for International Development (USAID) has also worked within Ecuador for over 50 years and was the start of an Environmental Profile for Ecuador (Lewis 2016, p. 57). Since 1961 USAID has been involved with Ecuador, responding to natural disasters and initiating better social development (USAID, 2017). USAID is the United States governmental organization that controls civilian foreign aid sent to other countries (USAID, 2017). The idea behind USAID is for the United States to promote democratic capitalism to countries in need of support (Foreign Policy, 2014). However, after the American terrorist attack on September 11, 2001, a significant amount of funding and projects were halted in order to move focus from diversity to war in the Middle East. With a loss of such a significant amount of funding, Ecuador was unable to continue the projects that USAID started (Lewis 2016, p. 170).

Major National Funders within Ecuador

Non-governmental organizations are designed to deliver relief aid, organize groups, address environmental concerns, operate development projects, and act as subcontractors or intermediaries for governments and other aid organizations (Kessey, 1978 p. 1). Lewis describes National funders such as Fundación Natura and Acción Ecológica in her book that have aided Ecuador in the past. These national funders use transnational funding to support local projects organized by either national funders or smaller organizations.

Fundación Natura was the first environmental organization in Ecuador which started in 1978 by educated nature loving scientists in Ecuador (Lewis, 2016 p. 56). Fundación Natura is described as an eco-dependent, nonprofit organization that received funds from transnational corporations, such as USAID (Lewis, 2016 p. 57). The organization reached success by focusing its energy on working with the Ecuadorian government to reach common ground on many environmental endeavors. However, after funding slowed, competition for funding increased to the point where Fundación Natura was forced to close its doors in Ecuador on October 11, 2012 (Lewis, 2016 p.172).

Acción Ecológica was established in 1986 and publicized in 1987. With the work of the starting members composed of four women and two men, Acción Ecológica became one of the most radical environmental groups in Ecuador. The group was responsible for fighting against oil extraction and mobilizing women and farmers for social change and environmental preservation (Lewis, 2016 p. 59). Acción Ecológica began with the support of two transnational funders; the Nature Defense Society (SODENA) and the Communication and Social Studies Center (COMUNICARE) (Acción Ecológica, 2017). The group refused to accept funding from

USAID and thought negatively of Fundación Natura as they began to depend on the United States for sponsorship.

Discussion

Negative Effects from National and Transnational Funders

As Fundación Natura grew in power, it became the sole NGO that gave funds to other eco-dependents. Once these other groups were able to rise to power, they felt as though they deserved more funding from transnational funders, which caused turmoil with Fundación Natura. Due to the turmoil, NGO powers would out-compete each other in order to gain resources and funding (Pattberg and Widerberg 2016, p. 44). Despite the attempts to aid Ecuadorian civilians and the environment around them, NGOs were seen as a greedy mafia getting rid of the competition by the very civilians they attempted to help (Lewis 2016, p. 106).

Due to the increased competition for funding many important initiatives are being ignored as the organizations that have put them together are not held as high on a pedestal as other institutions. Even if small organizations are able to agree to terms set by transnational funders, many times “..partnerships fail to deliver on the promises rehearsed by many of their advocates” (Pattberg and Widerberg 2016, p. 44). Such promises include funding, regulation, monitoring and time management. When Advocates (funders) fail to provide for the organizations, many are forced to close down, leaving their ideas to die with them as described by Pattberg and Widerberg (2016) on page 44; “..of these numbers (340) , 211 partnerships are inactive, lack any outputs, or fail to match their stated ambition with their observed activities fail to be inclusive”.

As organizations are built upon a dependency for outside funding, when they lose funding or are unable to compete for such funding many organizations are unable to continue on their own. Many of these groups lack resources and organizational capacity to work independently (Pattberg and Widerberg 2016, p. 44). When funding was abundant in Ecuador organizations appeared simply because money was easily accessible. They were so dependent on this funding, that they were unable to provide resources for themselves after funding dissolved in Ecuador. However, the lack of funding allowed many more serious organizations to continue on and find alternative methods of funding.

Comparing Ecuador with Similar Countries

Ecuador is a unique country as it is so small yet so rich in biodiversity. However, its uniqueness can also be compared to countries such as Zimbabwe, Mozambique and Zambia. In each of these areas, biodiversity is rich yet so too are extractable resources such as petroleum, natural gas and coal. Due to the availability of these resources and slow economic growth of these developing nations, their governments feel as though losing biodiversity is worth gaining economic growth. In these South African countries climate change has a huge impact on social and agricultural development. In African countries agriculture, on average, makes up 40% of economic wealth (Stringer et. al. 2014, p.2). Transnational funders are common in these countries yet there are many issues that result from the attempted aid that these funders bring. Many times the acceptors of this aid do not fully understand the underlying agreements that are made through these deals. Also, other factors such as governmental upheaval can also inhibit the

proper use of this funding as it may go other causes, not agreed upon causes (Stringer et. al. 2014, p. 5).

Conclusion

Transnational Funding was necessary in order to promote Ecuador. Outside funding allowed the Ecuadorian Government, citizens and environmental organizations the time and resources they needed to define key issues within their country. However, the lack of leadership, management, evaluations, resources and sustainable funding within transnational corporations have lead to many systematic failures that became more of a burden then a change for good. In order for biological hotspot countries to sustain their diversity, they need to continue to invest in their environment and provide attractions to those specific areas to support themselves economically as well as environmentally.

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