

PROJECT APPRAISAL REPORT (PAR)

PD-AAB-960-C1 4.

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1. PROJECT NO. 88-15-890-092.3	2. PAR FOR PERIOD: 5/31/70 TO 5/31/71	3. COUNTRY Ecuador	4. PAR SERIAL NO. 71-7
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5. PROJECT TITLE

URBAN DEVELOPMENT - Urban Development

6. PROJECT SITUATION Began FY 70 Ends FY 71	7. DATE LATEST PROP 7/31/70	8. DATE LATEST PIP None	9. DATE PRIOR PAR 5/31/70
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10. FUNDING a. Cumulative Obligation Through FY: \$ 29,000	b. Current FY Estimated Budget: \$ 117,155	c. Estimated Budget to completion After Current FY: \$ 265,000
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11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME Com. Contr. (Contractor (Employment Generation) O/SOC Ministry of Housing and Urban Development Division O/ECON	b. CONTRACT, PASA OR VOL. AG. NO. AID-518-254
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12. NEW ACTIONS PROPOSED AND REQUESTED AS A RESULT OF THIS EVALUATION

A. ACTION NAME	B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
	Review contractor's scope of work and make necessary adjustments to ensure that it corresponds with current	

<input type="checkbox"/> PRO AG <input type="checkbox"/> PIO/T <input type="checkbox"/> PIO/C <input type="checkbox"/> PIO/P	E. DATE OF MISSION REVIEW June 2, 1971
MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE Robert J. Minges 6/11/71	MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE 6/11/71

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II. PERFORMANCE OF KEY INPUTS AND ACTION AGENTS

A. INPUT OR ACTION AGENT CONTRACTOR, PARTICIPATING AGENCY OR VOLUNTARY AGENCY	B. PERFORMANCE AGAINST PLAN							C. IMPORTANCE FOR ACHIEVING PROJECT PURPOSE (X)					
	UNSATISFACTORY		SATISFACTORY			OUT-STANDING		LOW	MEDIUM		HIGH		
	1	2	3	4	5	6	7	1	2	3	4	5	
1. John Westbrook				X									X
2. USAID/E Housing and Urban Dev. Div.							X						X
3.													

Comment on key factors determining rating

1. Westbrook has performed well in establishing a pilot project of employment generation in the Guayaquil area, but his performance in terms of the overall objectives of the project was hampered by the delayed signing of the small enterprise loan and local economic conditions that made it impossible to raise sufficient capital in the private sector. With the loan close to signing these problems have hopefully been overcome.

2. The USAID/E Housing and Urban Development Division has had difficulty in promoting a housing program in the country due to conditions mentioned below. Its inputs into the urban development part of the project have resulted in greatly increased interest in the municipalities and National Planning Board.

4. PARTICIPANT TRAINING	1	2	3	4	5	6	7	1	2	3	4	5
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Comment on key factors determining rating

No participant training during reporting period.

5. COMMODITIES	1	2	3	4	5	6	7	1	2	3	4	5
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Comment on key factors determining rating

No commodities during reporting period.

6. COOPERATING COUNTRY	a. PERSONNEL	1	2	3	4	5	6	7	1	2	3	4	5
	b. OTHER												

Comment on key factors determining rating

Employment Generation--The only host government agency inputs to this part of the project have been audit services provided by the Central Bank in preparation for the small enterprise loan. EDF has been slow to take needed actions related to this project, due to a high level of skepticism which has resulted from the delayed signing of the small enterprise loan.

Housing--the Ecuadorean Housing Bank, BEV, has thus far been totally unresponsive to developing a minimum cost housing program and virtually all new housing financed by the BEV is beyond the reach of low income families. Management personnel of the BEV tend to be appointed for political rather than technical qualifications. The Mission, while continuing its efforts to convince the BEV of the value of undertaking such a program, is seeking an alternative agency through which to develop a true low cost housing project.

Urban Planning--Both the National Planning Board and Municipality of Quito have responded well to this project. Personnel assigned have been competent, and obligations under the PRO/AG have been met.

7. OTHER DONORS	No other donors	1	2	3	4	5	6	7	1	2	3	4	5
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(See Next Page for Comments on Other Donors)

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II. 7. Continued: Comment on key factors determining rating of Other Donors

No other donors.

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					END OF PROJECT
		CUMULATIVE PRIOR FY	CURRENT FY 71		FY 72	FY 73	
			TO DATE	TO END			
Employment Generation--% self-sufficiency of new operations in EDF	PLANNED			5	10	70	100 FY74
	ACTUAL PERFORMANCE						
	REPLANNED						
Employment Generation-- number of new jobs created	PLANNED			70	320	620	620
	ACTUAL PERFORMANCE						
	REPLANNED						
Housing--number of new low income members of mutualistas	PLANNED			300	900	1,000	1,000
	ACTUAL PERFORMANCE						
	REPLANNED						
	PLANNED						
	ACTUAL PERFORMANCE						
	REPLANNED						
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS	COMMENT:						
1. Small business generation capacity institutionalized in EDF	USAID/E has and will provide contractor and direct technical assistance to develop this capacity within the EDF. Until the small enterprise loan funds are provided, however, there will be little progress toward this output.						
2. Minimum cost housing construction program developed	COMMENT: At the moment it seems that the BEV will not undertake a significant minimum cost housing program in the country. Either the policy and/or the management personnel of the BEV must change, or another agency found, before it will be possible to develop a comprehensive minimum cost housing program, including loan financing and tech. assistance.						
3. Increased urban planning and implementation capability in the Municipalities of Quito and Guayaquil and National Planning Board.	COMMENT: This output depends heavily on the ability and willingness of the Municipalities and the National Planning Board to increase budgets sufficiently to enlarge their programs and employ urban planners to support these activities.						

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IV. PROJECT PURPOSE

- A. 1. Statement of purpose as currently envisaged. 2. Same as in PROP? YES NO
1. Employment Generation--A capacity within certain existing institutions to accelerate the growth of employment opportunities in poor urban areas of Guayaquil on a continuing and expanding basis.
 2. Housing--To develop (a) the awareness, (b) the capability, and (c) most importantly, the commitment within Ecuadorean institutions such as the BEV to deal with the problem of low income housing deficit in Ecuador.
 3. Urban planning--The capability within certain national, municipal and private institutions to identify, establish and implement strategies to deal with the problems of rapidly expanding metropolitan areas.

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
1.a) a new, self-financing department in the EDF that decides the feasibility of loan applications, supervises small loans, and provides technical assistance to small businesses in Guayaquil. b) \$250,000 in self-generated loan funds. 2.a) a change in price policy within the BEV for financing housing construction. b) the BEV or other agency initiating a major program of minimum cost housing construction. c) the mutualistas financing and/or administering minimum cost housing construction. 3.a) an improved capability in the municipalities of Quito and Guayaquil to deal with urban growth problems. b) an urban planning consulting capability within the National Planning Board. (Extension service) <i>AD. V. C. C.</i>	1.a) The department has been established, a manager hired, pre-feasibility studies are underway, and three loans have been authorized. b) \$5,000 in matching funds have been raised before AID loans are available. 2. There has been no progress toward changing policies and developing a minimum cost housing project within the BEV. As a result, the Mission is seeking an alternative institution through which to initiate an extensive minimum cost housing project, while continuing to convince BEV of the value of undertaking a low cost program. 3.a) The Municipalities have implemented the recommendations of an evaluation study made last November and are taking steps to bring recommended specialists. b) The Urban Planning Division of the National Planning Board has recently become directly involved in helping to strengthen the urban capability of small municipalities.

V. PROGRAMMING GOAL

A. Statement of Programming Goal
 To increase the participation of low income groups in the political, social and economic life of the country.

To promote a more equitable distribution of income.

B. Will the achievement of the project purpose make a significant contribution to the programming goal, given the magnitude of the national problem? Cite evidence.

This is a small grant project designed to act as a catalyst. Its direct impact will be small considering the magnitude of the national problem it is addressing. However, when complemented by adequate loan funds, the resultant expanded lending activities and technical assistance of the EDF, the possible development of a minimum cost housing program, and more effectively administered IDB loan funds to municipalities could make a significant contribution to the programming goals.