

UNCLASSIFIED

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
Washington, D. C. 20523

ECUADOR

**PROJECT PAPER**

EMERGENCY REHABILITATION  
(Amendment I)

AID/LAC/P-166/1

Loan Number: 518-F-043A  
Project Number: 518-0046

UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT  
**PROJECT DATA SHEET**

2. COUNTRY/ENTITY: Ecuador

4. BUREAU/OFFICE: LAC

1. TRANSACTION CODE:  C  
 A = Add  
 C = Change  
 D = Delete

3. PROJECT NUMBER: 518-0046

5. PROJECT TITLE (maximum 40 characters): Emergency Rehabilitation

DOCUMENT CODE: 3

6. PROJECT ASSISTANCE COMPLETION DATE (PAGE):

MM DD YY  
 1 2 3 1 8 6

7. ESTIMATED DATE OF OBLIGATION (Under "B" below, enter 1, 2, 3, or 4)

A. Initial FY: 83 B. Quarter: 4 C. Final FY: 86

8. COSTS (\$000 OR EQUIVALENT \$) =

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
ALL Appropriated Total	7,600	5,400	13,000	9,200	13,800	23,000
(Grant)	(1,600)	(5,400)	(7,000)	(1,600)	(5,400)	(7,000)
(Loan)	(6,000)	( )	(6,000)	(7,600)	(8,400)	(16,000)
Other 1.						
U.S. 2.						
Host Country		14,900	14,900		18,200	18,200
Other Donor(s)						
<b>TOTALS</b>	<b>7,600</b>	<b>20,230</b>	<b>27,900</b>	<b>9,200</b>	<b>32,000</b>	<b>41,200</b>

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) DR	900	940	940	7,000	6,000		10,000	7,000	16,000
(2)									
(3)									
(4)									
<b>TOTALS</b>				<b>7,000</b>	<b>6,000</b>		<b>10,000</b>	<b>7,000</b>	<b>16,000</b>

10. SECONDARY TECHNICAL CODES (maximum 4 codes of 3 positions each): 251 545 851 863 690 825 930

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each): A. Code BS BU B. Amount 14,080 8,920

13. PROJECT PURPOSE (maximum 480 characters)

The project purpose is to assist the Government of Ecuador to implement critical relief, rehabilitation, reconstruction and mitigation activities related to the "El Niño" disaster.

14. SCHEDULED EVALUATIONS: Interim MM YY MM YY Final MM YY 1 2 8 1 6

15. SOURCE/ORIGIN OF GOODS AND SERVICES: Grant Loan Both [X] 000 [X] 940 [X] Local [ ] Other (Specify)

16. AMENDMENTS NATURE OF CHANGES PROPOSED (check page 1 of a 30 page PP Amendment)

Additional loan funds are added to finance: (a) agricultural infrastructure rehabilitation and flood prevention; (b) water and sanitation rehabilitation; and (c) rehabilitation and recovery infrastructure projects in the Guayaquil suburb of "El Guasmo".

17. APPROVED BY: Orlando Lloenta, Mission Director, USAID/Ecuador. Date Signed: 10/17/86

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W/D/CMENTS, DATE OF DISTRIBUTION: MM DD YY

PROJECT AUTHORIZATION  
(Amendment No. 1)

Name of Country: Ecuador  
Name of Project: Emergency Rehabilitation  
Number of Project: 518-0046  
Loan Number: 518-F-043 A

1. Pursuant to Section 492(b) of the Foreign Assistance Act of 1961, as amended, the Emergency Rehabilitation project for Ecuador was authorized on September 26, 1983 (the "Authorization"). The Authorization is hereby amended as follows:

- a. Lines 3 and 4 of Section 1 of the Authorization are hereby amended by deleting the words "Six Million United States Dollars (\$6,000,000) in loan funds ("Loan")" and substituting in the lieu thereof the words "Sixteen Million United States Dollars (\$16,000,000) in loan funds ("Loan")".
- b. Line 12 of Section 1 of the Authorization is hereby amended by deleting "eighteen (18)" and substituting in lieu thereof "thirty nine (39)".

2. Except as expressly modified or amended hereby, the Authorization remains in full force and effect.

  
Orlando Llenza  
Mission Director  
USAID/Ecuador

5/10/84  
Date

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# EMERGENCY REHABILITATION

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ECUADOR EMERGENCY REHABILITATION PROJECT  
AMENDMENT TO PROJECT PAPER

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## I. BACKGROUND AND JUSTIFICATION

### A. Problem Statement

During a nine month period between October 1982 and July 1983 Ecuador experienced its worst rains and consequent flooding in at least ninety years. Weather modifications caused by abnormal variations in the "El Niño" Pacific ocean current produced rains of more than four meters in much of coastal Ecuador which led to severe flooding in December 1982. In a large area floodwaters remained through June 1983. The waters have receded, leaving behind significant crop losses and damage to agricultural and transport infrastructure. Conservative estimates of damage caused by this disaster exceed \$250 million (at the free market exchange rate), in agriculture and transport infrastructure. Particularly affected were staple food crops such as rice, other short cycle crops (corn and soybeans) which are used in chicken and animal feeds, as well as commercial export crops (bananas, coffee, and cacao). These production losses exceed \$100 million alone. Agricultural infrastructure has also been significantly damaged with the consequent negative impact on agricultural production. More than 1,400 km. of roads and 25 bridges were damaged or destroyed. In addition to the quantifiable economic damage the human suffering has been significant. More than 13,000 families had their homes damaged or destroyed. Hundreds of schools were damaged by the floods. Hundreds of thousands of residents in coastal town continue to suffer from the consequences of flood damaged potable water and sewage systems. Although the major impact of the abnormal rainfall in 1983 has been in coastal Ecuador, highland Ecuador also received many times the normal rainfall. Because the water drained quickly to the coastal region and to the Amazon river basin its impacts were less obvious.

A.I.D. has provided timely, cost effective disaster relief assistance. Among the early efforts were the Guasmo drainage program in a populous suburb of Guayaquil and the provision of portable water purification units in the flooded coastal cities of Babahoyo and Baba. A.I.D. also provided immediate technical assistance to Ecuadorean agencies to assess infrastructure damage caused by the heavy rains and floods. This assistance included an extended TDY by A.I.D. engineers with expertise in bridge and railroad construction, two consultations by an expert in landslides, and a TDY by a team from the U.S. Army Corps of Engineers which assessed the drainage problems in the Guayas and Quevedo river basins. The focus of these early consultations was rehabilitation, reconstruction, and mitigation of future damage. While considerable food relief efforts were required, food relief received adequate support from PVOs and other international donors.

A.I.D. followed these immediate responses with a \$6.0 million Loan (518-F-043) and a \$7.0 million Grant (518-0046) both signed September 27, 1983.

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These projects financed agricultural recovery and economic/social infrastructure rehabilitation activities primarily in Ecuador's coastal and southern provinces, which were affected by the abnormally adverse climatic conditions caused by the "El Niño" marine current. The loan-financed agricultural recovery program consisted of the importation of essential agricultural inputs necessary to reactivate agricultural production. The utilization of local currency generated from the sale of these inputs is financing an agricultural credit program for small and medium producers of short cycle crops thus assisting the expansion of Ecuador's food supply. The grant-financed infrastructure rehabilitation program consisted of six distinct activities: agricultural infrastructure rehabilitation; Pichincha Mountain slope protection; housing reconstruction; water and sanitation rehabilitation; school reconstruction; and electrical systems repairs and protection. In addition grant funds were used for technical assistance, training and logistical support activities.

The original PACD for these activities was March 31, 1985. All Grant financed subprojects with the exception of Pichincha Mountain Slope protection will be completed before the original PACD. This early assistance met the highest priorities for rehabilitation, but the infrastructure damages are so widespread that Loan 518-F-043 and Grant 518-0046 have only touched the surface of a giant problem. The GOE is necessarily turning its attention to longer range rehabilitation and reconstruction and to focus on prevention of recurring floods and protection of infrastructure.

#### B. Ecuadorian Recovery Efforts to Date

Both the Government of Ecuador and the Ecuadorean private sector energetically responded to the disaster. The government designated the Minister of Social Welfare to generally coordinate disaster relief and rehabilitation efforts. In turn, three inter-institutional coordinating commissions directed assistance to the areas of agricultural recovery and food distribution, infrastructure rehabilitation, and employment generation. These inter-institutional commissions are coordinated by the Minister of Agriculture, the Minister of Public Works and the Secretary of Rural Development. Because the GOE's resources are so limited, it is focussing its efforts almost entirely in agricultural recovery and necessary repairs of its transportation network. Resources are being channeled to these activities through the National Development Bank, which provides agricultural credit, and the Ministry of Public Works. The Ecuadorean Development Bank, a government bank which lends funds to governmental authorities, is also providing substantial funding for disaster rehabilitation and reconstruction. Because of severe national resource constraints the GOE has requested assistance from A.I.D. for the very important activities of repair of agricultural infrastructure and flood prevention, potable water and sewage, and urban infrastructure repair.

In addition, the Ecuadorean private sector has made a very significant contribution to relief and rehabilitation efforts. An

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organization led by some of Ecuador's most prominent citizens called "Unidos Somos Más" was formed and, to date, this organization has contributed about \$2 million to relief and rehabilitation.

In the populous Guasmo Sector of Guayaquil, the Municipality and the Guayas provincial government has begun some repairs and upgrading of streets and drainage. The Municipal Electric Company has repaired or expanded the street lighting systems to cover some 12 kilometers of streets.

C. Other Donor Activities

1. International Donors

The major international effort to date has been the signature of a loan agreement between the Inter-American Development Bank and the GOE to finance an Emergency Program for the Rehabilitation of the Coastal Region. The IDB financial contribution will amount to \$40 million, while the Andean Development Corporation is providing co-financing in the amount of \$15 million and the GOE is providing \$7 million in counterpart. The resources made available through this loan will be utilized for agricultural recovery (including agricultural production credit and loans to repair on-farm agricultural infrastructure) as well as for transport infrastructure repair. While IDB resources will cover a significant portion of the repair cost for transport infrastructure, it will finance only about 30 percent of the cost of agricultural recovery, estimated to have total funding requirements of \$185 million.

Both IDB and IBRD have possible projects proposed for the "Guasmo", a suburb of Guayaquil with a population of some 500,000 making it the third largest city in Ecuador. However, these projects are not concrete and would contemplate late 1985 or 1986 financing.

Other international donors, the United Nations system and the European Economic Community are serving primarily as intermediaries for channeling resources from member countries to Ecuador. The United Nations system has severe financial constraints, but some on-going projects in Ecuador have been reprogrammed for relief and rehabilitation efforts.

A number of countries other than the U.S. have contributed assistance. These primarily have been the member countries of the European Economic Community such as Great Britain, Italy, France. At least sixteen countries have made bi-lateral contributions to Ecuador for disaster relief and reconstruction.

2. Private Voluntary Organizations

Catholic Relief Services, with A.I.D. concurrence, reprogrammed certain P.L. 480 resources into Food For Work activities in areas most directly impacted by the floods. Also, CRS received a \$177,000 grant through

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A.I.D.'s Office of Foreign Disaster Assistance to carry out several programs related to the rehabilitation of areas affected by the devastating floods. These activities included agricultural recovery through a revolving credit fund and the repair of community roads. Foster Parents Plan implemented an emergency Food for Work/Small Animal Husbandry Program in Bolivar Province and has initiated school construction and infrastructure projects in the Guayaquil suburb of El Guasmo.

## II. DETAILED PROJECT DESCRIPTION

### A. Project Goal, Purpose and Strategy

The goal of the Project is to assist the areas and population in Ecuador affected by the natural disaster to recover and to be better prepared for similar disasters in the future.

The Project strategy is to direct A.I.D. and counterpart resources into high priority activities which can be carried out quickly and effectively; that is, activities which are clearly identified, for which operational plans and arrangements can be readily developed, and which can be implemented by responsible organizations. The project, reflecting the GOE's general disaster recovery strategy, will not create new institutional mechanisms to carry out recovery efforts. Rather, existing mechanisms and organizations will be used in order to move as rapidly as possible into the implementation of recovery activities. A.I.D. financed activities will be completed within eighteen to twenty-six months from the date of signature of the Project Agreement. Sufficient flexibility will be provided in the Project Agreement to permit reprogramming of resources where it is apparent that rapid disbursement of funds is not possible or when a reordering of priorities may be warranted. Also, A.I.D. resources will be used to fill gaps or shortfalls in other donor efforts and will not "compete" with such efforts.

### B. General Description of Project Outputs and Activities

The Loan will finance reconstruction and repair of agricultural infrastructure and economic/social rehabilitation activities in Ecuador's coastal provinces which were affected by the adverse climatic conditions caused by the "El Niño" marine current. The program consists of three distinct activities: agricultural infrastructure rehabilitation and flood prevention; water and sanitation rehabilitation; and rehabilitation and recovery infrastructure projects in the Guayaquil suburb of El Guasmo.

The activities identified below represent the expected range of activities base on the GOE's manifested priorities. While it is certain that A.I.D. resources will be used to finance all of the identified activities, the levels of outputs may vary slightly.

#### Project outputs:

1. Agricultural Infrastructure and Flood Control. The repair of agricultural infrastructure dikes and levees protecting some 85,000 hectares of important crops with an estimated value of S/.2,400 millions (approximately US\$24.0 million), the protection of 26 communities currently subject to flooding due to damaged levees, and protection to some 75 kilometers of

highways. Flood control efforts will include the repair and reconstruction of approximately 60 lineal kilometers of banks and levees along the Quevedo and Mocache Rivers currently threatening some 76,000 persons living in urban areas along these rivers.

2. Potable Water and Sewage Systems. Potable water and/or sewage systems repaired and protection provided to these systems in 64 large and small communities.
3. "El Guasmo" Infrastructure reconstruction and expansion. The Guasmo suburb of Guayaquil has approximately 500,000 inhabitants, all of whom were under from one to three feet of water during the floods of 1982-83. A.I.D.'s efforts in the Guasmo will be concentrated in 60 kms. of street and associated drainage repair, 45 kms. of public lighting repair and expansion, and provision of potable water to some 6,000 families.

A summary budget for the project is:

	<u>Loan</u>	<u>Counterpart</u> (US\$000)	<u>Total</u>
1. Agricultural Infrastructure and Flood Control	\$ 3,260	1,665	4,925
2. Potable Water and Sewage Systems	1,940	1,665	3,605
3. Guasmo Infrastructure Repair	4,500		4,500
4. Administration and Technical Assistance	<u>300</u>	-----	<u>300</u>
TOTALS	\$10,000	\$3,330	\$13,330
	=====		

C. Infrastructure Rehabilitation and Protection

1. General Description of Project Activities

The Ecuadorean Development Bank (BEDE) will serve as the over-all coordinating agency for sub-project activities. BEDE will be responsible for general programming of project resources. It will sign sub-project implementation agreements with the implementing agencies and A.I.D. These implementation agreements delineate the activities to be financed, the amounts and sources of funding allocated (loan and counterpart), and the implementation arrangements for the activity, including such aspects

as how the activity will be implemented (contract, force account), the procurement of commodities that may be required, and the time needed to implement the activity, as well as any other terms or conditions that may be agreed to by the Parties. Upon signature of the implementation agreements A.I.D. will work directly with the implementing agencies. BEDE will not play an active role in day to day project implementation but rather will delegate full responsibility to the implementing agencies. It will, however, be responsible for coordination of monthly Project Committee meetings with Project Committees consisting of representatives from BEDE, A.I.D. and the implementing agency. These committees will make decisions about overall policies, programming and reprogramming of funds as well monthly examination of project progress. The redelegation of implementation responsibility is intended to facilitate implementation while retaining flexibility in overall project administration.

## 2. Detailed Description of Activities

### a. Agricultural Infrastructure Rehabilitation and Flood Control

#### (1) Activity Description

##### (a) Agricultural Infrastructure Rehabilitation

The lower Guayas river basin is comprised of over 400,000 hectares of which more than 60% is (or was) under cultivation. Most of Ecuador's rice crop is produced in this area but citrus, corn, beans, cocoa, bananas, melons, tomatoes, yuca, and other miscellaneous fruits and vegetable are also grown. The lower Guayas river basin is one of the most productive agricultural regions in Ecuador.

A significant amount of agricultural infrastructure (irrigation and drainage systems as well as bank protection, e.g. levees and dikes) was destroyed or damaged by the floods. The IDB loan provides resources for the rehabilitation of on-farm infrastructure. It does not cover the damage to off-farm works. Repairs to primary irrigation canals must be made in order to reestablish surface water irrigation programs and to avoid further major production losses in major food crops, e.g. rice, as well as in export crops such as bananas. Much of the damage to these works occurred in the lower Guayas River basin and in El Oro Province which are extremely fertile and productive agricultural area. Flow rates in the river systems exceeded carrying capacities, agricultural levees were over-topped or breached and river courses changed. A year after heavy flooding some sections were still inundated while some principal rice growing areas were left without water. At the height of the disaster 40% of the area was flooded and more than 60% of the agricultural production in the Guayas basin had been affected.

The Ecuadorean Hydraulic Resources Institute (INERHI) is charged with construction (as well as repair and rehabilitation of public domain agricultural hydraulic infrastructure). In August 1983 INERHI

completed a damage assessment and identified a program of highest of priority emergency repair and rehabilitation works including levee repair, restoration of river channels, and irrigation canal rehabilitation amounting to 300 million sucres. These highest priority repairs have been completed.

In September of 1984 INERHI made a second damage assessment and identified secondary priorities for emergency repair and rehabilitation works amounting to more than S/.750 million sucres. These repairs have been prioritized and this project will rehabilitate the most pressing works considering the project resources of S/.319 million sucres.

The effect of the flooding has been especially devastating due to the fact that the major agricultural export crops as well as the major food and industrial crops are produced in the coastal area of Ecuador. As a result, Ecuador has suffered decreased exports and increased imports of agricultural products in 1983/84. The estimated losses in agricultural exports were over US\$167 million in 1982-1983 due to losses suffered only by the banana, cacao and coffee crops.

At the same time that agricultural export proceeds were falling due to the floods, the GOE had to significantly increase its import of rice, corn, soybeans and cotton to replace the domestic crop losses suffered during the flooding. The value of imports for US\$87,100,000 in 1983/84. If the climate returns to normal, imports for 1984/85 should then return to normal levels, assuming Ecuador can provide the necessary inputs and repair of agricultural infrastructure for rehabilitating the coastal agricultural sector. This will be difficult as the value of most of Ecuador's exports are stagnating or falling and the effect of the flooding will require a major reallocation of foreign exchange to the agricultural sector to re-establish it. These foreign exchange costs come at a time when Ecuador is facing severe foreign exchange shortages and is in the process of renegotiating its foreign debt.

The agricultural infrastructure portion of this subproject proposes to (1) repair gaps in existing levees caused by the 1982-83 floods, and where necessary, put levees back from the river; (2) repair primary structures which have suffered scouring and undercutting; and (3) allow for return of water in the overland flows by repairing drainage channels, removing debris and incorporating flood gates into levees and river systems. All works are in the public domain and will benefit farmers, communities and protect highways.

A summary of activities to be performed under the project is as follows. Detailed descriptions and costs may be found in Annex H. More work has been programmed than can be covered under agreed upon loan and counterpart funds to permit some flexibility. However, the priorities are indicated by the sequence of timing.

(b) Flood Control

The need for flood control along the Andean rivers tumbling down from the mountains to the coastal plains is so extensive that the area selected for this subproject is only number one of dozens of the priority list. The Quevedo River was given priority because of the number of lives endangered, and presented the opportunity to benefit the greatest number of people with the limited resources available.

The cities of Quevedo and Mocache lie at the base of the Andean foothills. The river bisects the towns and during the 1982-83 flooding the banks were eroded, with streets, houses, trees and sidewalks being swept away. The project will stabilize the banks along the river, primarily in urban areas. (See Annex I) for maps of river banks to be stabilized).

(2) Technical Analysis

This sub-project will consider only priority works contained in INERHI's proposal. Criteria for reestablishing priority works included: (1) number of beneficiaries, (2) immediacy of requirements, e.g. to protect against future flooding in years of normal rainfall, and (3) feasibility of rapid implementation.

Global programming has been undertaken, the problems have been identified, solutions developed and sound cost estimates prepared but additional study and design will be required to determine where it is necessary to move dike sections for agricultural infrastructure further from stream banks.

In many areas, repair of drainage channels and incorporation of drainage gates will decrease over-all flooding. At the present time, too few of these structures exist in the systems and those in existence are in very poor repair. The major flooded areas occurred behind existing levees. At low stages, this entrapped water (both over-land flow, and excesses from breached dike sections) has no route to the natural drainage channels. An immediate improvement would be a system of spigot backed drainage gates. A 30" gate would relieve 20 CFS at a velocity of 4.07 FPS on a slope of 0.0024. While this is a solution for some locations, other sectors have poorly operating drainage systems. These systems will be repaired and put back into service.

This work will offer some solutions to emergency problems in the coastal area affecting the provinces of El Oro and Guayas. Although complete solutions cannot be provided to the ongoing flood problems, the works will provide substantial support to maintain and repair the agricultural infrastructure in place.

INERHI will contract the work to private contractors. A model contract document has been developed incorporating A.I.D.'s standard

clauses. INERHI maintains running costs analyses of unit prices, skilled and unskilled labor costs, materials and transportation costs for each region. (See Annex J for samples of unit pricing).

The flood control works along the Quevedo River will be the technical responsibility of INERHI. However, due to the heavy workload placed on INERHI with the agricultural infrastructure restoration, it is planned that an Ecuadorean consulting firm will be contracted to do the final designs and day-to-day supervision. INERHI engineers will make periodic inspections.

One hundred and forty thousand dollars has been reserved for design and supervision. An average figure of \$40,000/kilometer for revetments has been estimated which includes the "espigones" and takes into consideration the distance for transportation of rocks. Clay banks of the River will have to be excavated in order to backfill with more porous material.

In June of 1983, the United States Army Corps of Engineers made a reconnaissance of the flooding in Ecuador and their observations and recommendations will form the basis for the designs.

The principal design requirement in sand bed rivers is to protect the toe of the bank from undercutting. A rock dike revetment with a vegetated and/or gravelled upper bank slope will be used. (See sketches in Annex K). This dike revetment will be complemented by "espigones" or rock barriers extending into the rivers on outsides of river bends that help to cut flow velocity and resulting scouring. The use of "espigones" has been particularly successful in the Guayas watershed of Ecuador under the initial Grant phase of this Project.

Gabiones were considered as a possible solution, but transportation of rocks and the imported wire mesh required for gabiones prohibit their use due to the cost. An additional factor lies in the lack of Ecuadorean experience in gabiones.

No major work is programmed for the rainy season of 1985 January through April. If a severe winter develops in 1984-85, the project could be delayed beyond the planned 15 month implementation schedule.

(3) Institutional Analysis of the Ecuadorean Institute of Water Resources

INERHI was created in 1966 as an autonomous agency attached to the Ministry of Agriculture and Livestock. It has a staff of over 1800 people and is empowered by law to administer and supervise all activities for agricultural irrigation and drainage and may enter into agreements with other agencies in project execution.

Under the Water Law of 1972, INERHI was granted power for the development and management of water resources, including the creation of

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irrigation districts. INERHI's general policies are defined by its Board of Directors, chaired by the Minister of Agriculture and Livestock and comprising one representative each from the National Planning Council (CONADE), Ecuadorean Institute for Agrarian Reform (IERAC) and the National Development Bank (BNF). The Executive Director is appointed by the Minister of Agriculture and Livestock. (Annex L depicts the internal structure of the institution.)

During the last 18 years INERHI has developed the capacity to design and supervise the construction of civil works. Based on this track record in the construction of civil works, INERHI is sufficiently qualified to carry out this proposed project. INERHI's professional staff consists of 8 auditors, 16 administrative officers, 17 lawyers, 8 economists, 28 geologists, 157 civil engineers, 73 agronomists, 1 sociologist, and 2 biochemists. The agency is basically structured to conduct studies, design, implement and supervise construction activities. District offices maintain a wide variety of construction equipment. This equipment serves to provide support services for construction activities: maintenance of access roads, emergency work, agricultural extension, etc. The institution also has various soil laboratories (mechanical, physical, and chemical), plus sedimentology and complete water laboratories. All of these facilities will be vital in the implementation of this project.

To date, some 45,000 hectares have been brought under irrigation and drainage by the institution. Additionally, projects currently underway exceed 13,000 hectares. Under the 1972 legislation, INERHI is responsible for assuring the GOE that the control and use of water resources is rational and conforms to national priorities.

The Institute is fully aware of the magnitude of its flood control and drainage responsibilities on the coast. With this in mind, INERHI has mounted a massive effort toward resolution of the coastal problems. USAID/Ecuador has worked with INERHI in the Emergency Rehabilitation Grant Project and found it the best of the six implementing agencies under the Grant. The programmed works have been on or ahead of schedule. The financial and accounting procedures are acceptable both to A.I.D. and BEDE. The work has had professional monitoring on the part of INERHI. The same engineering team will implement this new project.

b. Potable Water and Sanitation System Repair

(1) Activity Description

The extensive flooding severely damaged potable water and sanitation systems in cities and towns in the provinces of Guayas, Los Rios, El Oro, Manabi, Esmeraldas, Loja and the coastal regions of Bolivar and Pichincha. Although the Grant project (518-0046) provided funding for the repair of water and/or sanitation systems in 27 of the largest communities, 76 medium to small communities still remain without water, sewage facilities

and/or latrines for schools and public buildings. In many cases relatively small investments are required to repair or flood-proof potable water wells or to rehabilitate pumps, however new wells will have to be dug in a number of towns. In other cases such as in Bahia and Portoviejo city sewage systems must be rehabilitated and protected against future flooding through the installation of valves and pumps to permit evacuation of sewage during floods. Project resources will be used to finance repair and rehabilitation of potable water and sanitation systems in approximately 76 coastal cities and towns. Both civil works and equipment will be financed. The activity will be implemented through the Ecuadorean Sanitary Works Institute (Instituto Ecuatoriano de Obras Sanitarias, IEOS), the institution responsible for the technical supervision of potable water and sanitation programs for municipalities. The A.I.D. contribution will amount to US \$ 1,940,000 and the GOE counterpart US \$2,917,000. Of the \$1,940,000 some \$700,000 will be used for purchase of spare parts and equipment. A detailed list of systems to be repaired together with the types of repairs required, estimated cost, and disbursement schedule is presented in Annex M.

A summary of the activities by province is as follows:

<u>Province</u>	<u>S/.000</u>
Esmeraldas	24.700
Pichincha	82.500
Manabí	77.200
Salinas	25.000
Los Rios	29.100
Guayas	73.000
El Oro	81.300
Loja	<u>47.400</u>
Sub Projects Total:	S/. 440.700
Administrative Costs:	<u>45.000</u>
Total Program	S/. 485.700

## (2) Technical Analysis

A combination of contracting and force account will be used to implement the project. The types of repairs required for the small towns potable water and sewage systems are simple and within the technical competence of IEOS to design and execute by force account. However, the drilling of deep wells such as in Esmeraldas, the reconstruction of reserve tanks, and the installation of automatic pumping systems will be contracted.

Five units of portable sewer-cleaning equipment that can be mounted on pick-up trucks were purchased under the Grant portion and will be used extensively by IEOS personnel for this project.

Approximately \$100.00 will be allocated for the local purchase of spare parts shelf items and an additional \$700.000 for procurement from the United States of water and sewage pumps, drill bits for shallow wells, special well casings not available locally, and oversize pipe for water well protection. A.I.D. will assist IEOS in advertising requests for bids, specifications, and payment through A.I.D. Direct Letters of Commitment.

### (3) Administrative Arrangements and Institutional Analysis

This activity will be implemented through the Ecuadorean Institute for Sanitary Works (IEOS) in collaboration with the municipal governments of the towns and cities where the works will be carried out. Normally, maintenance of these facilities is the responsibility of the municipal governments and the IEOS would provide technical assistance, including supervision of contractors. However, the widespread nature of the activity precludes the possibility of channeling resources through the municipalities. Therefore, IEOS will be administratively, financially, and technically responsible for the implementation of this activity. Because IEOS has a significant amount of experience obtained through the implementation of the rural water and sanitation component of the A.I.D. Rural Health Delivery Systems project and the administration of the Grant activities, this project should be relatively straight forward. Five provincial IEOS offices which will be involved in implementing this activity already have experience with the Grant project.

A complete institutional analysis is made of IEOS in the Health Loan Project Paper (Loan 518-U-040, Project 518-0015.) The analysis identified a number of institutional weaknesses which are being strengthened through that project. Since the implementation of the Health project in January 1982, IEOS has shown significant improvement.

During the life of the grant Emergency Rehabilitation project, additional strides have been made in the institutional development of IEOS. Designs have been simplified which are more appropriate for small villages, procurement procedures have been streamlined, and a rural water and sanitation unit established. Still to be improved are the accounting methods which are cumbersome, however, accounting office personnel have been changed in the last two months in the national offices, replacing political appointees with professionals. Furthermore, IEOS implementation record under the Health and Emergency Rehabilitation projects is much superior to that to be expected from its prior history. This improved implementation is due in great part to effective assistance provided by and A.I.D. PASA Sanitary engineer and the technical assistance under the Grant by a PSC Sanitary/civil engineer with some 30 years experience working with institutions such as IEOS.

The A.I.D. contracted PSC sanitary/civil engineer will continue to monitor and give technical assistance to this sub-project. The only foreseen possible obstacle in implementation could be a cash-flow problem within IEOS. A.I.D., BEDE and IEOS are working to resolve this possible obstacle before it arises.

c. Guasmo Infrastructure Repair and Construction

(1) Background of the Guasmo

The Guasmo, located south of the city of Guayaquil, was an area of 60 Hectares until 1974, populated by nine families who made charcoal, fished and cared for the lands of the "Hacienda Guasmo" owned by Sr. Juan X. Marcos. In 1974 the state appropriated the Hacienda and divided the lands among the Social Security Institute, the municipality of Guayaquil and the Ecuadorean Housing Bank. In mid 1974 the nine families asked the municipality (as their new landlord) to extend an existing waterline which supplied water to the "Empacadora Nacional" to their group of nine houses. The municipality denied the petition for water. The inhabitants decided to invite friends and relatives to live in the Guasmo, build houses, thus increasing the pressure, through greater number of people, on the municipality for a waterline.

By January of 1975 some 100 families had moved to the Guasmo and by the end of 1975 that number had grown to 300 families. In February of 1976, the municipality tried to dislodge the squatters. The national police, squads from Guayaquil Public Works and Municipal police burned some 260 houses. Various cooperatives joined the burnt-out squatters trying to force the GOE to legalize the Guasmo Norte. The inhabitants requested the School of Architecture from the University of Guayaquil to layout an urban area of the Guasmo Norte into blocks and lots ( 9 x 22 meters) for each family plus areas for sidewalks, streets, green spaces and commons (to replace indiscriminate squatting). In this sector, all the initial work on infrastructure such as streets, fill, and electrical lines was done by volunteer labor and funded by the residents. At this time the struggle began for land titles. Finally in 1978, the Mayor of Guayaquil decreed that the inhabitants could buy their lots for S/.10 per square meter. Despite this decree, to date, except for very few exceptions, no titles have been issued.

In 1982, approximately 250,000 people lived in the Guasmo. With the floods from El Nifio phenomenon the stream of migrants increased the Guasmo population to the 1984 estimate of 500,000. Of these new migrants 70% came from flooded rural areas and the majority of these from single crop farms.

The Guasmo is also a young area in age grouping, 82% of the population is less than 35 years old and some 66% belong to "nuclear" families consisting of father, mother, children. Some 30% live in an extended family group with a father, mother, children, relatives and grandparents. The smaller percentage of extended families is an urban adaptation since farm families tend to be extended families.

Mothers or women as family heads form only 14% of the families with 84% having male heads. Thus, the conclusion is that the inhabitants of the Guasmo are not "floaters", but are settling down to live there. The 1984 average family income is just under S/10,000/month, slightly above the national average with only a 7% unemployment rate.

In spite of the obvious intent of the great majority of the 500,000 inhabitants to make permanent homes in the Guasmo, the great majority lack basic services: few streets that are serviceable, few street lights, no sidewalks, no sewage system, and the water is distributed by water tank trucks for storage in 55 gallon barrels located in front of houses - barrels frequently without lids to protect the water from street dust and a myriad of other contaminants. In the whole Guasmo (a young community) there are only eleven schools and five Health sub-centers, or one health center for each 100,000 inhabitants.

The Guasmo is included in this Emergency project for three reasons: (1) Some 250,000 people are there because of dislocation due to El Niño floods; (2) Assistance in repair and reconstruction of infrastructure is imperative; and (3) a population of 500,000 in one small area without basic services is a potential time bomb for a fragile five-year old democracy.

## (2) Activities Description and Feasibility

Four and one half million dollars will be spent on repair and extension of a portion of the Guasmo's infrastructure addressing three basic problems: (1) repair of streets and associated drainage, (2) restoration and extension of street lighting, and (3) provision of improved water supply to approximately 6,000 families (30,000 inhabitants). (A map of the Guasmo may be found in Annex N).

The Guasmo has more than 250 kilometers of streets of which approximately 3 kilometers are paved, some ten kilometers might be classified as "improved" and the remaining 235 kilometers range from bad to impassable. Lateral and transverse drains may be found only on the improved streets, with the streets forming the drainage system for the remainder of the area. Street improvement is a fundamental necessity since transportation to jobs, markets, water, health services, schools, all movement of people and equipment depend on access. The condition of the streets, all of which were under one to three feet of water at the height of the 1982-83 flooding, precludes public transportation and taxis will venture only to the outskirts of the Guasmo (although taxi drivers are wary for more reasons than street conditions).

In general, the Guasmo is divided into a reasonable semblance of order with large block areas surrounded by space for 4-lane streets (25 km) and smaller block areas for 2-lane traffic (150 km), down to the minimum street which would permit passage of only one-way traffic (75 km). This project will have to be carefully coordinated with private

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voluntary groups, GOE agencies, the provincial and municipal governments, as well as IDB and BIRF plans under development. Ecuadorean President Febres Cordero has appointed the provincial governor as overall coordinator. Since the situation is changing daily, definition areas for street improvement cannot be made until the CPs for the project are met and the BEDE/National Housing Council Sub-Agreement is ready for signing. With the municipal and provincial governments currently filling, compacting and paving the main thoroughfares the USAID project will concentrate its efforts on restoring and upgrading some 60 kilometers of the 150.

All street improvement will be contracted to some 12 to 15 private construction companies following designs already developed by the Ministry of Public Works (MOP). MOP will assist the National Housing Council in technical supervision. Due to the complexity of this sub-project, two USAID PSC engineers will be assigned to monitor the Guasmo project.

Select material will have to be transported approximately ten kilometers, primarily through Guayaquil city street system which will add significantly to normal construction costs. Project funds of approximately US\$ 50,000/kilometer for a total of \$ 3.1 million will be designated for Guasmo street improvement. With at least twelve contractors working simultaneously, one year is the estimated time to complete this activity.

Street lighting under the project was an issue for debate, but lighting of some 45 kilometers should assist in cutting the Guasmo crime problem. As indicated earlier, taxi drivers refuse to enter the Guasmo either by day or night. The Municipal Government and Guasmeños are making an effort to control the criminal element, but, again, the crime problem is related to another problem - lack of water. The project will fund the local purchase and installation costs of transformers, lines, concrete poles and lights at an estimated cost of \$ 11,000 per kilometer for a total of \$ 500,000. The Guayaquil Municipal Light Company will perform all work since it has the experience and equipment for installation. All commodities will be procured through public bids, with the BEDE, JNV, a representative of the provincial government, and electric company forming a committee for bid analyses, with USAID attending as observers.

Street lighting is estimated to take 6 months after procurement of materials.

Solving the water and sewage problem in the Guasmo is a problem that will take years and millions of dollars to resolve. This project proposes to make a small beginning that may be replicated.

The ground water table in the Guasmo ranges from zero to 18" below grade. Providing a conventional water supply infrastructure is impossible economically. The present method of water distribution is by tank trucks, with water purchased from Guayaquil Municipal wells at an average cost of S/. 10 for 55 gallons (one drum). The tankers then deliver the water to

houses charging from as little as S/ 15 to S/ 60 per drum. Cost depends upon condition of the streets where deliveries are made and the scarcity of water. Inhabitants living on improved streets can have daily deliveries, but others may be fortunate to receive water weekly and then only if the "price is right". All tank trucks are privately owned and in some cases by criminal elements who control entire areas of the Guasmo by the provision or withholding of water.

Under the project twenty 2,000 gallon tank trucks will be purchased and their use managed by a water cooperative made up of approximately 6,000 families living in the same general geographic location. The cooperative will have a board of Directors, power to hire and fire drivers, contract truck maintenance and set fees for sale of water to Cooperative members.

The tank trucks will have metered in-take and out-put hoses to regulate purchase and sales. An additional feature will be a pump that can raise the water to drums sitting on small towers so that water can be kept free from contamination and can be gravity-fed into the homes. See Annex M for a typical stilt house structure with the water barrels sitting beside the street.

Obviously, this is not an ideal solution to a gigantic water problem, but the GOE and USAID mission engineers and engineering advisors view this as the appropriate technology for this situation. Tank trucks and attendant meters and pumps are estimated at a cost of approximately \$ 40,000 each CIF Guayaquil, reserving \$ 100,000 for spare parts, and operator and mechanics training programs, for a total tank-truck cost of \$ 900,000.

In accordance with A.I.D. regulations all vehicles will be U.S. manufacture and a bid, evaluation and delivery time is expected to take at least ten months.

### (3) Institutional Analysis

#### (a) The National Housing Board (JNV)

The National Housing Board (JNV) was created by Supreme Decree No. 162 on February 23, 1973. It has been endowed with a broad range of powers necessary to carry out the mandate presented in the National Development Plan: to establish and program national housing policy; coordinate public and private entities operating in the sector; coordinate with municipalities on urban development through rational land acquisition and housing programs; and construct projects it has programmed and approved. The JNV Board of Directors includes a cabinet level officer who functions as the President of both JNV and the Banco de la Vivienda (BFV) and representatives of the Ministers of Finance and Health, the Social Security Institute, the National Planning Board, the Municipal Government Association, and the savings and loan associations.

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The JNV has shifted its earlier project specific and production/construction orientation to an increasingly more participatory and decentralized one through institutional objectives developed by the JNV Planning Directorate. These objectives affect four principal areas: administrative, financial, legal and technological.

JNV's current institutional objectives include, among others, administratively, decentralization through the addition of Regional Offices and training technical staff to improve their present capabilities and to keep abreast of new developments in their respective fields; financially, to increase lines of credit for the implementation of programs directed to the low income sectors of the country and adjust the finance systems to the levels of the intended beneficiaries; legally, to formulate its policy to be able to establish new urban land policy and analyze and modify the relationship and controls that exist between JNV/BEV and the savings and loan system; and, technologically, to increase types of shelters through the use of appropriate technologies, new construction systems based on small scale prefabrication and self-help construction efforts that conform to the National Development Plan.

In addition to the structural reorganization of JNV that notified its functional capacity JNV has expanded its national coverage to carry out its annual operational plan. The Regional Offices cover all twenty provinces of the country as follows:

Provinces Covered by JNV Regional Offices

<u>Guayaquil</u>	<u>Portoviejo</u>	<u>Loja</u>	<u>Cuenca</u>	<u>Quito</u>	<u>Riobamba</u>
Los Ríos	Manabí	Loja	Cañar	Carchi	Bolívar
Guayas		Zamora-	Azuay	Imbabura	Tunurahua
El Oro		Chinchi	Morona	Pichincha	Chimborazo
Galápagos			Santiago	Cotopaxi	Pastaza
				Esmeraldas	
				Napo	

JNV now has a staff of 394, with 263 professionals, mostly architects and engineers, (see Annex P) for detailed staffing pattern) that reflects its past production/construction orientation. Most of these professionals (121) are located in Quito, with the remaining 142 located in the Regional Offices with the smallest number (9) in Loja, Cuenca (10), Portoviejo (10) and Guayaquil (78).

The JNV decentralization now in effect has obliged the JNV headquarters to review its staffing patterns and skills and train its pation capacity. Regional Offices include at least one social worker/community development person, architect/engineer, technical support staff such as project inspectors, a lawyer, and a financial analyst.

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While the quality and quantity of the JNV Regional Office Staff is considered adequate to manage its activities, the institutional decentralization is increasing the responsibilities at the field level. The expanding responsibilities include project promotion, design and implementation, social organization and community development, project contracting, inspection, management, and legal matters. This Emergency Rehabilitation project component is fairly insignificant in terms of funding, but should aid the JNV in its continuing institutional development.

(b) The Ecuadorean Housing Bank (BEV)

The GOE established the Ecuadorean Housing Bank (BEV) as an autonomous public housing institution in March, 1971, as the institution public sector agency providing mortgage loans. The original mandate was to provide houses for low income families which included planning, financing, and construction of housing projects as well as the development of a savings and loan system and support of cooperatives. It has been since granted broader powers to determine housing credit policy, issue bonds, collect savings, and other banking activities.

A.I.D. directly promoted the establishment of BEV by providing technical assistance and a \$5 million seed capital loan. Later, support was provided through an A.I.D. guaranteed loan of \$6 million to stimulate the savings and loan system. By 1973, the year in which JNV was created, BEV had sold approximately S/.360 million in bonds. Support for the savings and loan system reached more than S/.444 million in 1976 and S/.476 million in 1980.

BEV has four main branch offices in Guayaquil, Cuenca, Loja, and Portoviejo and 14 agencies outside of Quito, the Central Office. BEV's Central Office has recently been restructured with the idea of reducing its dependence on dwindling GOE resources and carrying out its policy of full cost recovery. To support this, three new departments have been established to manage and eventually divest BEV's building materials factories to the private sector, to monitor BEV's local offices, and to improve operating procedures.

The quality of BEV's staff (919) is generally high since BEV, as an autonomous bank, is not bound by civil service salary level. At present, the professional operating staff on BEV is concentrated in the Quito headquarters (62) and the Guayaquil branch (42). Secondary city offices typically have 12 to 18 employees each including a lawyer and accountants who handle accounting, collections, and savings deposits. In each of BEV's branches and agencies JNV has located technical and social staff to complement BEV personnel. (See Annex Q) for staffing patterns and organization charts).

Project accounting is performed by each local office, and consolidated monthly through reporting to the Quito headquarters. IBRD missions have recently reviewed BEV's accounting systems and internal

audits and found them to be highly satisfactory. With the exception of the need for improved financial planning, accounting was found to be adequate at both the national and local levels.

3. Financial Analysis

The A.I.D. Loan and GOE counterpart will finance rehabilitation activities with a variety of institutions and with a range of counterpart funding requirements. The following table summarized the uses of A.I.D. and counterpart funding by activity.

FINANCIAL EXPENDITURES BY ACTIVITY  
(US\$000's)

	AID Loan	GOE	Total
1. Agricultural Infrastructure and Flood Control	3,260	1,665	4,925
2. Potable Water and Sewage System	1,940	1,665	3,605
3. Guasmo Infrastructure Repair and Construction	4,500		4,500
4. Administration and Technical Assistance	300		300
Totals:	10,000	3,360	13,330

Because of the nature of the emergency rehabilitation activities which are being financed, the only new recurring expenses are those involved in the operation and maintenance of the water-tank trucks for providing potable water to 6,000 families in the Guasmo.

4. Overall Administrative Feasibility and Institutional Analysis of BEDE

The administrative capacity of GOE institutions to efficiently and rapidly execute the proposed activities is a feasibility issue. The proposed administrative arrangements and the types of activities selected for financing are generally conducive to rapid implementation. Section III, Implementation Arrangements, describes the way in which the project will be implemented. This section analyzes the feasibility of proposed general administrative structure for the project as well as of the administrative arrangements, including operational capabilities of the major coordinating institution, the Ecuadorean Development Bank (BEDE). The operational capacity of each implementing agency has been assessed in the preceding sections.

Because day-to-day implementation responsibilities will be assigned to a number of different GOE agencies one criterion for selection of activities to be financed has been a positive evaluation by USAID of their administrative capacities. The activities included in the project will be carried out in large part by institutions with which USAID has existing working relationships (INERHI, IEOS' and th JNV/BEV). General coordination of implementation will be conducted by BEDE. USAID has very good working relationships with all of the above institutions. This prior experience will considerably reduce the time required to initiate the different sub-project activities because USAID and these institutions are familiar with each other's operational procedures and because a high degree of personal trust has already been established at the working level. The normal implementation capacity of the executing institutions will be improved because of the provision, contained in the Presidential decree which declared a state of emergency (still in effect), that permits exemptions from regular contracting procedures for emergency works. This exemption permits direct contracting of emergency works and reduces the time required for legal review substantially.

The Project funds provided for rehabilitation of physical infrastructure will be administered by the Ecuadorean Development Bank (BEDE). BEDE will act as an intermediary, channeling funds to implementing agencies and ensuring proper execution of the various subprojects. Given the urgent needs to restore basic infrastructure, it is important that BEDE function in an efficient manner. This section analyzes the appropriateness of BEDE as the lead counterpart agency and examines issues relating to the capability of BEDE to perform its role as intermediary.

a. Institutional fit

Two basic schemes for providing Project funds to the sub-project activities were considered: (1) direct reimbursement by USAID to the implementing agencies and (2) channeling the funds through an intermediary institution. The former option was rejected because it implied a significant additional administrative burden on USAID staff to the detriment of regular project implementation and because it would limit flexibility to reprogram funds among agencies. The viability of the second option depended on the availability of a suitable Ecuadorean intermediary agency. BEDE was selected for the following reasons.

(1) Function compatibility. The functions required of the intermediary agency coincide closely with BEDE's normal program and operating procedures. BEDE was created in 1979 with the mandate to provide financing the public sector agencies for priority development projects. BEDE obtains resources from a percentage of petroleum export revenues and from public sales of stock; the IDB and IBRD have also made major loans to BEDE. In approving and supervising loans for public sector agencies (Ministries, autonomous technical agencies, provincial and municipal governments), BEDE performs the following functions:

- a) technical, financial, and legal review of loan applications;
- b) evaluation of proposed projects in light of national development priorities;
- c) preparation of loan project document;
- d) negotiation and approval of loans;
- e) coordination of review and concurrence by other GOE agencies (Ministry of Finance, Attorney General, CONADE);
- f) provision of advances;
- g) field inspection of projects;
- h) technical and financial review of reimbursement documentation and approval of payments.

These are the same functions that will be required for carrying out the Emergency Rehabilitation Project

BEDE also has substantial lending experience in the sectors targeted for assistance under the A.I.D. financed project. From its creation through mid 1984 BEDE approved loans with a total value of 7.557.1 millions of sucres. With approximately 30% of these loans for electrifications, low income housing, water and sanitation, schools and irrigation systems.

In its five years of existence BEDE's capitalization has grown from 2.189.8 million of sucres to 40.000 millions or 38 times the capitalization of Ecuador's largest private bank, and eight to ten times any other state operated banking institution. Stock holders in BEDE include 100 municipal governments, 16 provincial organizations and 14 development agencies.

(2) Experience with disaster rehabilitation. BEDE has been an active participant in GOE efforts to rehabilitate the flood affected areas. In addition to its normal operations fund, BEDE maintains an Emergency Fund for the reconstruction of infrastructure destroyed by natural disasters in declared emergency zones. With the onset of the flooding, BEDE shifted funds from other sources to increase the Emergency Fund by 20 percent to three billion sucres. BEDE has approved several loans which will fully utilize the Emergency Fund. These projects involve primarily the reconstruction of coastal highway systems. In addition, BEDE has stepped up effort to identify projects for funding under the normal operations fund to complement the emergency rehabilitation works.

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(3) Lack of alternative agencies. BEDE is the only GOE agency which provides financing to the public sector for projects across a wide range of sectors. The Ministry of Social Welfare (MSW) was considered as a possible coordinating agency because the Minister of Social Welfare was designated as the overall coordinator for the GOE's disaster relief and rehabilitation efforts. However, the alternative was excluded because the MSW itself has no functional role or capacity to serve as a coordinating institution. The designation of the MSW as a coordinating agency would be in name only. Similarly, the GOE's Civil Defense Board was considered as a possible alternative. Civil Defense has important positive attributes: it has an organization in every province in Ecuador and its mission is closely related to the activities financed by the Project. Nevertheless, Civil Defense is currently a weak institution. A.I.D. is providing resources to strengthen Civil Defense's capacity, primarily through training, but it was determined that this project is not an appropriate vehicle to carry out the institutional strengthening of Civil Defense and that quick execution of activities could be hindered by using Civil Defense as the coordinating mechanism.

b. Capability issues

The capability of BEDE to administer the project Grant funds efficiently has been proven by its excellent performance in three basic areas: project evaluation and approval; monitoring; and disbursements. BEDE has established a branch office in Guayaquil which permits the decentralization of certain functions and close coordination with the A.I.D. financed contractor team.

(1) BEDE's Project evaluation and approval

Since its inception, BEDE has approved an average of 2.5 loans per month. The average processing time from receipt of application to approval of funding is six months. Compared to similar development banks in other Latin American countries, BEDE's performance in this regard is high and indicative of the excellent management and organization of the institution. Nevertheless, it is recognized by BEDE that much faster turn-around time will be required for the A.I.D. Loan funded subprojects.

An analysis of previous loan processing, indicates two main sources of delay both of which are external to BEDE's own evaluation and approval procedures. One problem is incomplete or faulty technical and financial studies submitted by the applicant. This has been most common with municipal and provincial government applicants who have depended on their own inadequate resources to prepare the studies. This problem should be largely avoided in the A.I.D. financed subprojects which will be developed by well established and technically qualified national agencies. In addition, BEDE's normal loan involve new construction which requires thorough feasibility studies. The A.I.D. Loan will finance the reconstruction of existing infrastructure, which entails less detailed studies as well as more rapid internal review by BEDE.

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The second major source of delay has been the required review of loans by external agencies, particularly the Ministry of Finance. This outside review will be minimized under the project. With regard to its internal processing procedures, BEDE utilizes special streamlined procedures for emergency projects. BEDE's recent experience with the use of these procedures indicates that internal processing can be accomplished in about two weeks. BEDE has issued a special set of procedures taking into account the special conditions of the Loan Agreement to ensure expeditious treatment of the A.I.D. financed subprojects. In all, it is estimated that the subprojects can be processed and approved within 60 days of A.I.D. obligation.

(2) Monitoring

BEDE's capacity to monitor projects in the past has been limited by the size of its technical staff and its centralized organization in Quito. The principal purpose of the new BEDE Guayaquil office is to strengthen the monitoring of BEDE's substantial portfolio of projects in the coastal provinces. The office has a full time staff of six including three engineers. BEDE will assign one engineer exclusively to oversee the A.I.D. financed subprojects, and additional support from the other staff will be provided as necessary. The BEDE engineers will coordinate their work schedules with the A.I.D. financed PSC engineers base in Guayaquil to ensure an adequate level of site inspection.

(3) Disbursements

A key factor in the timely execution of the subprojects is the provision of liquidity to the executing agencies. BEDE's normal disbursement procedures are adequate. One requirement which has been the most common cause of delay is the signing of the contract between the borrower and the firm of agency doing the work. This should not present a problem for the A.I.D. financed subprojects since the implementing agencies will use emergency contracting procedures or will undertake the work by direct administration. BEDE typically makes advances of up to 30 percent of the loan amount to expedite mobilization, reimburses on the basis of expenditures and physical progress reports submitted through the implementing agency. The internal review and approval of reimbursement usually takes no longer than five days. Transfer of funds from the BEDE account in the Central Bank to the account of the implementing agency takes another one or two days. Given the efficiency of the reimbursement operation, there is no need for major redelegations to the Guayaquil office. The speed of the reimbursement process has been increased by allowing the BEDE engineers based on Guayaquil to perform the technical review and send a summary report and recommendation to the Quito headquarters.

In summary, BEDE's internal operations pose no significant constraints on project implementation. However, as an intermediary institution, BEDE's control over the full implementation process

is limited. The critical factor will be the capacity of the implementing agencies to provide adequate on-site supervision of the works and to expedite the flow of payments documentation and funds between the work sites in BEDE.

5. Environmental Concerns

The Initial Environmental Examination for the project is attached as Annex G. The loan financed infrastructure repair and rehabilitation activities are intended to restore damaged or destroyed facilities to operational conditions. They will improve the existing environmental conditions on the coast. No significant adverse impacts on the environment are foreseen. Therefore a negative environmental determination has been recommended for these activities.

E. Technical Assistance, Training, and Logistical Support

Grant funds in the amount of \$1 million were reserved under Project 518-0046 for technical assistance, training and logistical support activities. These funds have been obligated by contracts and limited scope grant agreement outside of the major loan and grant agreements. In order to implement the activities described in the prior sections quickly and effectively, A.I.D. contracted the services of four long term engineering advisors. These advisors perform two basic functions -- project monitoring and the provision of technical assistance. This modality, which is already being extensively used in USAID/Ecuador programs (eg. IRD irrigation, IRHDS potable water and sanitation, forestry and housing), is an effective and an efficient use of specialized resources.

The specialists, already contracted by Grant funding are PSCs and one PASA, will continue with the project on a long term basis. A sanitary engineer, a hydraulic engineer, two structural engineers and an accounting specialist are being financed with project funds. These individuals are working closely with Ecuadorean counterpart staff. Specifically, the hydraulic engineer works with INRHI on the agricultural infrastructure rehabilitation activity and flood control, the sanitary engineer with IEOS on the water and sanitation rehabilitation and the two structural engineers with JNV/BEV on the reconstruction component of the the Guasmo infrastructure. This technical assistance will work with the Government agencies on specific implementation problems but will at the same time will strengthen the technical capacity of institutions such as INRHI, IEOS, the JNV/BEV and the Municipality of Guayaquil by providing training to their personnel. A.I.D. resources will fund fifty months of long term U.S. technical assistance, and fifty four months of long-term Ecuadorean technical assistance, plus an accountant, computer operator and support staff.

The total cost for technical assistance and logistic support is estimated at US\$370,782 above the funding already provided under the Project Grant. Of this, \$100,000 of deob-reob grant funds will be used, \$100,000 in Project Loan funds are reserved for technical assistance, and the Mission will

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request additional operational monies for the remaining \$170,782. Annex R shows months, support services, T.A. requirements and associated costs for Project Implementation and Monitoring.

### III. IMPLEMENTATION ARRANGEMENTS

The loan agreement will be executed in the first instance by the Ministry of Finance which will redelegate responsibility to the Banco Ecuatoriano de Desarrollo (BEDE) which will serve as the project coordinating agency. In turn, sub-agreements will be signed between BEDE and the implementing agencies, INERHI, IEOS, and the JNV/BEV. (See Annex S for draft of Sub-Agreement).

The sub-agreements will contain general provisions detailed project description, cost estimates, a schedule for each activity with amount of time for execution and an estimated disbursement schedule on a monthly basis, plus an agreement for counterpart funding requirements. The sub-agreement will also delineate methods and formats for submission of requests for progress payments, reports and content, evaluation schedule, and accounting procedures.

All progress payments will use a computerized form to standardize formats and make instantly available physical and financial progress by activity for each of the implementing agencies.

Two small IBM computers were purchased under the Grant portion of the project which will be used far more extensively under this phase.

One million dollars of 518-0048 Grant funds were obligated by USAID outside the project agreements which will be supplemented by another \$100,000 of 518-F-043-A loan funds for technical assistance, and \$200,000 in loan monies destined to assist the BEDE in project monitoring.

#### A. Implementing Planning

##### 1. Project Timetable

The project will be implemented over a period of approximately twenty-seven months from the date of signature of the Project Agreement. The rationale for the short time provided for implementation of the project activities is that they are emergency works which respond to urgent priorities and which are feasible to execute within a short time period. Most activities are expected to be disbursed before the PACD, however activities to be implemented by IEOS and INERHI will require close to 21 months to implement, and there could be four to five months overlap with the grant project activities. Also, should Ecuador experience abnormal weather during 1984-85 the execution of many of the activities may be severely affected by heavy rains and floods. In this event the activities would be reprogrammed where possible, but USAID will be forthcoming in considering a PACD extension. Annex I contains a general time-phased implementation schedule for the project. With a September 1984 authorization, the schedule for key project start up and implementation events will be:

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<u>Activity</u>	<u>Date</u>
Project Agreement Signed	September, 1984
Initial C.P.'s Met	October, 1984
Loan Financed Sub-Agreements Negotiated and Signed	November, 1984
Letter of Commitment and Initial Letters of Commitment Issued	December, 1984
USAID Guayaquil Office moved to more appropriate offices	January, 1985
Extension of all PSC Advisors' contracts	February, 1985
Initial Infrastructure Rehabilitation Underway	February, 1985
Initial Shipments of Commodities Arrive In-Country	July, 1985
PACD	December, 1986

## 2. A.I.D. Monitoring Arrangements

The large volume and widely dispersed of engineering design and construction work to be financed with project funds is clearly beyond USAID's Direct Hire (one engineer) monitoring capacity. To assure that monitoring is adequate (1) the project officer in Guayaquil will continue although moved to a more appropriate location, and (2) the current PSC advisors' contracts will be extended to cover the projected implementation schedule.

The U.S. Consulate in Guayaquil has generously donated office space to the project during the past year, but an additional 27 project months in depriving consulate personnel of office space is unreasonable. Therefore, USAID/Ecuador has secured project office space in a newly opened Ministry of Agriculture 24 story building.

The project office staff has been cut to minimum size for monitoring purposes, with two American and two Ecuadorean engineers, one administrative secretary, three chauffers, and a part-time accountant. It may be necessary to employ a computer operator one week a month for processing progress payments.

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No change in engineering staffing is contemplated especially in view of the Andean Disaster Relief Management Assessment report which concluded "The USAID contract engineers in Guayaquil have done an excellent job of monitoring despite rather difficult travel conditions...."

Most of INERHI's activities can be monitored by day trips from Guayaquil, approximately on-half of the IEOS activities, and the Guasmo activities are located 20 minutes from the USAID office. All implementing institutions have regional offices in Guayaquil and other coastal provincial capitals.

BEDE's regional office in Guayaquil with three full time engineers can readily review and informally approve reimbursement requests. The direct hire engineer will be stationed in Quito but will travel frequently to Guayaquil and the coastal provinces to technically supervise the A.I.D. monitoring efforts in Guayaquil and will deal with BEDE and implementing agency head offices located in Quito.

B. Evaluation Plan

Because of the short term nature of the project, it will be formally evaluated only upon project completion.

The evaluation will be jointly carried out by BEDE and A.I.D. with the cooperation of the implementing institutions. It will analyze the impact on the project beneficiaries of the works financed under the project and audit the use of project funds.

C. Conditions and Covenants

1. Conditions Precedent

The emergency nature of this project dictates that conditions precedent to disbursement be minimized to the extent possible.

In addition to the standard conditions precedent, the following conditions will be required for disbursements for subproject activities:

"Prior to any disbursement under the Loan, or to the issuance of any commitment document pursuant to which disbursement will be made for any subproject activity, the Borrower will, except as the Parties may otherwise agree in writing, furnish or cause to be furnished to A.I.D., in form and substance satisfactory to A.I.D.:

(a) An agreement signed between the Central Bank of Ecuador and BEDE pursuant to which the Central Bank, acting as the Borrower's Fiscal Agent, transfers to BEDE the funds provided under this Loan Agreement for project implementation, and

(b) The agreements signed by the implementing institution and the institutions responsible for implementing each of the subprojects which will define the rights and responsibilities of the signatories. Each agreement will include, among other things, a description of the activities to be included in the subproject, a budget for the subproject, a definition of the financial and operational support to be provided by the implementing institution involved in the subproject, a schedule of the subproject activities, and a description of the reports that the implementing institution will submit to the Borrower and A.I.D."

2. Covenants

Four covenants related to evaluation of the program are recommended with specifics to include:

- (a) evaluation of progress toward attainment of the objectives of the Project;
- (b) identification and evaluation of problem areas or constraints which may inhibit such attainment;
- (c) assessment of how such problems might be overcome; and
- (d) evaluation, to the degree feasible, of the overall development impact of the Project.

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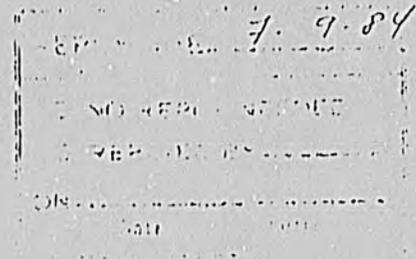


MINISTERIO DE FINANZAS  
SUBSECRETARIA DE CREDITO PUBLICO

Oficio No. DCRP-841036

Quito, a 28 JUN. 1984

Señor Arq.  
Orlando Llenza  
DIRECTOR DE LA AID  
Ciudad.-



Señor Director:

1.- El 27 de septiembre de 1983, se celebró entre la República del Ecuador y el Gobierno de los Estados Unidos de América, el Convenio de Fondos No Reembolsables, por el cual éste último asignó a través de la Agencia para el Desarrollo Internacional -- US\$6'000.000,00 destinados de común acuerdo a: (a) la rehabilitación y reconstrucción de las estructuras físicas dañadas por las fuertes precipitaciones pluviales y las inundaciones provocadas por la corriente marítima de "El Niño" en el litoral y la zona sur del Ecuador; y, (b) a la prevención de daños que pudieren causarse por fenómenos similares en el futuro.

2.- El Acuerdo, que se inscribe en el marco de la Ley de Cooperación Externa de 1961 y las disposiciones para utilización de los fondos de desastre del Gobierno de los Estados Unidos de América, financia programas de alta prioridad de acuerdo a las necesidades determinadas por el Gobierno Ecuatoriano, para la rehabilitación y reconstrucción de las zonas afectadas por las inundaciones.

3.- El proyecto se ejecuta a través de las unidades que tienen a su cargo los subproyectos de infraestructura agrícola, protección de las laderas del Pichincha, reconstrucción de viviendas, reparaciones emergentes y mejoras a los sistemas sanitarios y de agua potable, reparación de escuelas y reparación de las obras de ingeniería civil del sistema de transmisión eléctrica.

El mecanismo operativo de Comité de proyectos y la supervisión global conjunta del Banco de Desarrollo del Ecuador y la Agencia para el Desarrollo Internacional han permitido el adecuado seguimiento y control del proyecto cuya ejecución ha sido evaluada en dos ocasiones, el 31 de diciembre de 1983 y el 31 de marzo de 1984.

Al 31 de marzo de 1984 el BEDE había canalizado US\$3'093.876,60 a los diferentes subproyectos del Programa de Rehabilitación Emergente, arrojando una ejecución financiera del 52% en seis meses de desarrollo del programa y un avance físico ponderado a la misma fecha de 48.52%.

ATP

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U/M	✓
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36



... 2 ...

4.- A pesar de que el Convenio de Fondos No Reembolsables de septiembre de 1983 no establecía la obligación de que se destinaran fondos de aporte local como contraparte, el gobierno ecuatoriano ha contribuido con S/72'000.000 para completar la primera etapa de la rehabilitación y reconstrucción de infraestructura educativa y - con S/230'000.000 para completar la primera etapa de la rehabilitación de la infraestructura de riego, protección y control de los ríos en las zonas afectadas.

5.- Los daños causados por los desastres naturales, según estimaciones de la CEPAL, superan la cifra de US\$640'000.000 requiriéndose para la reconstrucción y rehabilitación de las zonas afectadas de un período de 3 a 5 años de trabajos constantes y de una inversión de miles de millones de sucres.

El esfuerzo que en este campo ha realizado el Gobierno Ecuatoriano, teniendo en cuenta la profunda y prolongada crisis económica internacional es significativo.

6.- En febrero de 1984 el Representante de AID en el Ecuador comunicó al Gobierno Ecuatoriano la disposición existente para otorgar al Gobierno una línea de crédito con cargo a los Fondos de Desastre, para financiar la continuación del programa, que en su primera etapa, fue iniciado con los fondos provenientes del Convenio de Fondos no Reembolsables para rehabilitación emergente.

7.- En los meses de marzo y abril de 1984 - los técnicos del BEDE y de la AID elaboraron de común acuerdo el programa para la terminación de las obras que se iniciaron con el financiamiento - del Convenio celebrado en septiembre de 1983.

8.- En mayo de 1984 el Gobierno Ecuatoriano fue informado de la aprobación dada por el Gobierno de los Estados Unidos de América para el acceso del Ecuador a un crédito de US\$10'000.000 para este fin. Y habiendo procedido a determinar las necesidades de rehabilitar, reparar y reconstruir obras importantes de infraestructura afectadas por las condiciones climáticas adversas que causaron graves daños en 1982 y 1983, estableció también las actividades que deben cumplirse para evitar y minimizar daños futuros.

Hecho lo cual el Gobierno del Ecuador comunicó a la Agencia para el Desarrollo Internacional su aceptación al financiamiento adicional que le ha sido conferido para el "Programa de Rehabilitación Emergente" por la cantidad de US\$10'000.000 en las siguientes condiciones financieras:

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... 3 ...

Plazo: 25 años, incluidos 10 de gracia  
Intereses: 2% anual en los 10 primeros años, 3% en adelante, hasta el pago total del crédito.

Condiciones que también acepta para ser utilizado en los siguientes programas de rehabilitación emergente:

- a) Control de la malaria.
- b) Rehabilitación, reparación y reconstrucción de infraestructura agrícola, educativa, sanitaria y eléctrica; y,
- c) Protección de las laderas del Pichincha.

9.- Teniendo en cuenta la experiencia adquirida y la eficacia observada en el mecanismo de administración de los recursos y en el de seguimiento, evaluación y control del Programa de Rehabilitación Emergente de Fondos no Reembolsables por US\$6'000.000 a cargo de la AID - BEDE y Unidades Ejecutoras de los proyectos emergentes, el Gobierno considera importante mantener ese mecanismo para el manejo de este crédito, introduciendo una sola modificación, consistente en la integración de un funcionario de la Subsecretaría de Crédito Público del Ministerio de Finanzas en el Comité de Proyectos y en la instancia de evaluación superior.

10.- Adjunto, remito a usted, los documentos que contienen la programación de los proyectos objeto de financiamiento de este crédito, acordada en las sesiones de trabajo AID - BEDE.

11.- El Gobierno Ecuatoriano desea dejar constancia de la eficiente relación de trabajo lograda con los técnicos y funcionarios de AID en Quito en la ejecución de este Programa, así como de la comprensión de los graves problemas originados en este desastre natural para el país, comprensión que ha facilitado la elaboración de la segunda etapa del Programa de Rehabilitación emergente cuyo financiamiento evitará la paralización de obras fundamentales que de otro modo quedarían inconclusas.

El Gobierno Ecuatoriano aprecia el apoyo oportuno y adecuado dado por AID en septiembre de 1983 y mayo de 1984, al colaborar, dentro de las prioridades establecidas por el país para la solución de los graves problemas naturales que lo afectaron.

Atentamente,  
DIOS, PATRIA Y LIBERTAD

Ing. Pedro A. Pinto,

MINISTRO DE FINANZAS Y CREDITO PUBLICO

28



# TELEGRAM

INDICATE  
 COLLECT  
 CHARGE TO USAID/E

12356	FROM AMEMBASSY QUITO	CLASSIFICATION UNCLASSIFIED
E.O. <del>XXXXX</del> 10832	N/A	
TAGS:	Advice of Amendment to Authorization and Request for	
SUBJECT:	Budget Allowance, Project No. 518-0046	
ACTION:	SECSTATE WASHDC	
AID	UNCLASSIFIED QUITO <u>4402</u>	
AMB	AIDAC	
DCM	REF: STATE 123464	
CHRON	1. Pursuant to redelegation contained in reftel USAID	
RF	director signed amendment to authorization increasing	
ACTION: INFO:	LOP loan funding to dols. 16 million and extending	
DIR	PACD for subject project on May 10, 1984. Subject	
A/DIR	amendment is being pouched to LAC/DR/SA.	
EXG	2. Per reftel please provide budget allowance for	
O/CONT	dols. 10 million.	
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WASHDC  
O/DIR: Robert Jordan: ne  
DRAFTING DATE: 05.14.84  
TELETYPE: [Signature]  
Orlando Llenza, Director

CLASSIFICATION: UNCLASSIFIED  
O/CONT: William Ross WR  
D/DIR: Paul Fritz [Signature]

UNCLASSIFIED  
CLASSIFICATION

OPTIONAL FORM NO. 10  
(Formary 1947)  
Jan 1975  
Dept. of State

# TELEGRAM

AMEMBASSY QUITO

TOR: MAY 23 1984

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5-23-84  
 RECEIVED  
 DATE: 5-23-84  
 INITIALS: [initials]

ADM AID

E.O. 12356: N/A

TAGS:

SUBJECT: FY 1984 PROGRAM FUNDS BUDGET ALLOWANCE

1. AA/LAC BUDGET ALLOWANCE 1FD384-3551B-B143 ESTABLISHED IN AMOUNT DOLLARS 10,000,000 FOR PROJECT 0046, (LOAN 513-F-043A), DISASTER RELIEF REHABILITATION AND RECONSTRUCTION.

2. CONGRESSIONAL NOTIFICATION EXPIRED APRIL 19, 1984.

SRULTZ

BT

#1146

ACTION:	01/AC-2
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7 S

41

COUNTRY CHECKLIST

A. GENERAL CRITERIA FOR COUNTRY  
ELIGIBILITY

1. FAA Sec. 481; FY 1984  
Continuing Resolution. Has it  
been determined or certified  
to the Congress by the  
President that the Government  
of the recipient country has  
failed to take adequate  
measures or steps to prevent  
narcotic and psychotropic  
drugs or other controlled  
substances (as listed in the  
schedules in section 202 of  
the Comprehensive Drug Abuse  
and Prevention Control Act of  
1971) which are cultivated,  
produced or processed  
illicitly, in whole or in  
part, in such country or  
transported through such coun-  
try, from being sold illegally  
within the jurisdiction of  
such country to United States  
Government personnel or their  
dependents, or from entering  
the United States unlawfully?  

It has not been so determined.  
The GOE has an active narcotics  
program with USG support.
  
2. FAA Sec. 620(c). If assist-  
ance is to a government, is  
the government liable as  
debtor or unconditional  
guarantor or any debt to a  
U.S. citizen for goods or  
services furnished or ordered  
where (a) such citizen has  
exhausted available legal  
remedies and (b) the debt is  
not denied or contested by  
such government?  

No such case is known.
  
3. FAA Sec. 620(e)(1). If as-  
sistance is to a government,  
has it (including government  
agencies or subdivisions)  
taken any action which has the  
effect of nationalizing, ex-  
propriating, or otherwise  
seizing ownership or control  
of property of U.S. citizens  
or entities beneficially owned  
by them without taking steps  
to discharge its obligations  
toward such citizens or enti-  
ties?  

No.

- |  |   |
|--|---|
| 4. <u>FAA Sec. 532(c), 620(a), 620(f), 620D; FY 1982 Appropriation Act Secs. 512 and 513.</u> Is recipient country a communist country? Will assistance be provided to Angola, Cambodia, Cuba, Laos, Vietnam, Syria, Libya, Iraq, or South Yemen? Will assistance be provided to Afghanistan or Mozambique without a waiver? | No.   |
| 5. <u>ISIXA of 1981 Secs. 724, 727, 728 and 730.</u> For specific restrictions on assistance to Nicaragua, see Sec. 724 of the ISIXA of 1981. For specific restrictions on assistance to El Salvador, see Secs. 727, 728 and 730 of the ISIXA of 1981.   | N/A   |
| 6. <u>FAA Sec. 620(j).</u> Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction by mob action of U.S. property?  | No.   |
| 7. <u>FAA Sec. 620(l).</u> Has the country failed to enter into an agreement with OPIC?  | Yes.  |
| 8. <u>FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5.</u> (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters?  | In accordance with the Administrator's taking into consideration memo dated January 31, 1983 there have been no such seizures by Ecuador. |
| (b) If so, has any deduction required by the Fishermen's Protective Act been made?   | No.   |

9. FAA Sec. 620(q); FY 1982 No.  
Appropriation Act Sec. 517.  
(a) Has the government of the recipient country been in default for more than six months on interest or principal of any AID loan to the country?
- (b) Has the country been in default for more than one year on interest or principal on any U.S. loan under a program for which the appropriation bill appropriates funds? No.
10. FAA Sec. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the amount of foreign exchange or other resources which the country has spent on military equipment? (Reference may be made to the annual "Taking into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.) Yes. In accordance with the Administrator's taking into consideration memo dated January 31, 1983, these factors have been taken into account.
11. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? No.

4/11

12. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget? (Reference may be made to the Taking into Consideration memo.) Payment status is current.
13. FAA Sec. 620A; FY 1982 Appropriation Act Sec 520. Has the country aided or abetted, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism? Has the country aided or abetted, by granting sanctuary from prosecution to, any individual or group which has committed a war crime? No.
14. FAA Sec. 666. Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA? No.
15. FAA Sec. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or detonated a nuclear explosive device, after August 3, 1977? (FAA Sec. 620E permits a special waiver of Sec. 669 for Pakistan.) No.

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16. ISDCA of 1981 Sec. 720. Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Session of the U.N. of Sept. 25 and 28, 1981, and failed to disassociate itself from the communique issued? If so, has the President taken it into account? (Reference may be made to the Taking into Consideration memo.)
- Yes.
- Yes.
- In accordance with the Administrator's taking into consideration memo dated January 31, 1983 these factors have been taken into account.
17. ISDCA of 1981 Sec. 721. See special requirements for assistance to Haiti.
- N/A.
18. FY 1984 Continuing Resolution. Has the recipient country been determined by the President to have engaged in a consistent pattern of opposition to the foreign policy of the United States?
- The President has not issued such a certification for Ecuador.

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B. FUNDING SOURCE CRITERIA FOR  
COUNTRY ELIGIBILITY

1. Development Assistance Country  
Criteria.

a. FAA Sec. 116. Has the Department of State determined that his government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needy?

The Department of State has not determined that Ecuador is a violator of human rights.

2. Economic Support Fund Country  
Criteria.

a. FAA Sec. 502B. Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the country made such significant improvements in its human rights record that furnishing such assistance is in the national interest?

N/A.

b. ISXCA of 1981, Sec. 725(b). If ISF is to be furnished to Argentina, has the President certified that (1) the Govt. of Argentina has made significant progress in human rights; and (2) that the provision of such assistance is in the national interests of the U.S.?

N/A.

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c. ISIXA of 1981, Sec. 726(b). If ESF assistance is to be furnished to Chile, has the President certified that (1) the Govt. of Chile has made significant progress in human rights; (b) it is in the national interest of the U.S.; and (3) the Govt. of Chile is not aiding international terrorism and has taken steps to bring to justice those indicted in connection with the murder of Orlando Letelier?

N/A.

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PROJECT CHECKLIST

A. GENERAL CRITERIA FOR PROJECT

1. FY 1982 Appropriation Act Sec. 523; FAA Sec. 634A; Sec. 653(b).

(a) Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project; (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that amount)?

The Project was described in a notification submitted to Congress on April 5, 1984. Funding established by Congressional concurrence.

b. No.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonable firm estimate of the cost to the U.S. of the assistance?

a. Financial and Engineering plans are included in the Project Paper.

b. Yes.

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

No such action is required.

4. FAA Sec. 611(b); FY 1982 Appropriation Act Sec. 501. If for water or water-related land resource construction, has project met the standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973?

Project has a component for the emergency rehabilitation of levees, dikes and irrigation canals as well as channel restoration which meets standards and criteria set forth in Principles and Standards.

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project? Yes.
6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. No.
7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions. The project purpose is an emergency rehabilitation project. It will foster private enterprise and increase the flow of international trade by restoring agricultural lands to productive condition.
8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise). Project will encourage U.S. trade abroad by providing foreign exchange for the importation of U.S. source commodities.

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9. FAA Sec. 612(b), 636(h); FY 1982 Appropriation Act Sec. 507. Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars. Host country counterpart contributions, including in-kind support, are estimated at 25 percent of total project costs.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? No.
11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes.
12. FY 1982 Appropriation Act, Sec. 521. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? N/A.
13. FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16? Does the project or program take into consideration the problem of the destruction of tropical forests? Yes.  
N/A.

14. FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)?

N/A.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FAA Sec. 102(b), 111, 113, 281(a). Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

The project is an emergency rehabilitation project. It will involve the poor in development by employment in rehabilitation activities. The beneficiaries reside in small towns, rural areas, and urban migrants driven from farm lands by flooding.

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b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used?

The project is an emergency project that is funded in accordance with the authority contained in Section 492(b) of the FAA.

c. FAA Sec. 107. Is emphasis on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

Because of the emergency nature of the project, technologies which permit the most rapid completion of rehabilitation works will be used.

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the cost of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

Yes.

e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"? (M.O. 1232.1 defined a capital project as "the construction", expansion, equipping or alteration of a physical facility or facilities financed by AID dollar assistance of not less than \$100,000, including related advisory, managerial and training services, and not undertaken as part of a project of a predominantly technical assistance character.

No.

f. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

Yes. The project will help reactivate agricultural production and rehabilitate economic infrastructure damaged by rains and floods and will thus contribute to increase of productive capacities.

g. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

The project seeks to overcome the extremely adverse effects of inclement weather by rehabilitating of physical infrastructure which will permit Ecuadoreans to realize their productive potential.

2. Development Assistance Project Criteria (Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest.

The PP analyzes the ability of the country to repay and concludes that it can do so.

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?

N/A.

c. ISIXA of 1981, Sec. 724(c) and (d). If for Nicaragua, does the loan agreement require that the funds be used to the maximum extent possible for the private sector? Does the project provide for monitoring under FAA Sec. 624(g)?

N/A.

3. Project Criteria Solely for  
Economic Support Fund

a. FAA Sec. 531(a). Will this assistance promote economic or political stability? To the extent possible, does it reflect the policy directions of FAA Section 102? N/A.

b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities? N/A.

c. FAA Sec. 534. Will ESP funds be used to finance the construction of the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified that such use of funds is indispensable to nonproliferation objectives? N/A.

d. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? N/A.

STANDARD ITEM LIST

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed?  
The commodities to be procured under the project generally cannot be obtained from small businesses. Technical services will be obtained from individuals.
2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him?  
Yes.
3. FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company?  
Ecuador does not discriminate against U.S. marine insurance companies.
4. FAA Sec. 604(e); ISIXA of 1980 Sec. 705(a). If off-shore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.)  
N/A.
5. FAA Sec. 604(g). Will construction or engineering services be procured from firms of countries otherwise eligible under Code 941, but which have attained a competitive capability in international markets in one of these areas?  
No.

6. FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent that such vessels are available at fair and reasonable rates.? No.
7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? If the facilities of other Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? Yes.
8. International Air Transport Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? Yes.
9. FY 1982 Appropriation Act Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States Yes.

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B. Construction

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services to be used? Yes, when local firms cannot supply such services.
2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? Yes; exceptions permitted by applicable A.I.D. regulations will be invoked because of the emergency nature of the project.
3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP)? N/A.

C. Other Restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? Yes.
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A.
3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? Yes.
4. Will arrangements preclude use of financing? Yes, for all items.

a. FAA Sec. 104(f); FY 1982  
Appropriation Act. Sec. 525:

(1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization; (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; (4) to lobby for abortion?

b. FAA Sec. 620(g). To compensate owners for expropriated nationalized property?

c. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs?

d. FAA Sec. 662. For CIA activities?

e. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained?

f. FY 1982 Appropriation Act,  
Sec. 503. To pay pensions, annuities, retirement pay, or adjusted service compensation for military personnel?

g. FY 1982 Appropriation Act, Sec. 505. To pay U.N. assessments arrearages or dues?

h. FY 1982 Appropriation Act, Sec. 506. To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending)?

i. FY 1982 Appropriation Act, Sec. 510. To finance the export of nuclear equipment, fuel, or technology or to train foreign nationals in nuclear fields?

j. FY 1982 Appropriation Act, Sec. 511. Will assistance be provided for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights.?

k. FY 1982 Appropriation Act, Sec. 515. To be used for publicity or propaganda purposes within U.S. not authorized by Congress?

PROJECT AUTHORIZATION  
(Amendment No. 1)

Name of Country: Ecuador  
Name of Project: Emergency Rehabilitation  
Number of Project: 518-0046  
Loan Number: 518-F-043 /4

1. Pursuant to Section 492(b) of the Foreign Assistance Act of 1961, as amended, the Emergency Rehabilitation project for Ecuador was authorized on September 26, 1983 (the "Authorization"). The Authorization is hereby amended as follows:

- a. Lines 3 and 4 of Section 1 of the Authorization are hereby amended by deleting the words "Six Million United States Dollars (\$6,000,000) in loan funds ("Loan")" and substituting in the lieu thereof the words "Sixteen Million United States Dollars (\$16,000,000) in loan funds ("Loan")".
- b. Line 12 of Section 1 of the Authorization is hereby amended by deleting "eighteen (18)" and substituting in lieu thereof "thirty nine (39)".

2. Except as expressly modified or amended hereby, the Authorization remains in full force and effect.

  
Orlando Llenza  
Mission Director  
USAID/Ecuador

5/10/84  
Date

CLEARANCES:

ENG: B. Facey B. Facey  
FHD: KFarr KFarr  
RDO: JGoodwin JGoodwin  
O/CONT: WRoss WRoss  
O/DP: PMaldonado PMaldonado  
A/DIR: PFritz PFritz  
RLA: AAdams (by phone) (5/9/84)

DRAFTED BY: O/DR: RJordan:arf (4/27/84)

PROJECT AUTHORIZATION

Name of Country: Ecuador  
Name of Project: Emergency Rehabilitation  
Number of Project: 518-0046  
Number of Loan: 518-F-043

1. Pursuant to Section 492 (b) of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Emergency Rehabilitation Project for Ecuador involving planned obligations of not to exceed Six Million United States Dollars (\$6,000,000) in loan funds ("Loan") and Seven Million United States Dollars (\$7,000,000) in grant funds ("Grant") over a three (3) year period from date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB allotment process, to help in financing foreign exchange and local currency costs for the project. USAID/Ecuador may obligate up to One Million United States Dollars (US\$1,000,000) of Grant funds outside of the Project Agreements to finance long and short term technical assistance, training and logistic support for implementation of project activities. The planned life of the project is eighteen (18) months from the date of initial obligation.

2. The project ("Project") consists of assistance to Ecuador to implement emergency relief, rehabilitation and reconstruction activities in response to excessive rains and flooding associated with the "El Niño" phenomenon.

3. The Project Agreements, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

a. Interest Rate and Terms of Repayment

Ecuador shall repay the Loan to A.I.D. in U.S. Dollars within twenty-five (25) years from the date of first disbursement of the Loan, including a grace period of not to exceed ten (10) years. Ecuador shall pay to A.I.D. in U.S. Dollars interest from the date of first disbursement of the Loan at the rate of (i) two percent (2%) per annum during the first ten (10) years, and (ii) three percent (3%) per annum thereafter, on the outstanding disbursed balance of the Loan and on any due and unpaid interest accrued thereon.

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b. Source and Origin of Commodities, Nationality of Services (Loan)

Commodities financed by A.I.D. under the Loan shall have their source in the United States and their origin in countries included in A.I.D. Geographic Code 941, except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services financed under the Loan shall have Ecuador, or countries included in A.I.D. Geographic Code 941 as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Loan shall be financed only on flag vessels of Ecuador or countries included in A.I.D. Geographic Code 941, except as A.I.D. may otherwise agree in writing.

c. Source and Origin of Commodities, Nationality of Services (Grant)

Commodities financed by A.I.D. under the Grant shall have their source and origin in Ecuador or in the United States, except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services financed under the Grant shall have Ecuador or the United States as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Grant shall be financed only on flag vessels of the United States, except as A.I.D. may otherwise agree in writing.

d. Condition Precedent to Disbursement for Imported Agricultural Inputs (Loan)

Prior to any disbursement, or to the issuance of any commitment documents under the Project Loan Agreement to finance the purchase of any imported agricultural input, Ecuador shall, except as the Parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., a list of the eligible agricultural inputs to be financed under the Project, and a list of the criteria and requirements for determining importer eligibility.

e. Condition Precedent to Disbursement for Emergency Rehabilitation Subprojects (Grant)

Prior to any disbursement or to the issuance of any commitment documents under the Project Grant Agreement to finance any emergency rehabilitation subproject activity, Ecuador shall, except as the Parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D. a signed agreement between the Ecuadorean Development Bank and the institution implementing the subproject, which defines the rights and responsibilities of the signatories, including a description of the activities to be included in the subproject, a budget for the Grant funds, a definition of the financial and operational support to be provided by the implementing institution involved in the subproject, a schedule of the subproject activities, and a description of the reports that the implementing institution will submit to the Ecuadorean Development Bank and A.I.D.

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f. Covenants (Loan and Grant)

Ecuador shall covenant that, unless A.I.D. otherwise agrees in writing:

(1) It shall make available to the National Development Bank the resources provided pursuant to the Project for purposes of providing credit to small and medium farmers who have been affected by the consequences of the natural disaster which occurred in 1983.

(2) The credit activities to be financed pursuant to the Project shall be mutually agreed to by the National Development Bank (NDB) and A.I.D., and that the NDB will furnish to A.I.D., in form and substance satisfactory to A.I.D., a plan which identifies the beneficiaries of the credit activities and crops that will be financed.

(3) The reflows from credit made available pursuant to the Project shall continue being made available by the NDB to small and medium farmers during a period of at least five years.

(4) The resources made available pursuant to the Project shall not be used to refinance existing debts, to finance land purchases, or to finance agricultural credit to large producers with capital which exceeds five million sucres.

(5) It will implement the Project in a priority manner and, when applicable, will use the authorities established in Presidential Decree 1411 dated December 28, 1982 which declared the state of emergency, and will give general priority to the importation of agricultural inputs needed to promote agricultural rehabilitation.

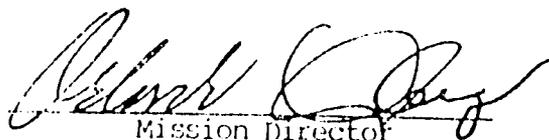
(6) It will cause the institutions participating in emergency rehabilitation subprojects to implement them in a priority manner, and that the Ecuadorean Development Bank shall be responsible for the coordination, control and supervision of such subprojects.

(7) It will make reasonable efforts to assure that pesticides acquired through the agricultural credit program financed pursuant to the Project are properly handled and utilized by the beneficiary agricultural producers.

(8) It will use its best efforts to assure that accurate arrival and clearance records are maintained by customs authorities; commodity imports are promptly processed through customs at ports of entry; such commodities are removed from customs and/or bonded warehouses within fifteen (15) working days from the date the commodities are unloaded from the vessel at port of entry, unless the importer is hindered by force majeure; and commodities financed under the Project will not be reexported.

I. Waiver

A.I.D. nationality requirements are hereby waived to permit contracting up to \$200,000 for grant-financed technical assistance for Project coordination, supervision and monitoring with contractors whose nationalities are in countries included in A.I.D. Geographic Code 941.

  
Mission Director

9/26/83  
Date

CLEARANCES.

W/DR:FOER ALM  
C/DK:Jordan [Signature]  
O/TP:PMaldonado [Signature]  
O/CONF:Wross [Signature]  
D/DIR:PEritz [Signature]  
R/O: JGeobwin [Signature]

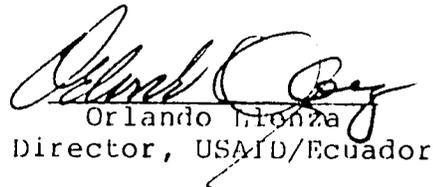
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CERTIFICATION PURSUANT TO SECTION 611(e) OF THE FOREIGN  
ASSISTANCE ACT OF 1961, AS AMENDED

I, Orlando Llenza, the principal officer of the Agency for International Development in Ecuador, having taken into consideration among other factors, the maintenance and utilization of projects in Ecuador previously financed or assisted by the United States, do hereby certify that in my judgement Ecuador has the technical capability and the physical, financial, and human resources to utilize and maintain effectively the proposed additional loan funding of ten million United States Dollars (US\$10,000,000) from the Government of the United States of America to the Government of Ecuador for the Emergency Rehabilitation Project.

This judgement is based on: (a) the fact that the project design, as described in the Project Paper, takes into account existing GOE institutional capacities to utilize and maintain project resources; and (b) the USAID's previous experience with the maintenance and utilization of other projects in Ecuador previously financed or assisted by the United States.

  
Orlando Llenza  
Director, USAID/Ecuador

September 17, 1984

PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK

(INSTRUCTION: THIS IS AN OPTIONAL FORM WHICH CAN BE USED AS AN AID TO ORGANIZING DATA FOR THE PAR REPORT. IT WILL NOT BE RETAINED OR SUBMITTED.)

Life of Project:  
From FY 1983 to FY 1987  
Total U.S. Funding: 23,000,000  
Date Prepared: 9/16/84

Project Title & Number: EMERGENCY REHABILITATION No. 518-0046 (518-F-043-A)

PAGE 1

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes: (A-1)</p> <p>To assist the areas and population in Ecuador to recover and to be better prepared for similar disasters in the future.</p>	<p>Measures of Goal Achievement: (A-2)</p> <p>Agricultural production restored and basic services functional in target areas affected by disaster.</p>	<p>(A-3)</p> <p>Post-project impact evaluation.</p>	<p>Assumptions for achieving goal targets: (A-4)</p> <p>Resources are adequate to have significant impact.</p>

PROJECT DESIGN SUMMARY  
 LOGICAL FRAMEWORK

Life of Project: \_\_\_\_\_  
 From FY 1983 to FY 1987 \_\_\_\_\_  
 Total U.S. Funding \$23,000,000 \_\_\_\_\_  
 Date Prepared: \_\_\_\_\_

Project Title & Number: EMERGENCY REHABILITATION No. 518-0046 (518-F-043-A)

9/16/84 PAGE 2

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Project Purpose: (B-1)</p> <p>To assist the Government of Ecuador to implement critical relief rehabilitation, reconstruction and mitigation activities related to the "El Niño" disaster.</p>	<p>Conditions that will indicate purpose has been achieved: End-of-Project status. (B-2)</p> <p>1.a. At least 85,000 has. of agricultural land protected.</p> <p>b. Some 76,000 urban inhabitants in Quevedo and Mocache protected against future flooding.</p> <p>2. Potable Water and Sanitation Systems functional in 64 communities.</p> <p>3. Streets and drainage reconstructed for 60 kms. in urban "El Guasmo".</p> <p>Street lighting provided for 45 kms.</p> <p>Potable water available to 6,000 families living in El Guasmo.</p>	<p>(B-3)</p> <p>1. Post project evaluation</p> <p>2. USAID Records.</p> <p>3. Implementing Agency Records.</p> <p>4. Field Inspections</p>	<p>Assumptions for achieving purpose: (B-4)</p> <p>1. Repairs and rehabilitation are only constraint on restoration of services.</p>

PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK

Life of Project 1983 to FY 1987  
From FY 1983 to FY 1987  
Total U.S. Funding \$23,000,000  
Date Prepared 9/16/84 PAGE 3

Project Title & Number: EMERGENCY REHABILITATION No. 518-0046 (518-F-043-A)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Project Outputs: (C-1)	Magnitude of Outputs: (C-2)	(C-3)	Assumptions for achieving outputs: (C-4)
<p>1.a. Dikes and levees repaired and</p> <p>b. Flood control works constructed</p> <p>2. Potable Water and Sewer Systems Repaired.</p> <p>3. Portion of "El Guasmo" urban area infrastructure reconstructed and/or expanded.</p>	<p>a. 85,000 has., 26 communities, and 75 kilometers of roads protected.</p> <p>b. Some 76,000 urban inhabitants protected against future flooding.</p> <p>2. Sixty-four Communities with systems repaired.</p> <p>3. Sixty kms. of streets and drainage reconstructed. Forty-five kms. of street lighting constructed. 6,000 families provided with potable water.</p>	<p>1. Implementing agency Records.</p> <p>2. USAID Records.</p>	<p>1. Implementing agencies have organizational capacity to implement program in addition to regular program of work.</p>

PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK

Project Title & Number: EMERGENCY REHABILITATION No. 518-0046 (518-F-043-A)

Life of Project:  
From FY 1983 to FY 1987  
Total U.S. Funding \$23,000,000  
Date Prepared

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Project Inputs: (D-1)	Implementation Target (Type and Quantity) (D-2)	(D-3)	Date Prepared

1. Agricultural Infrastructure Rehabilitation:		GO <sup>r</sup> and USAID Records	9/16/84 PAGE 4
a. Construction Services	\$1,860,000 loan funds, \$1,665,000 GOE funds		GOE will have sufficient financial resources to furnish counterpart funds in a timely manner
b. Flood control engineering services	\$140,000 loan funds		
c. Flood control construction services	\$1,400,000 loan funds		
2. Water and Sanitation system repairs :			Assumptions for providing inputs: D-4
a. Construction Services	\$1,240,000 loan funds \$1,665,000 GOE funds		
b. Equipment procurement	\$700,000 loan funds		
3. El Guasmo Infrastructure			
a. Streets and drainage Repair	\$3,100,000 loan funds		
b. Street lighting construction	\$500,000 loan funds		
c. Potable Water Equipment procurement	\$900,000 loan funds		
4. Technical Assistance and Administrative Services provided	\$300,000	Project Implemented as scheduled and terminated by the PACD of 12/31/86.	

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INITIAL ENVIRONMENTAL EXAMINATION

Project Location: Ecuador  
Project Title: Emergency Rehabilitation Project  
Project Numbers: 518-0046, 518-F-043 and 518-F-043-A  
Funding: \$10,000,000 additional loan funding  
Life of Project: Twenty-seven months (518-F-043-A)  
IEE Prepared by: Betty Facey, USAID/E *B. Facey*  
September 17, 1984

Recommended Threshold Decision

Negative Determination

Mission Director's Concurrence



Orlando Llenza  
Mission Director  
USAID/Ecuador

A. General Description of the Project

The purpose of the project is to help the Government of Ecuador (GOE) to implement emergency relief, rehabilitation and reconstruction activities in response to excessive rains and flooding associated with the "El Niño" phenomenon. The disaster has resulted in physical destruction, considerable economic loss, the loss of life and the deterioration of health conditions among the affected population.

The project consists of three major parts: The first part was a \$6.0 million loan (518-P-043) to reactivate agricultural production, through the importation of agricultural inputs and the capitalization of the National Development Bank (BNP) to increase agricultural credit to farmers in the affected areas.

The second part of the project consisted of \$6.0 million in grant funds (518-0046) to be channeled through the Ecuadorean Development Bank (BEDE) for relief, rehabilitation and reconstruction activities being carried out by six Ecuadorean implementing institutions and \$1.0 million in grant funds are being used by USAID/Ecuador to support the implementation of both the loan and the grant components of the project.

The third part consists of a \$10.0 million loan which will continue priority works in agricultural infrastructure and repair of potable water and sanitation systems with the addition of components which will control flooding in two urban areas and reconstruct urban infrastructure in a suburb in Guayaquil affecting some 500,000 inhabitants.

B. Activities (Description and Impact)

1. (a) Agricultural Infrastructure

Purpose: To restore irrigation and/or flood protection to farmers in the lower Guayas basin who produce a significant percentage of Ecuador's food production.

Activity: To repair public domain agricultural infrastructure, i.e., repair river dikes and other river control system, restore some irrigation works. These works will be implemented by INERHI primarily through private contractors, and perhaps 5% of the work by INERHI direct administration. The estimated cost is US\$3,525,000 to be financed with Project funds for priority works. INERHI will be required to provide approximately 270 person/months for engineering works associated with this sub-project.

**Beneficiaries:** Principally small and medium producers in Los Ríos, Guayas, and El Oro provinces, who cultivate rice, bananas, and other foodstuffs.

**Environmental Discussion:** Heavy flooding in the coastal area of Ecuador severely damaged agricultural flood control levees and irrigation systems on the coastal flood plains in the Guayas River Basin. Flow rates in the river systems exceeded capacities over-topping agricultural levees and changed river courses. Twelve months after heavy flooding some sections were still inundated while some of the principal rice growing areas had been left without water.

The Guayas watershed is comprised of over 400,000 hectares of which more than 60% is (or was) under cultivation. Generally, the areas under cultivation produce citrus, corn, beans, cocoa, rice, bananas, melons, tomatoes, yuca, and other miscellaneous fruits and vegetables. The crops in this area are produced for both home consumption and sale.

At the height of the disaster 40% of the area was flooded and more than 60% of the agricultural production in the Guayas basin had been affected.

The agricultural infrastructure portion of this sub-project proposes to (1) repair gaps in existing levees caused by the 1982-83 floods and put levees back; (2) some irrigation structures suffered scouring and undercutting and these primary structures will be repaired; (3) to allow for return of water in the overland flows, drainage channels will be repaired, debris removed and flood gates incorporated into levees and river systems. Water will be rerouted into its natural drainage channels.

The return of land to its prior usage permitting farmers to engage in former cropping patterns will benefit the disaster area inhabitants, and draining the trapped overflow will inhibit the spread of water and mosquito-borne diseases.

Since all of the sub-project is directed towards preservation and restoration of the environment this project is judged to have a positive environmental impact.

(b) Flood Control

The need for flood control along the Andean rivers tumbling down from the mountains to the coastal plains is so extensive that the area selected for this subproject is only number one of dozens on the priority list. The cities of Quevedo and Mocache were given priority since some 76,000

persons live in urban areas along the Quevedo river. The river bisects the towns and during the 1982-83 flooding, the banks were eroded, with streets, houses, trees and sidewalks swept away by the flood waters. The project will stabilize the Quevedo river banks primarily in urban areas.

The principal design requirement will be to protect the toe of the banks from undercutting. A rock dike revetment with vegetated and/or gravelled upper bank slope will be used. This dike revetment will be complemented by rock barriers (or spurs) extending into the rivers on outsides of river bends that help to cut flow velocity and resulting scouring. The use of rock spurs has been particularly successful in the Guayas watershed under the Grant phase of this Project.

The work will be monitored by INERHI, but the design work and daily supervision will be contracted to an Ecuadorean consulting firm.

Flood control of the Quevedo river is directed toward the prevention of further eroding of natural river channels and protection of life and property thus providing a positive environmental impact.

## 2. Water and Sanitation Emergency Repairs and Improvements

**Purpose:** To restore potable water and sewage facilities and/or protect them against future flooding in the provinces of Manabí, Los Ríos, Guayas, El Oro, Esmeraldas, Loja and the coastal areas of the provinces of Pichincha and Bolívar.

**Activities:** To carry out emergency repairs, including drilling to new wells where necessary, to water and sewage systems. The estimated total cost is US\$2,905.00 in local expenditures and US\$700,000 for imported equipment, to be financed under the Project. The works will be executed by IEOS directly and through contracts with the private sector.

**Beneficiaries:** 600,000 residents of Esmeraldas, Muisne, Santo Domingo, Puerto Limon, and 60 other communities who will receive improved water supply and/or sanitary services.

**Environmental Discussion:** Many cities and communities in the coastal areas subjected to floods saw their water and sewer systems severely damaged, thus endangering the health of residents. Efforts were made to alleviate the situation such as the use of small emergency water treatment units brought into the country by A.I.D., and rehabilitation of systems to at least temporarily produce potable water and eliminate human wastes. Many of these temporary measures are still in use and health problems will increase until more permanent solutions are implemented.

Esmeraldas City, with a population of more than 60,000 will require one additional deep well to add to the work performed under the Grant phase of the Project.

In the province of Esmeraldas the subprojects will repair: Muisne, rehabilitation of wells and installation of new pumps; Rio Verde, new deep well and pump; Borbón, deep well protection and pump repair.

The city of Santo Domingo de los Colorados requires repair to surface water drainage; Monterrey, reconstruction of sewage system; Puerto Limón, reconstruction of water system; El Esfuerzo and Las Delicias will both have reconstructed water systems.

In the province of Manabí, the oxidation lagoon will be cleaned and equipment in the city of Chone; new wells dug to replace two damaged wells in Portoviejo; electric pumps repaired or replaced in Bahía.

Los Ríos province will have sewage system pumps replaced and/or repaired in Vinces; Ventanas, repair of sewage system; Pueblo Viejo, all drainage systems cleaned and repaired; Pueblo Nuevo, repair of water and sanitation systems.

Twenty-two villages in Guayas Province will be provided with a variety of repairs to water storage tanks, pumping stations, catchments from spring waters, water treatment plants, supply lines, wells, pumps and generators.

Throughout the rural areas of the seven provinces thirty-two additional small water systems have been identified for flood damages reparation.

This water supply and sanitation component of the Grant will have a high positive direct impact on the health and well-being of some 600,000 people living in the communities and villages to be benefitted with an indirect impact on thousands more in impeding communicable diseases caused by lack of potable water and controlled sewage systems.

### 3. Guasmo Infrastructure Repair and Construction

The Guasmo, located south of the city of Guayaquil, was an area of 60 Hectares until 1974, populated by nine families who made charcoal, fished and cared for the lands of the "Hacienda Guasmo" owned by Sr. Juan X. Marcos. In 1974 the state appropriated the Hacienda and divided the lands among the Social Security Institute, the municipality of Guayaquil and the Ecuadorean Housing Bank. In mid 1974 the nine families asked the municipality

(as their new landlord) to extend an existing waterline which supplied water to the "Empacadora Nacional" to their group of nine houses. The municipality denied the petition for water. The inhabitants decided to invite friends and relatives to live in the Guasmo, build houses, thus increasing the pressure, through greater number of people, on the municipality for a waterline.

By January of 1975 some 100 families had moved to the Guasmo and by the end of 1975 that number had grown to 300 families. In February of 1976, the municipality tried to dislodge the squatters. The national police, squads from Guayaquil Public Works and Municipal police burned some 260 houses. Various cooperatives joined the burnt-out squatters trying to force the GOE to legalize the Guasmo Norte. The inhabitants requested the School of Architecture from the University of Guayaquil to layout an urban area of the Guasmo Norte into blocks and lots ( 9 x 22 meters) for each family plus areas for sidewalks, streets, green spaces and commons (to replace indiscriminate squatting). In this sector, all the initial work on infrastructure such as streets, fill, and electrical lines was done by volunteer labor and funded by the residents. At this time the struggle began for land titles. Finally in 1978, the Mayor of Guayaquil decreed that the inhabitants could buy their lots for \$/.10 per square meter. Despite this decree, to date, except for very few exceptions, no titles have been issued.

In 1982, approximately 250,000 people lived in the Guasmo. With the floods from El Niño phenomenon the stream of migrants increased the Guasmo population to the 1984 estimate of 500,000.

In spite of the obvious intent of the great majority of the 500,000 inhabitants to make permanent homes in the Guasmo, the great majority lack basic services: few streets that are serviceable, few street lights, no sidewalks, no sewage system, and the water is distributed by water tank trucks for storage in 55 gallon barrels located in front of houses - barrels frequently without lids to protect the water from street dust and a myriad of other contaminants.

The Guasmo is included in this Emergency project for three reasons: (1) Some 250,000 people are there because of dislocation due to El Niño floods; (2) Assistance in repair and reconstruction of infrastructure is imperative; and (3) a population of 500,000 in one small area without basic services is a potential time bomb for a fragile five-year old democracy.

Four and one half million dollars will be spent on repair and extension of a portion of the Guasmo's infrastructure addressing three basic problems: (1) repair of streets and associated drainage, (2) restoration and extension of street lighting, and (3) provision of improved water supply to approximately 6,000 families (30,000 inhabitants).

The Guasmo has more than 250 kilometers of streets of which approximately 3 kilometers are paved, some ten kilometers might be classified as "improved" and the remaining 235 kilometers range from bad to impassable. Street improvement is a fundamental necessity since transportation to jobs, markets, water, health services, schools, all movement of people and equipment depend on access. All the streets were under one to three feet of water at the height of the 1982-83 flooding. This USAID project will concentrate its efforts on retoring and upgrading some 60 kilometers of 150 kms. of two-lane streets.

Street lighting under the project was an issue for debate, but lighting of some 45 kilometers should assist in cutting the Guasmo crime problem. Taxi drivers refuse to enter the Guasmo either by day or night. The project will fund the local purchase and installation costs of transformers, lines, concrete poles and lights at an estimated cost of \$ 11,000 per kilometer for a total of \$ 500,000. The Guayaquil Municipal Light Company will perform all work since it has the experience and equipment for installation.

Street lighting is estimated to take 6 months after procurement of materials.

Solving the water and sewage problem in the Guasmo is a problem that will take years and millions of dollars to resolve. This project proposes to make a small beginning that may be replicated.

The ground water table in the Guasmo ranges from zero to 18" below grade. Providing a conventional water supply infrastructure is impossible economically. The present method of water distribution is by tank trucks, with water purchased from Guayaquil Municipal wells at an average cost of S/. 10 for 55 gallons (one drum). The tankers then deliver the water to houses charging from as little as S/ 15 to S/ 60 per drum. Cost depends upon condition of the streets where deliveries are made and the scarcity of water. Inhabitants living on improved streets can have daily deliveries, but others may be fortunate to receive water weekly and then only if the "price is right". All tank trucks are privately owned and in some cases by criminal elements who control entire areas of the Guasmo by the provision or withholding of water.

Under the project twenty 2,000 gallon tank trucks will be purchased and their use managed by a water cooperative made up of approximately 6,000 families living in the same general geographic location. The cooperative will have a board of Directors, power to hire and fire drivers, contract truck maintenance and set fees for sale of water to Cooperative members.

The tank trucks will have metered in-take and out-put hoses to regulate purchase and sales. An additional feature will be a pump that can raise the water to drums sitting on small towers so that water can be kept freer from contamination and can be gravity-fed into the homes.

Obviously, this is not an ideal solution to a gigantic water problem, but the GOE and USAID mission engineers and engineering advisors view this as the appropriate technology for this situation.

C. Threshold Decision Recommendation

Per State 268296, IAC/GC has determined that an IEE is not required by Regulation 16 in the case of a disaster assistance funded project. Nevertheless, the referenced cable requested that an IEE be completed, given the nature of the project activities. After analyzing the various project activities for potential environmental impact, the Mission finds no adverse environmental impact. It is, therefore, recommended that you make a negative determination for the project.

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IMPACT IDENTIFICATION AND EVALUATION FORM

Impact Areas and Sub-Areas

Impact Identification  
and Evaluation

A. LAND USE

1. Changing the character of the land through:

a. Increasing the population.....	N
b. Extracting Natural Resources....	N
c. Land clearing.....	L-
d. Changing soil character.....	N
2. Altering natural defenses.....	M+
3. Foreclosing important uses.....	N
4. Jeopardizing man or his works.....	N
5. Other factors	
<u>Returning land to prior usage</u>	<u>H+</u>

B. WATER QUALITY

1. Physical state of water .....	II+
2. Chemical and biological states.....	M+
3. Ecological Balance.....	L
4. Other factors	
<u>Restoring prior water quality</u>	<u>II+</u>

C. ATMOSPHERIC

1. Air additives .....	N
2. Air Pollution .....	L-
3. Noise Pollution .....	L-
4. Other Factors	
	N

D. NATURAL RESOURCES

1. Diversion, altered use of water.....	N
2. Irreversible, inefficient commitments .....	N
3. Other Factors	
<u>Restoration of Natural Resources</u>	<u>II+</u>

E. CULTURAL

1. Altering physical symbols.....	N
2. Dilution of cultural traditions.....	N
3. Other Factors	
_____	N
_____	

F. SOCIO-ECONOMIC

1. Changes in economic/employment patterns.....	N
2. Changes in population.....	N
3. Changes in cultural patterns.....	N
4. Other Factors	
<u>Community participation</u>	M+
<u>Restoration of economic/employment     patterns</u>	H+

G. HEALTH

1. Changing a natural environment .....	N
2. Eliminating an ecosystem element ...	N
3. Other Factors	
<u>Inhibit water and mosquito borne     diseases</u>	H+

H. GENERAL

1. International impacts.....	N
2. Controversial impacts.....	N
3. Larger program impacts .....	H+
4. Other Factors	
_____	
_____	

I. OTHER POSSIBLE IMPACTS (not listed above)

_____	
_____	

Explanation of codes:

- |                                  |                                      |
|----------------------------------|--------------------------------------|
| N- No environmental impact       | U- Unknown environmental impact      |
| L- Little environmental impact   | + Positive impact on the environment |
| M- Moderate environmental impact | - Negative impact on the environment |
| H- High environmental impact     |                                      |











PROGRAMA DE : REPARACION DE INFRAS-ESTRUCTURAS AGRICOLA

PROYECTO  
HOJA 6 DE 8

ELABORADO  
REVISADO

PROGRAMA DE

85 AÑO 86 AÑO  
F M A M J J A S O N D E F M A M J J A S O N D E F M A M J

Nº	RUBRO	Cantidad	Unid	Montos	85 AÑO	86 AÑO
27	Espigones complementación Cochancay	2.470	m <sup>3</sup>	10'000.000		<u>2020202020</u>
28	Encauzamiento y Limpieza Bulubulu	91.000	m <sup>3</sup>	4'300.000		<u>102013</u>
29	Complementación tape roturas materia- les transportado, muros y encauzamien- to La Virgilia Km.55	60.000	m <sup>3</sup>	12'000.000		<u>2020203030</u>
30	Construcción muros, material transpor- tado, complementación El Triunfo-Aguas Abajo	30.000	m <sup>3</sup>	6'000.000		<u>202020</u>
31	Tapes roturas, préstamo lateral La Victoria-Bulubulu	54.000	m <sup>3</sup>	5'465.750		<u>1462020</u>
32	Construcción muros préstamo lateral complementación	80.000	m <sup>3</sup>	8'000.000		<u>20202020</u>
33	Construcción muros (CINAP-TAURA) Bulubulu	20.600	m <sup>3</sup>	8'000.000		<u>20202020</u>
34	Encauzamiento y construcción muros, margen izquierda. BALAD	40.000	m <sup>3</sup>	4'000.000		<u>151510</u>
35	Construcción muros, encauzamiento y limpieza Bucay - San Antonio - Chimbo	81.600	m <sup>3</sup>	5'000.000		<u>102020</u>
36	Construcción muros, margen izquierda. CONE-YOLANDA-CHIMBO	20.000	m <sup>3</sup>	2'000.000		<u>1010</u>

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PROGRAMA DE REPARACION DE OBRAS RUSTICAS AGRICOLA

PROYECTO \_\_\_\_\_  
FOLIO 8 DE 9 FOLIOS

ELABORADO \_\_\_\_\_  
REVISADO \_\_\_\_\_

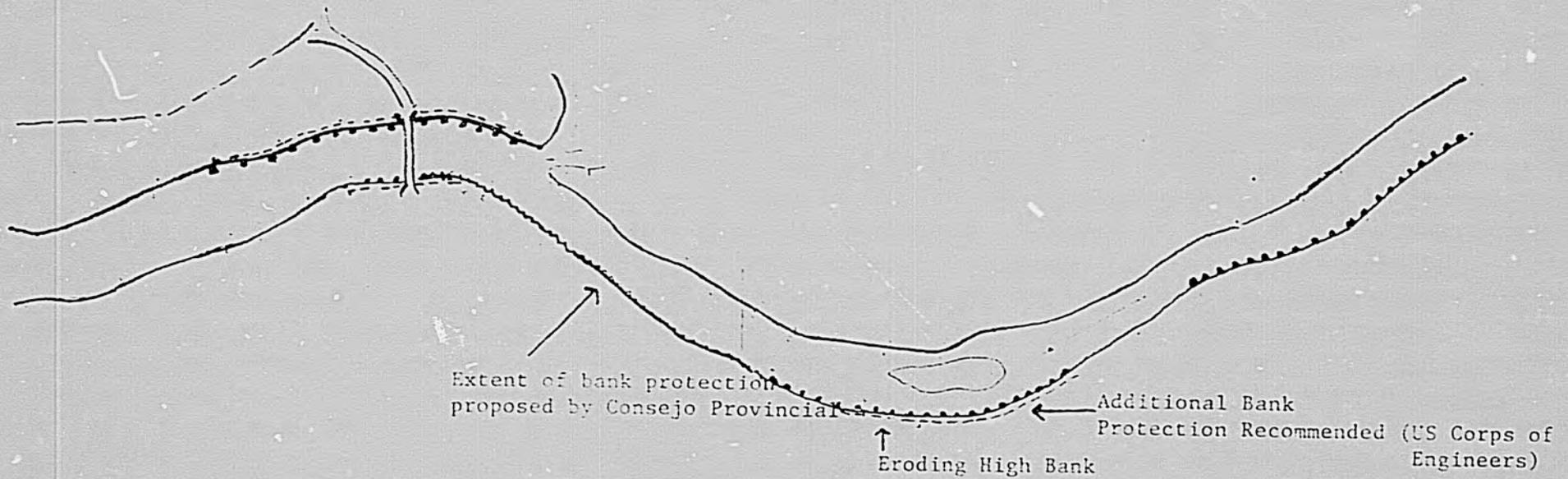
PROGRAMA DE REPARACION DE OBRAS RUSTICAS AGRICOLA

Nº	RUBRO	Cantidad	Unid	Montos	85 AÑO		86 AÑO	
					F	MAMJJASONDEF	F	MAMJJASONDEF
46	Muros de gaviones. Ventanas-Catarama-Ricaurte	3.600	m <sup>3</sup>	6'600.000				<u>26 20 20</u>
47	Muros de gaviones. Pueblo Viejo	2.400	m <sup>3</sup>	4'400.000				<u>22 22</u>
SUBTOTAL OBRAS				364,805,750				
PARTIDA GLOBAL DE IMPREVISTOS				18'000.000				
RESERVA DE PRECIOS PARA LOS CONTRATOS DE CONST.				23'789.250				
TOTAL				406,595,000.00				

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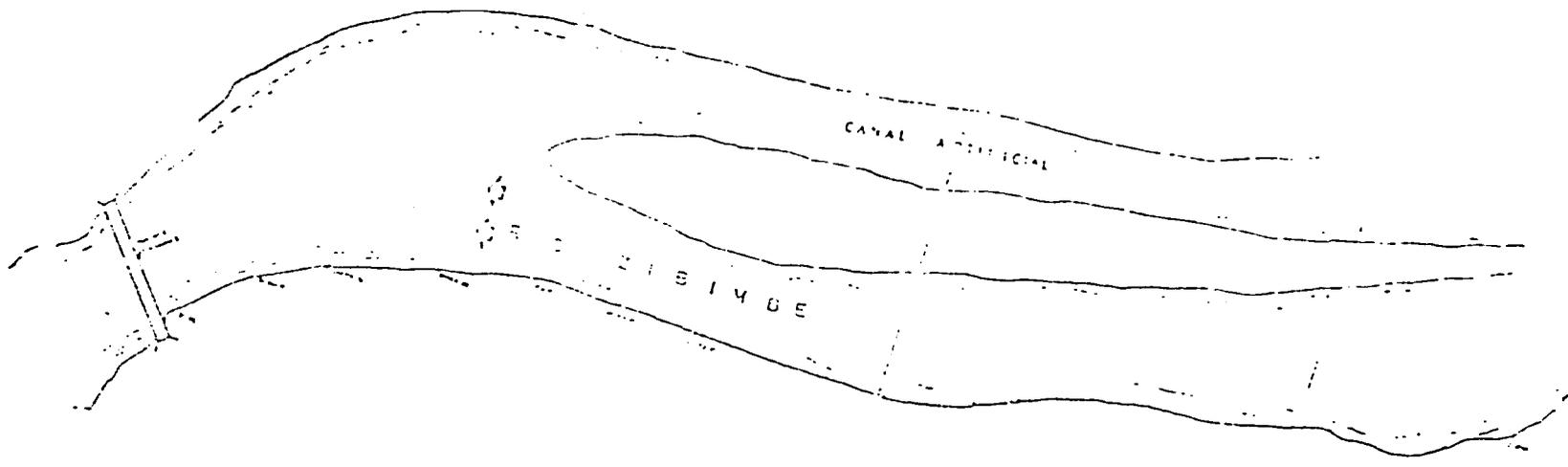
PROPOSED RIVER CONTROL WORKS

VICINITY OF QUEVEDO, ECUADOR



g

MAP OF QUEVEDO RIVER AREA UPSTREAM  
FROM THE CITY OF QUEVEDO, ECUADOR



PRECIOS UNITARIOS EN SUCRES PARA MOVIMIENTO DE TIERRAS

A MANO

CONCEPTO	UNI DAD	SUCRES
Excavación plataforma material clase A. Incluso desalojo y tendida hasta 3m. borde plataf.	m3	105
Excavación plataforma material clase B. Incluso desalojo y tendida hasta 3m. borde platafo	m3	158
Excavación plataforma material clase C. Incluso desalojo y tendida hasta 3m. borde plataf.	m3	404
Excav. canal o drenaje material clase A. Incluido desalojo tendida hasta 6 m. borde canal.	m3	135
Excav. canal o drenaje material clase B. Incluido desalojo tendida hasta 6m. borde canal.	m3	190
Excav. canal o drenaje material clase C. Incluido desalojo tendida hasta 6m. borde canal.	m3	685
Excav. túnel material clase A sin entibado y/o drenes.	m3	289
Excav. túnel material clase B. sin entibado y/o drenes.	m3	583
Excav. túnel material clase C sin entibado y/o drenes.	m3	1523
relleno sin compactar (con material a una distancia máxima de 3 metros del borde). No incluye excavación, banco ni transporte.	m3	92
relleno compactado en capas no mayores de 20 cm. con humedad óptima con distancia libre de 3 m. No incluye excav. bancos ni transporte.	m3	192
relleno de tierra sobre bóveda en túneles.	m3	179

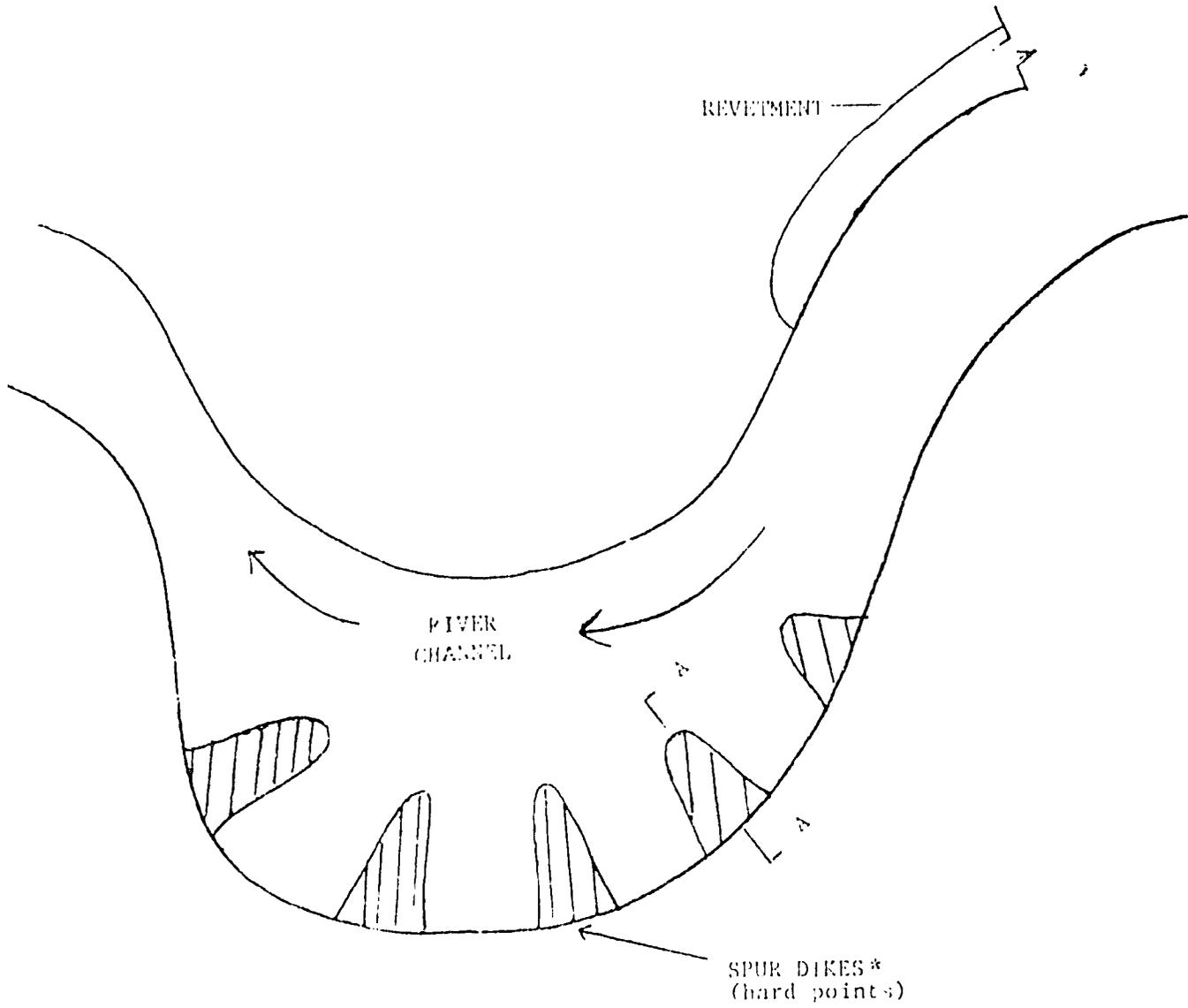
PRECIOS UNITARIOS EN SUCRES PARA MOVIMIENTO DE TIERRAS  
A MAQUINA.

C O N C E P T O.	UNI DAD	SUO
112 Excav.plataf.Material sin Clasificar (Transporte hasta 100 m)	m3	38
113 Excav.plataf.Material Roca (Transporte hasta 100 m)	m3	307
114 Excav. de canal, drenajes, zanjás. Material sin Clasificar, para colocación de tuberías con retroexcavadora, incluso desalojo hasta 6m. del borde.	m3	109
115 Excav. de canal, drenajes, zanjás. Material Roca, para colocación de tuberías con retroexcavadora, incluso desalojo hasta 6m. del borde.	m3	633
116 Relleno compactado (Excavación, banco, cargada y transporte hasta 300 m. mezcla y tendido, hidratada; bandado y escarificac. capas de 20 cm.)*	m3	164
117 Relleno semicompactado (Excavación, banco, cargada y transporte hasta 300 m. mezcla y tendido, hidratada; bandado con tractor capas 20 cm.)*	m3	88
118 Desbroce y limpieza hasta 0.20 m. (Transporte libre 50 m. desde eje)	m2	1.5
119 Lastrado: Incluye minado del material, agua, hidratada, tendida y compactada con un espesor de 20 cm.	m3	156
120 Tendida material de excavación cajón o drenaje en plataforma o guardarraya o hacia el botadero con una longitud de 50 m.	m3	8.4

\* Utilizando equipo necesario, material que indique el Laboratorio de Suelos.

eh

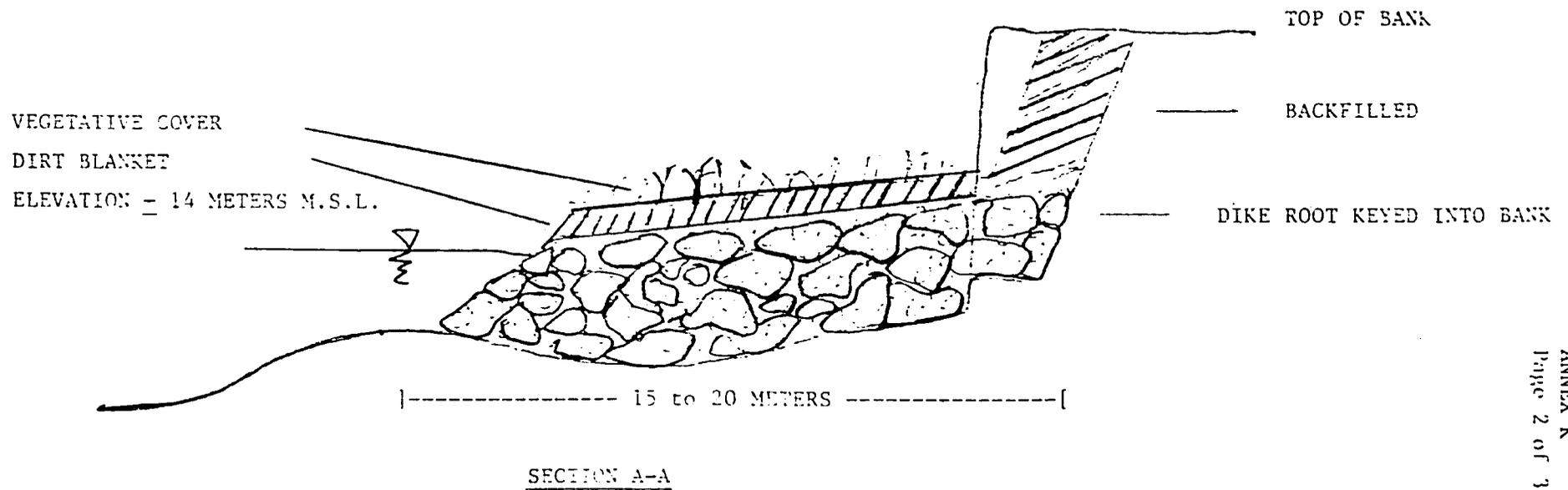
ILLUSTRATION OF SPUR DIKE PLACEMENT TO FORCE  
HIGH VELOCITY FLOW TO RIVER CHANNEL CENTER



\*spacing and longitudes dependent on river hydraulics

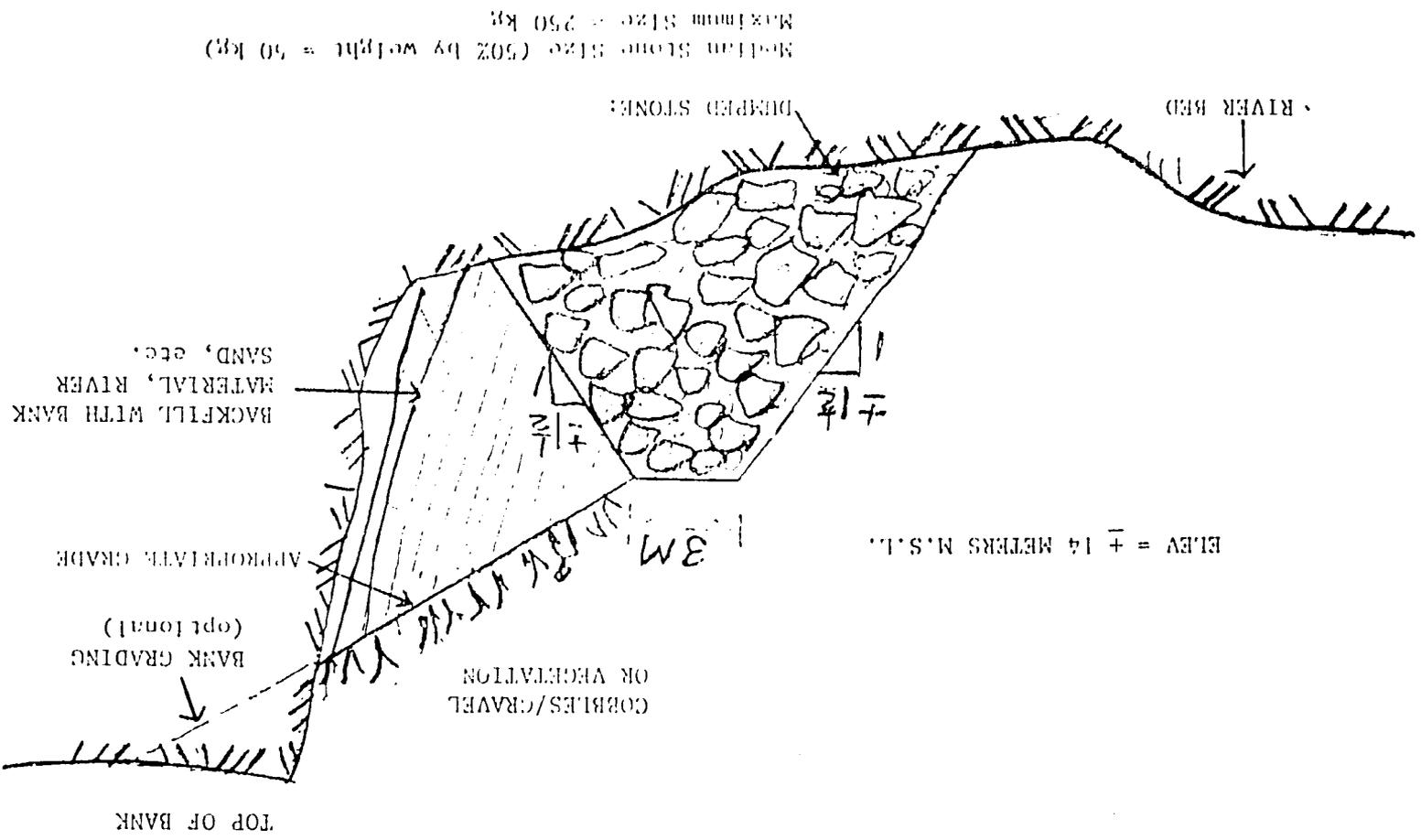
19

SCHEMATIC DIAGRAM OF SPUR DIKE (HARD POINTS)



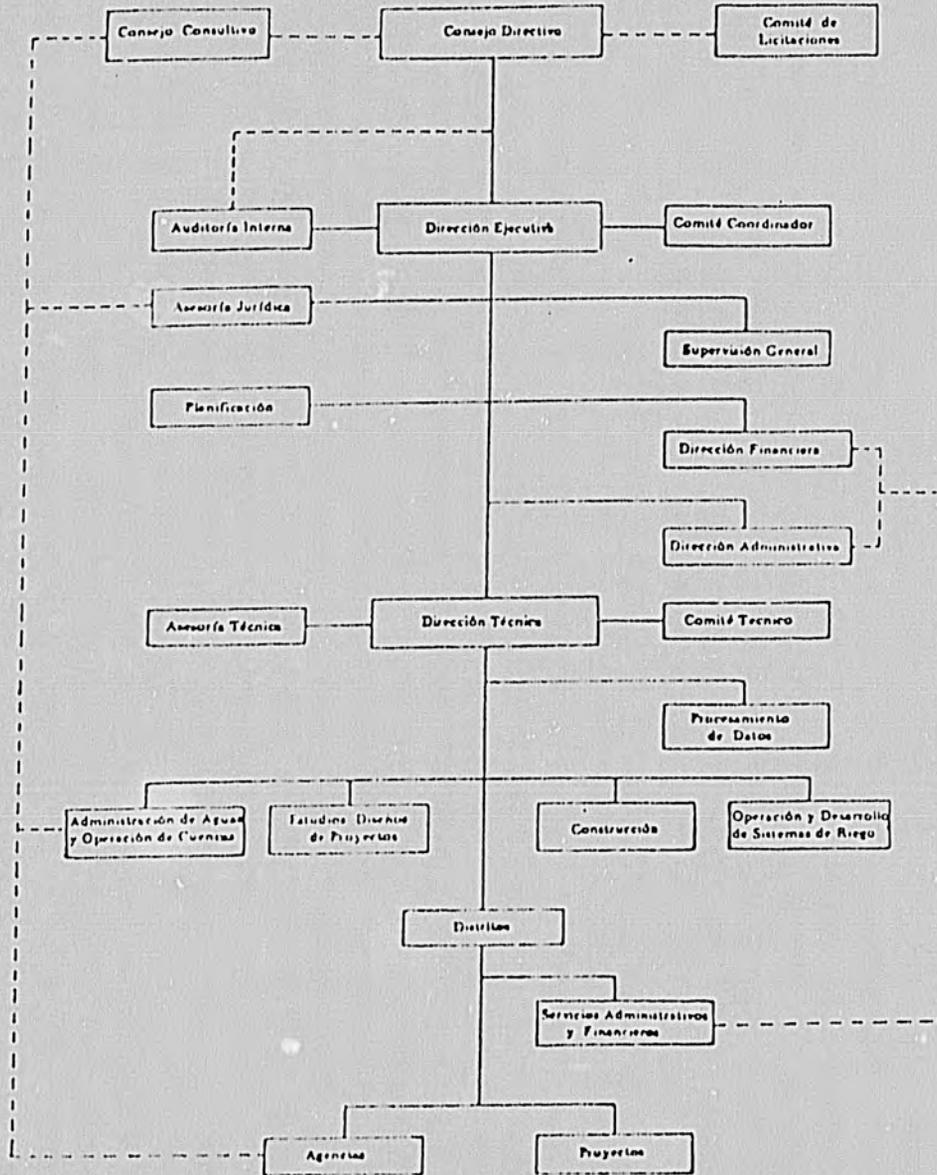
10

SCHEMATIC FOR ROCK DIKE REVEINMENT



ECUADOREAN WATER RESOURCES INSTITUTE (INERHI)  
(INTERNAL STRUCTURE)

# ORGANIGRAMA



OBRAS QUE SE LLEVARAN A CABO CON FINANCIAMIENTO DE AID

PROVINCIA DE ESMERALDAS

RUBROS	COSTO EN MILES DE SUCRÉS
1. Muisne : agua potable	8.000
a. Reparación sistema eléctrico estación de bombeo	
b. Rehabilitación pozos y equipos de bombeo existente y ocho nuevos pozos equipados	
c. Reparación tanque de reserva, estructura y cerramientos	
2. Perforación pozo profundo 450 mm x 40 m, Esmeraldas y equipamiento	3.000
3. Perforación y equipamiento pozo profundo Río Verde, Esmeraldas	2.000
4. Acometida energía eléctrica y transformador bombeo agua potable San Lorenzo, San Lorenzo	800
5. Perforación pozo profundo 150 mm y 120m Quinindé, Quinindé y Equipamiento	4.000
6. Perforación y equipamiento pozo profundo Borbón, Cantón Eloy Alfaro	4.000
7. Protección estructura paso elevado Río Esmeraldas	900
8. Agua potable y rehabilitación Saneamiento Ambiental	2.000
TOTAL PROVINCIA DE ESMERALDAS :	\$ 24.700



OBRAS QUE SE LLEVARAN A CABO CON FINANCIAMIENTO DE AID

PROVINCIA DE PICHINCHA

RUBROS	COSTO EN MILES DE SUQUES
1. Santo Domingo de los Colorados Construcción de desfogues de aguas ll <u>u</u> vias en el Alcantarillado Pluvial	40.000
2. Luz de América - Construcción del sis <u>te</u> ma de alcantarillado sanitario	9.000
3. Monterrey - Construcción del sistema de alcantarillado sanitario	6.000
4. Puerto Limón - Construcción del sistema de agua potable	7.000
5. El Esfuerzo - Construcción del sistema de agua potable	10.500
6. Las Delicias - Construcción del siste <u>ma</u> de agua potable	10.000
TOTAL PROVINCIA DE PICHINCHA:	<u>82.500</u>



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OBRAS QUE SE LLEVARAN A CABO CON FINANCIAMIENTO DE AID

PROVINCIA DE MANABI

RUBROS	COSTO EN MILES DE SUQUES
1. Bombas y tableros eléctricos para el alcantarillado sanitario de Chone	4.000
2. Bombas y tableros eléctricos para dos casas de bombeo en el alcantarillado sanitario de Calceta	3.000
3. Bombas y tableros eléctricos para tres casas de bombeo en el alcantarillado sanitario de Bahía	4.000
4. Manantiales A.P.	2.000
5. Sesme A.P.	2.000
6. Pavón A.P.	2.000
7. Sosote A.P.	2.500
8. Limpieza azolves en la laguna de oxidación Chone	250
9. Equipos de seguridad para personal de mantenimiento	250
10. Reemplazo de pozos en Portoviejo, Alcantarillado sanitario	500
11. Agua potable y rehabilitación saneamiento ambiental	2.000
TOTAL PROVINCIA DE MANABI :	\$ 22.500



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OBRAS QUE SE LLEVARAN A CABO CON FINANCIAMIENTO DE AID

PROVINCIA DE BOLIVAR

RUBROS	COSTO EN MILES DE SUCRES
1. Terminación del alcantarillado sanitario de La Magdalena	4.000
2. Construcción del sistema de agua potable de San Pablo de Atenas	5.000
3. Construcción del sistema de agua potable de Chillanes	7.000
4. Construcción del sistema de agua potable de Echeandía	7.000
5. Agua potable y rehabilitación saneamiento ambiental	2.000
TOTAL PROVINCIA DE BOLIVAR :	\$ 25.000



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OBRAS QUE SE LLEVARAN A CABO CON FINANCIAMIENTO DE AID

PROVINCIA DE LOS RIOS

RUBROS	COSTO EN MILES DE SUQUES
1. Catarama - cambio de equipo de bombeo en el pozo # 1 de agua potable	1.000
2. Catarama - Limpieza de dos pozos profundos	600
3. Vinces - terminación de la red de distribución	2.500
4. Vinces - reparaciones en la estación de bombeo de aguas negras	4.500
5. Ricaurte - reparación del alcantarillado pluvial y sanitario	1.000
6. Ventanas - reparación del alcantarillado sanitario y descarga	3.000
7. Pueblo Viejo - reparación del alcantarillado pluvial	1.000
8. Pueblo Viejo - reparación del alcantarillado sanitario	2.000
9. Pueblo Nuevo - agua potable	4.500
10. Pueblo Nuevo - alcantarillado sanitario	7.000
11. Agua potable y rehabilitación - saneamiento ambiental	2.000
TOTAL PROVINCIA DE LOS RIOS :	\$ 29.100



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OBRAS QUE SE LLEVARAN A CABO CON FINANCIAMIENTO DE AID

PROVINCIA DEL GUAYAS

RUBROS	COSTO EN MILES DE SUQUES
1. Trabajos de saneamiento y control ambiental Tenguel	1.800
2. Rehabilitación del sistema de agua potable El Limonal, Recreo y Valdivia	1.500
3. Acometida y revisión del sistema eléctrico de la planta de agua potable de Balao	500
4. Adecuaciones en el sistema de aereación en la planta de agua potable de Balzar	300
5. Limpieza de canales de aguas lluvias en Salinas	300
6. Conclusión sistemas de agua potable de:	
6 de Julio, Cantón Naranjal	1.600
Estacada, Cantón Pedro Carbo	1.500
Piedreros, Cantón La Troncal	1.200
Santo Domingo, Cantón Milagro	1.000
7. Regional Valdivia-Barcelona Agua Potable	10.000
8. Cadeate - agua potable	2.800
9. Línea de conducción y red de agua potable de Cadeate a Simón Bolívar	3.000
10. Tres Postes, Agua Potable	5.000
11. Pechiche y El Real, Agua Potable	5.000
12. Olon, Las Núñez, La Entrada, San José Curia - agua potable.	9.000
13. Rehabilitación del sistema de agua potable Salitre	25.000
14. Agua potable y rehabilitación saneamiento ambiental	2.000

.../...



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PROVINCIA DEL GUAYAS

RUBROS	COSTO EN MILES DE SUCRES
15. Reparaciones varios sistemas agua potable Samborondón, San Carlos, Taura, Villanueva y El Empalme	1.000
16. Repraciones varios sistemas alcantarillado sanitario : Naranjal y Balzar	1.000
TOTAL PROVINCIA DEL GUAYAS :	\$ 73.500



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OBRAS QUE SE LLEVARAN A CABO CON FINANCIAMIENTO DE AID

PROVINCIA DE EL ORO

RUBROS	COSTO EN MILES DE SUQUES
1. Perforación y equipamiento pozo profundo agua potable - Machala	8.000
2. Rehabilitación agua potable - Palmales	3.000
3. Rehabilitación agua potable - Marcabellí	3.000
4. Reparación descarga A.S. Ciudadela IESS Machala	500
5. Limpieza 4 pozos A.P. - El Guabo	800
6. Reparación, captación y conducción red agua potable - El Guabo	1.000
7. Rehabilitación A.P. - El Retiro	2.500
8. Rehabilitación agua potable - San Antonio	2.000
9. Agua potable - Chilla, Cantón Pasaje	8.000
10. Agua potable - Balsas, rehabilitación	1.000
11. Alcantarillado sanitario - Balsas	12.000
12. Reparación fosa séptica Escuela 10 de Agosto - Pasaje	200
13. Agua potable y Saneamiento rural	2.000
14. Reparación cubierta cisterna agua potable Puerto Bolívar	600
15. Reparación bomba agua potable - Puerto Bolívar	200
16. Reparación tanque elevado agua potable Puerto Bolívar	1.000
17. Reparación Tanque elevado agua potable El Guabo	600

.../...



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PROVINCIA DE EL ORO

RUBROS	COSTO EN MILES DE SURES
18. Reparación red agua potable - Cotopaxi Rio Bonito	500
19. Repuestos para reparación bombas aguas servidas - Santa Rosa	400
20. Rehabilitación sistema agua potable La Chilca	1.000
21. Reparación integral agua potable El Carmen	1.000
22. Reparación integral agua potable Moro moro	1.000
23. Reparación integral agua potable La Victoria	1.000
24. Terminación alcantarillado sanitario Huaquillas	15.000
25. Terminación alcantarillado sanitario Santa Rosa	15.000
TOTAL PROVINCIA DE EL ORO :	<u>\$ 81.300</u>



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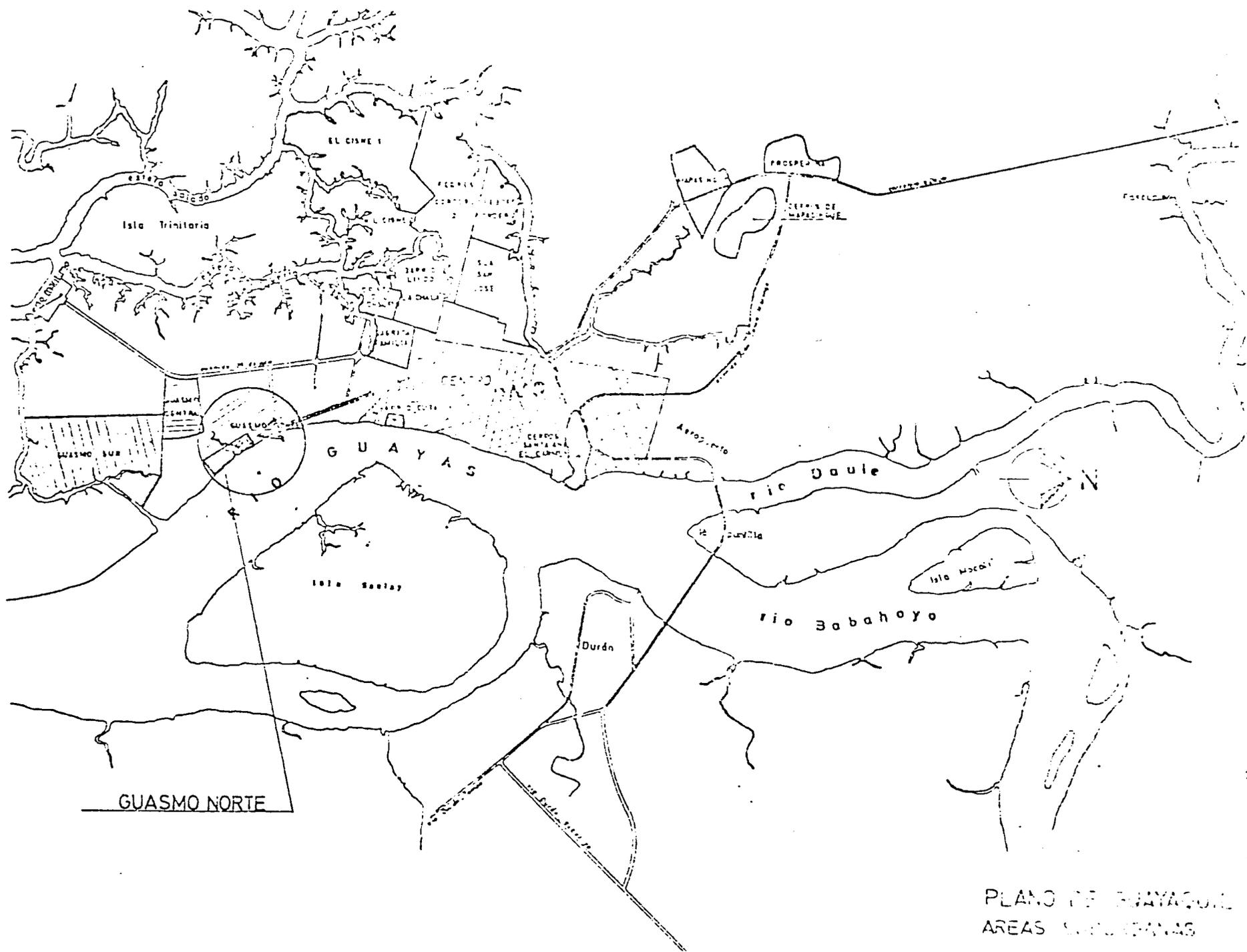
OBRAS QUE SE LLEVARAN A CABO CON FINANCIAMIENTO DE AID

PROVINCIA DE LOJA

RUBROS	COSTO EN MILES DE SUCRÉS
1. San Pedro de la Bendita - habilitación del sistema de agua potable	1.600
2. Cruzpamba - habilitación del sistema de agua potable	1.300
3. Vicentino - habilitación del sistema de agua potable	1.300
4. Celica - reparación del sistema de agua potable	3.500
5. La Naranja - construcción del sistema regional de agua potable	27.700
6. Agua potable y rehabilitación de saneamiento ambiental	2.000
7. El Cisne - alcantarillado sanitario	5.000
8. Zapotillo - alcantarillado sanitario	5.000
TOTAL PROVINCIA DE LOJA :	\$ 47.400

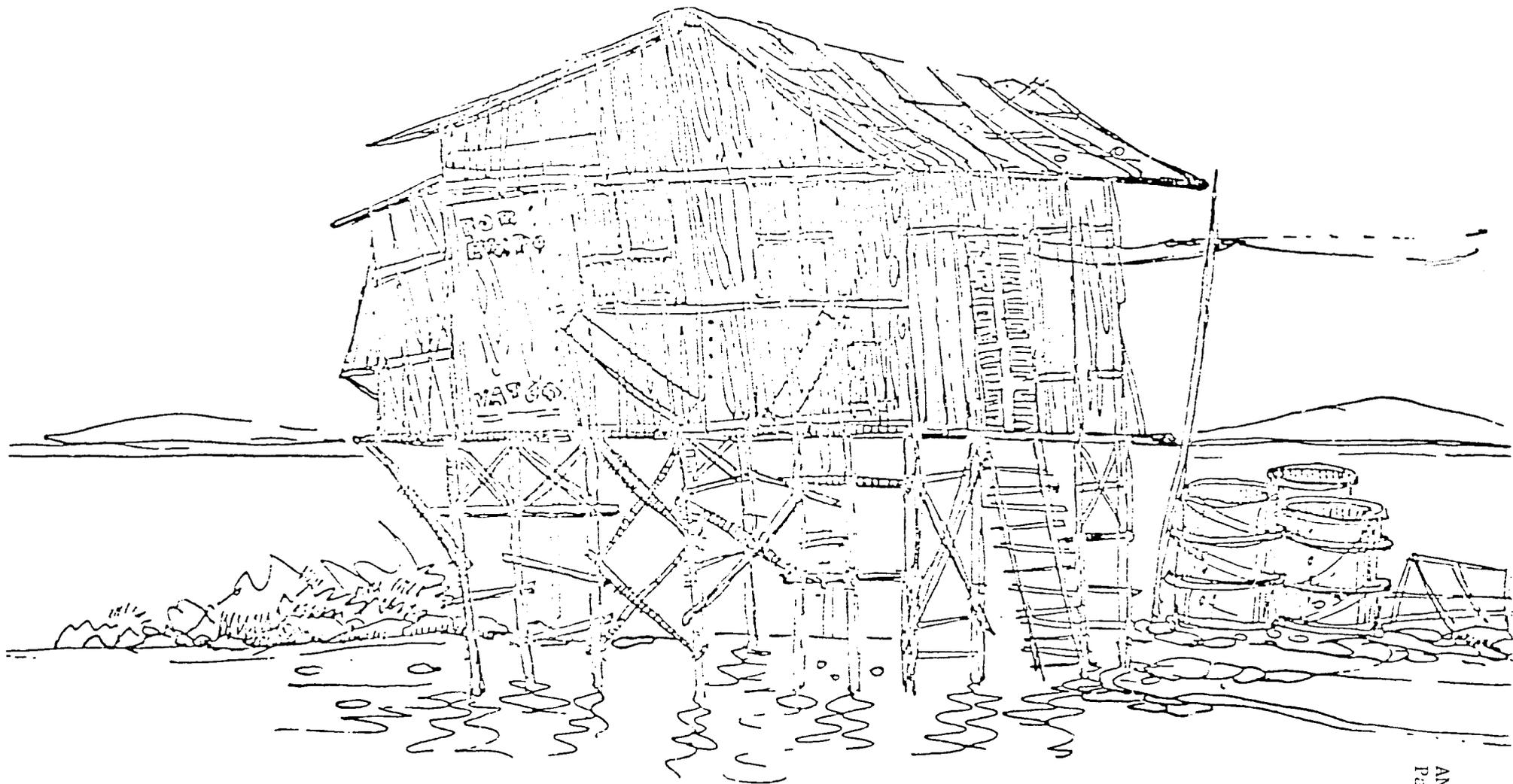


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PLANO DE GUAYAQUIL  
AREAS SURROUNDS

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TYPICAL STILT HOUSE - BARRELS FOR WATER, LATRINE ON LEFT SIDE

1/1

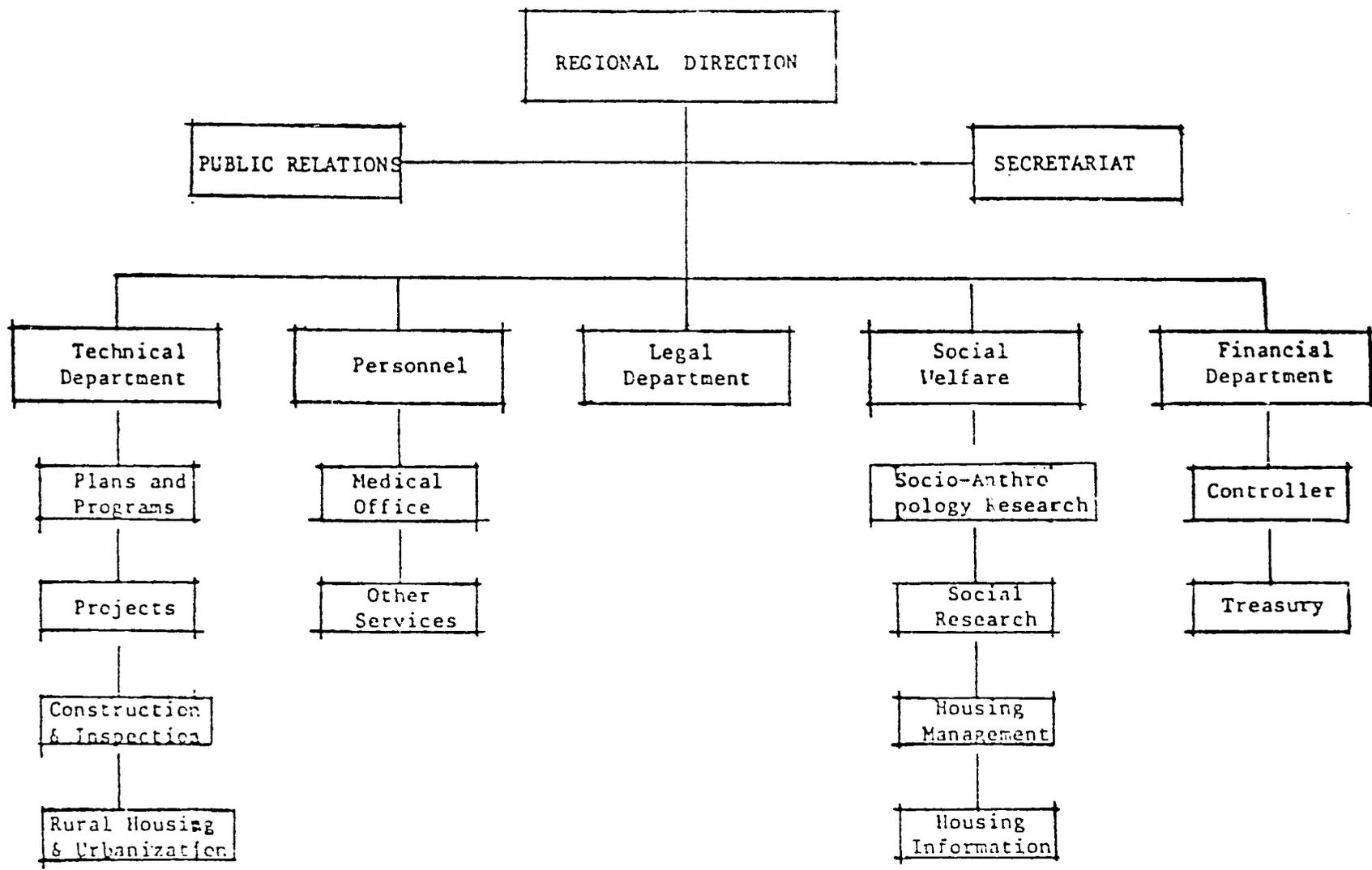
STAFFING PATTERN OF THE NATIONAL HOUSING BOARD

(JUNTA NACIONAL DE LA VIVIENDA - JNV)

<u>Office</u>	<u>Directors</u>	<u>Profession- als (lawyers, economists)</u>	<u>Technicians (architects, engineers)</u>	<u>Administra- tive.</u>	<u>Service</u>	<u>Total</u>
QUITO	6	27	94	32	14	169
GUAYAQUIL	1	18	60	28	11	122
CUENCA	1	3	7	4	2	17
LOJA	1	3	6	4	2	16
PORTOVIEJO	1	4	6	4	2	17
RIOBAMBA	1	2	3	4		10
TULCAN		1	2	1		4
STO. DOMINGO		1	1	1		3
AMBATO		1	2	1		4
GUARANDA		1	1	1		3
ESMERALDAS		1	1	1		3
QUEVEDO		1	1	1		3
MACHALA		1	2	1		4
EL PUYO		1	1	1		3
LATACUNGA		1	1	1		3
MANTA		1	1	1		3
IBARRA		1	2	1		4
BABAHUOYO		1	1	1		3
CRONE		1	1	1		3
TOTAL	11	70	193	89	31	394

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J.N.V. REGIONAL OFFICE: GUAYAQUIL



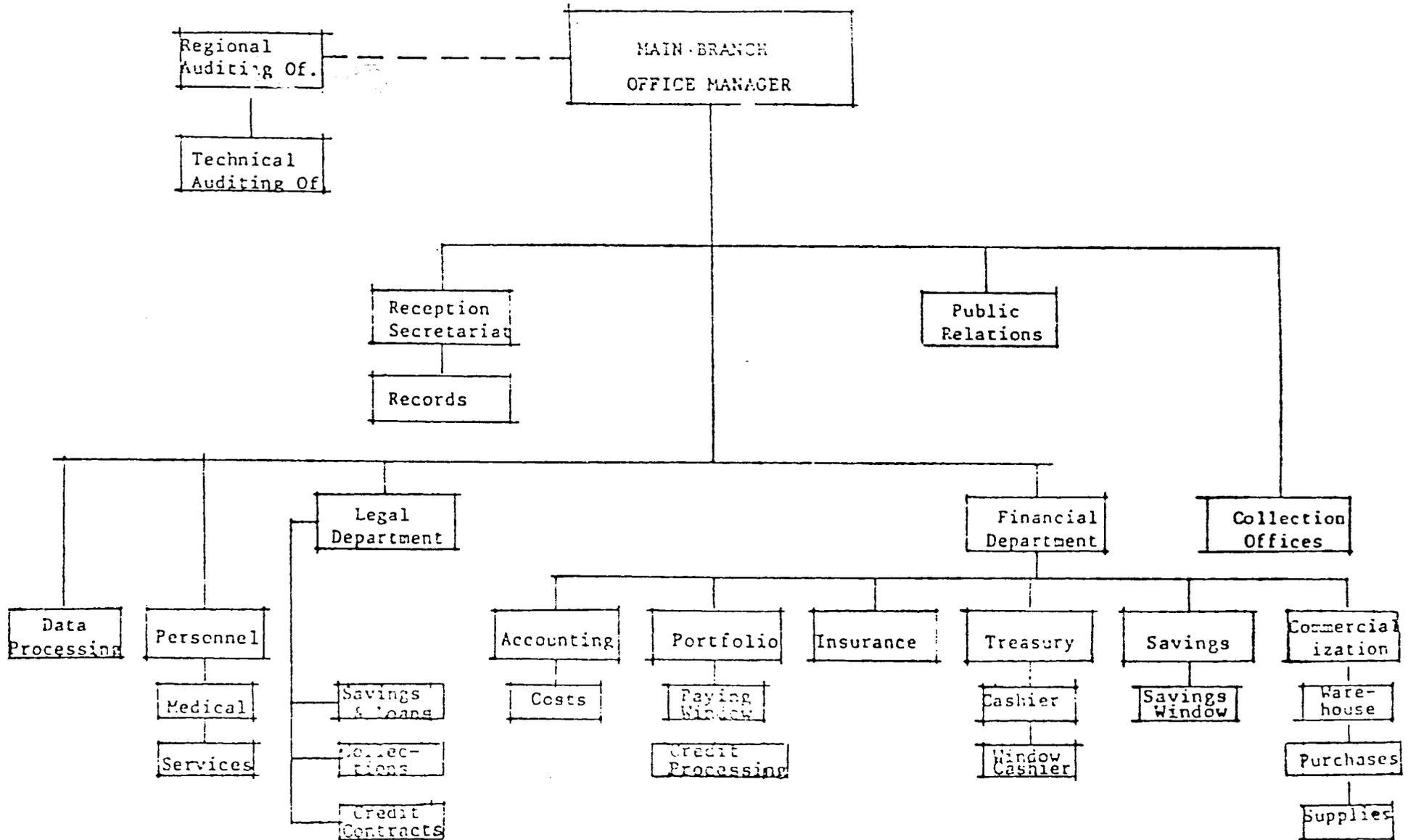
STAFFING PATTERN OF THE ECUADOREAN HOUSING BANK

(BANCO ECUATORIANO DE LA VIVIENDA - BEV)

<u>Office</u>	<u>Directors</u>	<u>Advisors</u>	<u>Profession- als (lawyers, economists)</u>	<u>Technicians (architects, engineers)</u>	<u>Administrative</u>	<u>Service</u>	<u>Total</u>
QUITO	13	3	4	58	220	87	385
GUAYAQUIL	2		8	34	175	54	273
CUENCA	1		3	1	17	3	25
LOJA	1		1		16	3	21
PORTOVIEJO	1		1		15	7	24
RIOBAMBA	1		1		9	3	14
TULCAN	1		1		8	3	13
STO. DOMINGO	1		1		11	3	16
AMBATO	1		1		8	4	14
GUARANDA	1		1		8	2	12
ESMERALDAS	1		1		8	2	12
QUEVEDO	1		1		11	5	18
MACHALA	1		1		10	1	13
EL PUYO	1		1		8	2	12
LATACUNGA	1		1		8	3	13
MANTA	1		1		12	3	17
IBARRA	1		1		8	2	12
BABAHOYO	1		1		8	2	12
CHONE	1		1		9	2	13
TOTAL	32	3	31	93	569	191	919

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B.E.V. BRANCH OFFICE: GUAYAQUIL







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**CONVENIO SUBSIDIARIO ENTRE EL BANCO DE DESARROLLO DEL ECUADOR  
Y EL INSTITUTO ECUATORIANO DE OBRAS SANITARIAS, IEOS  
PARA LA EJECUCION DEL CREDITO AID 518-F-043-A**

**Cláusula Primera: ANTECEDENTES**

El Estado Ecuatoriano y la Agencia para el Desarrollo Internacional AID, celebraron el 18 de septiembre de 1984, un Convenio de Préstamo por US\$ 10.000.000, destinado a financiar un Programa Emergente para mitigar los efectos causados por las lluvias excesivas e inundaciones asociadas con el fenómeno de la corriente marina de "El Niño"

Conforme a las estipulaciones del Convenio de Préstamo, el Programa será implementado por el Banco de Desarrollo del Ecuador (BEDE), en coordinación con otras instituciones públicas ecuatorianas. Para el efecto, el Ministerio de Finanzas y Crédito Público y el Banco Central del Ecuador, suscribieron el contrato de Agencia Fiscal y Financiera, el de de 1984; y, por otra parte el Banco Central del Ecuador y el BEDE suscribieron igualmente el el Convenio de Transferencia de Fondos.

El Directorio del Banco de Desarrollo del Ecuador, en sesión realizada el de de 1984, autorizó al Gerente General del BEDE, la suscripción de este Convenio Subsidiario.

El señor Procurador General del Estado ha dictaminado favorablemente para la celebración de este Convenio, como consta del oficio N°

**Cláusula Segunda: LAS PARTES**

En el presente Convenio Subsidiario intervienen, por una parte, el Banco de Desarrollo del Ecuador, en adelante llamado BEDE, representado por su Gerente General, en calidad de administrador e intermediario fiduciario de los fondos del préstamo AID-518-F-043-A y, por otra, el Instituto Ecuatoriano de Obras Sanitarias, IEOS, representado por su Director Ejecutivo y debidamente autorizado por el Directorio en sesión de de 1984, en calidad de Unidad Ejecutora del Proyecto "Instalaciones Sanitarias y de Agua Potable, Reparaciones y Mejoras Emergentes", en adelante llamada Unidad Ejecutora.

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2.

### Cláusula Tercera: OBJETO

La Unidad Ejecutora tendrá bajo su entera responsabilidad la ejecución del "proyecto" cuyo alcance se define en la cláusula siguiente, de acuerdo con el presupuesto, descripción de los rubros de trabajo, cronograma y demás especificaciones técnicas establecidas para el "proyecto".

### Cláusula Cuarta: ALCANCE DEL PROYECTO

El proyecto consistirá en restaurar las instalaciones de agua potable, de desagües y rehabilitación de viviendas y protegerlas contra futuras inundaciones, en las provincias de Los Ríos, Esmeraldas, Loja, Guayas, El Oro y las áreas de la costa de las provincias de Pichincha y Bolívar.

Las obras a ejecutarse, así como el cronograma para su ejecución consta en el Anexo que forma parte integrante de este convenio.

### Cláusula Quinta: COSTO DEL PROYECTO

El proyecto cuyo alcance ha sido definido anteriormente, tiene un costo estimado de \$/, de los cuales \$/ serán financiados con los recursos del préstamo

### Cláusula Sexta: MECANISMOS PARA LOS DESEMBOLSOS

El BEDE entregará los fondos asignados para el proyecto, una vez que se hayan cumplido los requisitos previos establecidos en la Cláusula Séptima, ante una solicitud de desembolso presentada en debida forma por la Unidad Ejecutora, acompañando la correspondiente documentación de soporte.

Las solicitudes de desembolso deberán hacerse en el formulario que elaborará el BEDE y se presentarán con las Planillas de Ejecución dentro de los 10 primeros días de cada mes. El valor de los desembolsos deberá guardar perfecta armonía con el Cronograma de Ejecución del Proyecto, al que se hace referencia en la Cláusula Décimo Primera

Para facilitar la ejecución del proyecto, el BEDE entregará a la Unidad Ejecutora un "primer desembolso" en calidad de "anticipo", equivalente al del costo del proyecto financiado con los fondos del Convenio y siempre que medie la solicitud mencionada en esta cláusula.

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3.

El BEDE y el IEOS acordarán formalmente los mecanismos operativos y administrativos complementarios que se requieran para la más ágil utilización de los fondos y rápida ejecución de los proyectos.

**Cláusula Séptima:                   CONDICIONES PREVIAS A LOS DESEMBOLSOS**

Para proceder al desembolso del "anticipo" será requisito el que se haya formalizado el presente Convenio Subsidiario y que la Unidad Ejecutora presente con la solicitud de desembolso la siguiente documentación:

- a. Presupuesto del proyecto desglosado en rubros de trabajo
- b. Cronograma de Ejecución del Proyecto, valorado mensualmente, tal como se define en la Cláusula Décimo Primera.
- c. Determinación de los valores que aportará la Unidad Ejecutora como contraparte del financiamiento del proyecto.
- d. Detalle de la forma en que se distribuirá el anticipo entre los distintos sectores donde se realizarán las obras.

Comunicación firmada por el representante legal de la entidad, en la que se designe a los funcionarios que actuarán con plenos poderes y representarán a la Unidad Ejecutora en todos los actos y propósitos relativos al Convenio Subsidiario.

Para proceder a los desembolsos siguientes, la Unidad Ejecutora deberá acompañar a su Solicitud de Desembolso la documentación que se señala a continuación:

- a. Planilla de Trabajo numerada y fechada, en el formulario que le será entregado por el BEDE, en la que se especificará: el valor de la Planilla, el valor equivalente al            para amortizar el anticipo y el valor líquido en favor de la Unidad Ejecutora.
- b. Documentos justificativos de la Planilla, debidamente aprobados por el técnico supervisor de AID.
- c. Comprobante de depósito en el BEV de los valores destinados al fondo de garantía, correspondiente a la planilla despachada.

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- d. Aprobación de la Planilla por parte del fiscalizador de la Unidad Ejecutora y del técnico de AID encargado de la supervisión del proyecto.
- e. Copia autenticada de los contratos suscritos para la ejecución total o parcial del proyecto, cuando éste no se ejecute por administración directa.
- f. Copias certificadas de las garantías a que se refiere la Ley de Licitaciones y Concurso de Ofertas, para los contratos que se celebren con terceras personas.

### Cláusula Octava:

#### FORMA DE ENTREGA DE FONDOS

El BEDE entregará el valor que corresponda al anticipo y a las respectivas planillas, mediante cheques a la orden de la Unidad Ejecutora o mediante crédito a la cuenta que señale específicamente dicha Unidad.

Las entregas de fondos podrán realizarse bien sea a través de la oficina matriz en Quito de la Unidad Ejecutora, o bien, directamente a los jefes de distrito, según convenga a la mayor agilidad para la utilización de los recursos.

Para la verificación de las planillas, aceptación o no de éstas, procesamiento del pago y la entrega efectiva de los fondos, el BEDE dispondrá de ocho días laborables, contados a partir de la recepción de las planillas, en sus oficinas en Quito.

### Cláusula Novena:

#### CONTABILIZACION Y CONTROL DE FONDOS

Para efectos del registro sistemático y control de los fondos relativos a este Convenio Subsidiario, la Unidad Ejecutora llevará contabilidad separada e independiente. La contabilidad deberá contemplar las cuentas de mayor con sus respectivas cuentas auxiliares y en los archivos de la Unidad Ejecutora reposarán los comprobantes de respaldo a todas y cada una de las operaciones contables. En todo caso la contabilidad se ajustará a los principios y prácticas de contabilidad generalmente aplicadas y aceptadas, de suerte que la contabilidad demuestre en forma adecuada la recepción y utilización de los recursos del prestamo.

Tales libros y registros contables de la Unidad Ejecutora podrán ser auditados regularmente de acuerdo a normas de audito

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ría generalmente aceptadas y deberán mantenerse durante 3 años después de la fecha del último desembolso efectuado por el BEDE; tales libros y registros deberán también indicar la naturaleza y el alcance de las convocatorias a proveedores potenciales de bienes y servicios adquiridos, la base de adjudicación de contratos y pedidos y la totalidad del progreso del Proyecto hasta su terminación.

**Cláusula Décima: AUDITORIA FINANCIERA**

La Unidad Ejecutora prestará todas las facilidades para que, si se considerare necesario, el BEDE y la AID realicen la auditoría financiera del proyecto, según se establece en el Artículo B., Sección B.5. del Anexo N° 2 del Convenio de Préstamo.

**Cláusula Décimo Primera: PLAZO DE EJECUCION**

El plazo máximo de ejecución del proyecto y de los diferentes rubros de trabajo que lo conforman será de meses a partir de la fecha de entrega del anticipo y estará representado en el Cronograma de Ejecución mensual, valorado por etapas, el mismo que en forma detallada constituirá anexo del presente Convenio Subsidiario.

**Cláusula Décimo Segunda: NORMAS DE ADJUDICACION**

Cuando la Unidad Ejecutora lleve a cabo el proyecto total o parcialmente mediante contratación con terceros, deberá sujetarse al procedimiento establecido en la Ley de Licitaciones y Concurso de Ofertas. El BEDE, por intermedio de sus representantes acreditados, podrá participar en calidad de observador en todo el proceso.

Complementariamente, para todo lo relacionado con la contratación y adjudicación de los trabajos y servicios inherentes al proyecto, se estará a lo estipulado en el Artículo C., del Anexo N° 2 del Convenio de Préstamo, que forma parte integrante de este Convenio.

**Cláusula Décimo Tercera: FISCALIZACION Y SUPERVISION**

La Unidad Ejecutora tendrá bajo su responsabilidad la fiscalización técnica y económica del proyecto. El funcionario responsable de esta función deberá suscribir conjuntamente con el representante de la Unidad Ejecutora, las planillas mensuales de trabajo, requisito sin el cual el BEDE no despachará los fondos.

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6.

El BEDE y la AID, en forma independiente ejercerán una labor de supervisión del proyecto, sin que ello implique aceptación de los trabajos ni responsabilidad, en el caso de que eventualmente se estableciera deficiencia en su ejecución.

### Cláusula Décimo Cuarta: MECANISMOS DE COORDINACION

Para la coordinación del Proyecto en sus aspectos técnicos operativos, administrativos y de otra índole, se creará un Comité de Proyecto que estará integrado por representantes, debidamente acreditados del BEDE, de la AID y del IEOS. El Comité dictará el respectivo reglamento para su funcionamiento, en el que deberá establecerse la coordinación que mantendrá con el Comité de Coordinación y Seguimiento de Proyectos creado mediante Decreto Ejecutivo N° 163, de 26 de septiembre de 1984, publicado en el Registro Oficial N° 37, de 2 de octubre del mismo año, con la finalidad de informar sobre el avance del proyecto.

### Cláusula Décimo Quinta: INFORMES

La Unidad Ejecutora presentará al Comité de Proyecto informes mensuales y uno trimestral globalizado que se refieran a los aspectos técnicos y económico-financiero del proyecto, señalando, pero sin limitarse a: el avance físico de los trabajos, cuantificados monetaria y potencialmente; la utilización de los fondos del Convenio; los valores entregados como contraparte local y los problemas que se hubieren producido en el curso de la ejecución del proyecto, determinando las medidas correctivas adoptadas o que corresponda adoptar.

Independientemente a los informes periódicos señalados en el inciso anterior, cuando las circunstancias lo exigieren o a pedido del BEDE o de la AID, la Unidad Ejecutora presentará informes oportunos sobre los asuntos que fuere menester informar.

### Cláusula Décimo Sexta: SUSPENSIÓN DE DESEMBOLSOS

El BEDE podrá suspender la entrega de fondos de este Convenio, cuando se produjeran los siguiente hechos:

- a. Que AID no hubiere efectuado los desembolsos y por este motivo el BEDE no disponga de recursos para transferir a la Unidad Ejecutora.
- b. Que el BEDE haya comprobado un desfase injustificado entre el Cronograma de Ejecución y el avance efectivo de las obras o considere que los documentos de apoyo a las planillas no sean suficientemente justificativos.



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7.

- c. Que la Unidad Ejecutora injustificadamente incumpliere su obligación de rendir los informes a que se refiere la Cláusula Décimo Quinta.
- d. Que la Unidad Ejecutora no cumpla con su obligación constante en la Cláusula Novena, de mantener los registros contables en la forma establecida.
- e. Que se estableciere que la Unidad Ejecutora no ha utilizado los fondos en los propósitos señalados en el Convenio de Préstamo.
- f. Las causas o situaciones a que se refiere el Artículo D., Sección D.1. y D.2. del Anexo Nº 2 del Convenio de Préstamos.

**Cláusula Décimo Séptima: REPROGRAMACION DEL PROYECTO**

El proyecto será susceptible de reprogramación con la aprobación del Comité de Proyecto, cuando, a su juicio, por causas debidamente justificadas, el avance de las obras no guarde relación con el Cronograma de Ejecución o cuando surjan problemas que se consideren fuera del control de la Unidad Ejecutora.

**Cláusula Décimo Octava: TERMINACION**

Son causas de terminación del Convenio Subsidiario las siguientes:

- a. El cumplimiento de todas las obligaciones relacionadas con este Convenio;
- b. El cumplimiento del plazo establecido en el Artículo 3, Sección 3.3. del Convenio de Préstamo.
- c. El abandono de los trabajos por parte de la Unidad Ejecutora, por 30 días consecutivos o por haber transcurrido la mi ta d del plazo estipulado en el Cronograma de Ejecución y no haberse ejecutado los trabajos programados para ese período; y,
- d. Si la Unidad Ejecutora no iniciare el proyecto en el plazo de 30 días a partir de la entrega del anticipo.

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banco de desarrollo del ecuador s.a

coordinación de  
crédito externo

8.

**Ciáusula Décimo Novena: MISCELANEOS**

Para todo lo que no estuviere previsto en este Convenio, se estará a lo estipulado en el Convenio de Préstamo que forma parte integrante del Convenio Subsidiario; así como también a lo estipulado en el Convenio de Transferencia de Fondos, suscrito entre el Banco Central y el BEDE.

Será responsabilidad de la Unidad Ejecutora dar cumplimiento a todas las disposiciones legales, normas y reglamentos que regulen las actividades que le corresponden realizar para la ejecución del proyecto.

En testimonio de lo cual las partes suscriben el presente Convenio, el

Econ. Marco A. Flores T.  
GERENTE GENERAL DEL BEDE

DIRECTOR EJECUTIVO IEOS

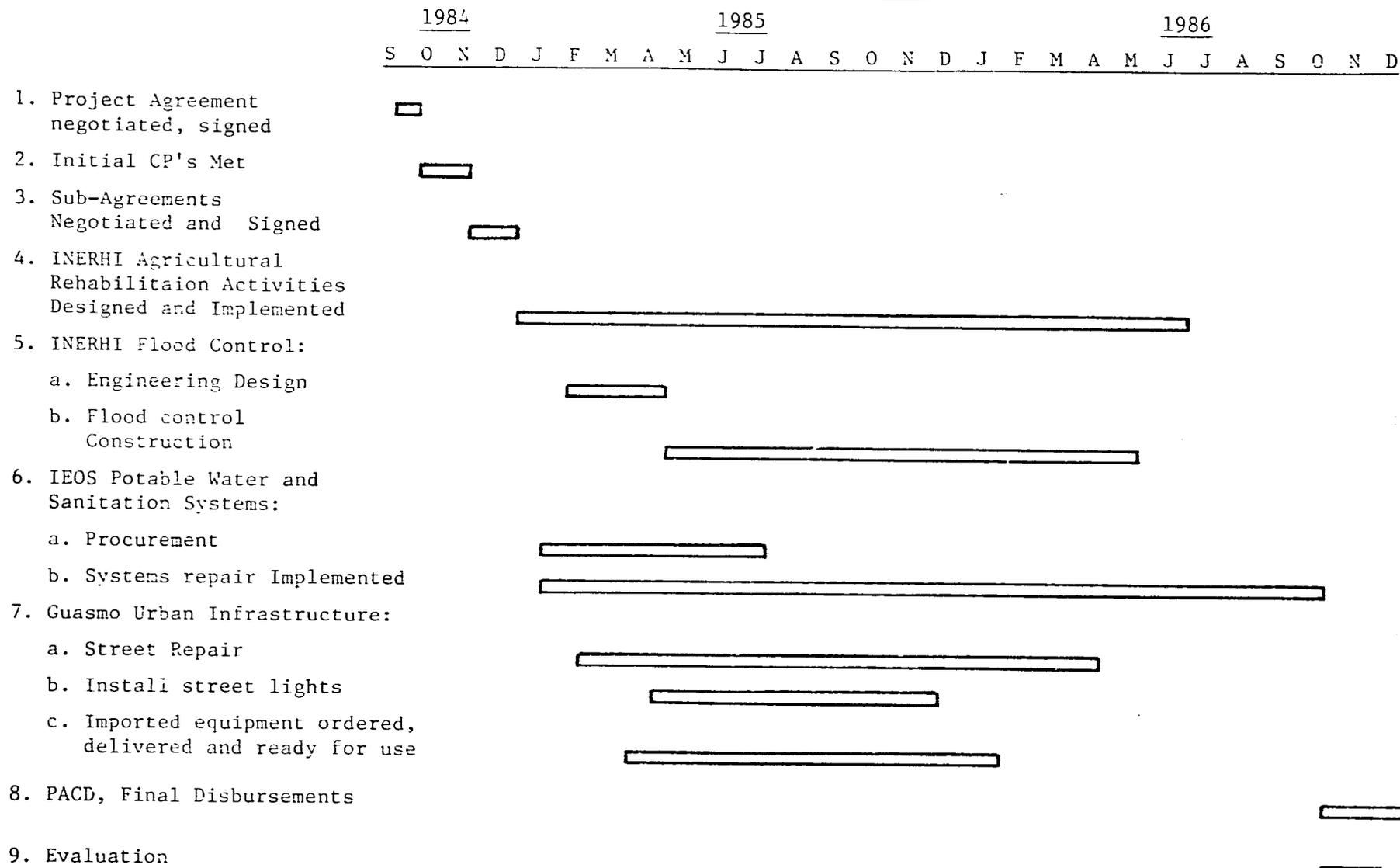
TESTIGOS DE HONOR

Ing. León Febres Cordero Rivadeneira  
PRESIDENTE CONSTITUCIONAL DE LA  
REPUBLICA DEL ECUADOR

Arq. Orlando Llenza  
DIRECTOR DE LA  
MISION AID

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PROJECT TIME-PHASED IMPLEMENTATION PLAN



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