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**ECUADOR**

**CULTURAL INDUSTRIES AS AN ENGINE OF SOCIOECONOMIC  
DEVELOPMENT IN THE QUITO HISTORIC CENTER**

**(EC-M1034)**

**DONORS MEMORANDUM**

This document was prepared by the project team consisting of Miguel Aldaz (MIF/IKM), Project Team Leader; Francisco Rojo (MIF/IKM); Dora Moscoso (MIF/DEU); Rosa Matilde Guerrero (CMF/CEC); Santiago Soler (MIF/OPS); and Gerónimo Frigerio (LEG).

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**INFORMATION AVAILABLE IN THE MIF'S TECHNICAL FILES**

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Document 3	Project risk analysis
Document 4	Execution timetable
Document 5	Procurement plan

## ABBREVIATIONS

AWP	Annual work plan
EMDUQ	Empresa de Desarrollo Urbano de Quito [Quito Urban Development Corporation]
IDB	Inter-American Development Bank
LAC	Latin America and the Caribbean
MDMQ	Municipio del Distrito Metropolitano de Quito [Municipio of the Metropolitan District of Quito]
MIF	Multilateral Investment Fund
MPPMR	MIF Project Performance Monitoring Report
OAFPM	Operations, administration, finance, and procurement manual
PCR	Project completion report
PCU	Project coordination unit
PEP	Project execution plan
PPMR	Project Performance Monitoring Report

# CULTURAL INDUSTRIES AS AN ENGINE OF SOCIOECONOMIC DEVELOPMENT IN THE QUITO HISTORIC CENTER

(EC-M1034)

## I. EXECUTIVE SUMMARY

<b>Beneficiary country:</b>	Ecuador
<b>Executing agency:</b>	Empresa de Desarrollo Urbano de Quito [Quito Urban Development Corporation] (EMDUQ)
<b>Beneficiaries:</b>	Small and medium-sized cultural businesses
<b>Financing:</b>	Modality: Nonreimbursable MIF: US\$1,236,000 <sup>1</sup> Local counterpart: US\$ 540,000 Total: US\$1,776,000
<b>Objectives:</b>	The <b>general objective</b> of the project is to contribute to the socioeconomic development of the historic center of Quito by promoting its cultural industries. Its <b>specific objective</b> is to promote cultural industries in the historic center of Quito by connecting supply with demand and through public-private partnerships.
<b>Execution timetable:</b>	Execution period: 36 months Disbursement period: 42 months
<b>Special contractual clauses:</b>	Conditions precedent to the first disbursement: (i) formation of the executing unit; and (ii) preparation of the project execution plan (PEP), annual work plan (AWP), and operations, administration, finance, and procurement manual (OAFPM).
<b>Exceptions to Bank policy:</b>	None.
<b>Environmental and social review:</b>	The Committee on Environmental and Social Impact Review (ESR) approved the project on 9 July 2007.

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<sup>1</sup> This amount includes US\$6,149 for deposit in the impact evaluation account, which is managed by the Office of the MIF.

## II. BACKGROUND

- 2.1 **Unemployment** is one of Quito's most acute economic and social problems. The lack of job opportunities has generated high levels of poverty. Central Bank of Ecuador statistics put Quito's current unemployment rate at 10.93%, a figure that does not take account of jobs without security, underemployment, or the informal sector. In the past two years, the unemployment rate has not fallen below 9.90%, which points to the structural—rather than temporary—nature of the phenomenon.
- 2.2 In its White Paper “Growth, Competitiveness, Employment: The Challenges and Ways Forward into the 21st Century” (1993), the European Commission outlined a series of strategic ideas for its **new job creation** policy. The proposal sought to promote complementary actions in developing sources of work that might be generated to meet new needs (individual and collective) and societal demands. To that end, it coined the term “new fields of employment” in the services area for: (i) daily life; (ii) better quality of life; (iii) environmental services; and (iv) recreation and culture. Such sources of employment are designed to meet new societal needs that arise in incomplete, labor-intensive markets. Accordingly, they constitute a major opportunity to reduce structural unemployment and to serve as a model for adoption and replication in Latin America and the Caribbean (LAC).
- 2.3 Although few statistics are available, especially for developing countries, **cultural industries** generate an estimated 7% of the gross world product, demonstrating the importance of this sector as a factor in growth. In LAC, available statistics indicate that their average contribution to GDP is only 3.5% to 4% (exclusive of cultural tourism). In the European countries, this indicator is 5.5% to 6%, and in the United States, it is approximately 7% to 8%. Cultural industries are also an important source of employment. For example, in England, 6% of the population works in a cultural industry. To summarize, cultural industries are an important local development tool because they: (i) are a source of sustainable employment; (ii) are labor-intensive, rather than capital-intensive; (iii) are based on local knowledge not accessible elsewhere in the world; (iv) tend to be highly interconnected, generating strong synergies; and (v) contribute to citizens' quality of life by strengthening cultural identity and social cohesion.<sup>2</sup> Demand for labor in this sector usually involves a wide array of occupations and professions, such as: restorers of artwork and cultural goods, museum curators, engraving experts, experts in manual arts—ironworking, ceramics, woodworking, etc.—sociocultural animators, cultural promoters, artists—actors, musicians, dancers, choreographers, etc.—and multimedia product creators. Cultural industries with great potential include local cultural and cultural heritage development.
- 2.4 Development through culture constitutes a **local development model based on existing resources in that space**. Such a model facilitates territory-based development through the productive use of local resources that focuses on the

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<sup>2</sup> Inter-American Development Bank: “Visión General de las Industrias Culturales en América Latina y el Caribe” [Overview of cultural industries in LAC]. (2007).

following points: (i) upgrading of cultural human resources through training; (ii) generation of an environment conducive to business creation and development; (iii) opportunities created through the application of cutting-edge technologies to new initiatives; (iv) identification of new business opportunities; (v) shared strategic vision and a collective identity that promotes productivity and efficiency; and (vi) institutional coordination. Among other benefits of this group of economic activities, in addition to their labor-intensive nature, is the fact that they often do not require special qualifications and are protected from international competition, since they are based on direct provider-user interaction. Another distinctive characteristic of such activities is that, at least initially, market supply and demand must be organized through collaboration between the public and private sectors.<sup>3</sup>

- 2.5 **Historic city centers** are spaces containing the tangible and intangible heritage of a city. They comprise an area with a unique building structure attesting to its life, a place where different traditional activities are carried out, and a hub of cultural wealth. Accordingly, they bear witness to the social history forming the identity of the city, the country, and its people. Existing cultural heritage is the most important and exclusive asset of historic city centers. This intangible asset is precisely the foundation for many cultural industries, potential engines of growth and development of historic city centers in particular and, generally, of society as a whole. Quito has one of the most important historical centers in Latin America, with invaluable cultural, historical, and architectural wealth. Accordingly, in 1978, UNESCO designated it a World Heritage Site. This declaration emanated from heritage development initiatives initiated by local society and the authorities. The historic center of Quito contains many buildings of high cultural value (4,200 catalogued), with a heavy concentration of symbolic assets (religious, economic, political), and innumerable unique public and private civic and religious monuments. In short, it is the area of Quito with the greatest historical and cultural value, hence its comparative advantage in the economic development of the sector.
- 2.6 **The problem:** The lack of a collective entrepreneurial vision and public/private institutional coordination in connection with socioeconomic development opportunities based on efficient use of the historical and cultural capital of Quito's historic center. Also to be noted: (i) limited experience in the management of the local cultural economy on the part of the different public and private stakeholders; (ii) lack of clear long- and medium-term competitive strategies; (iii) unsatisfied demand for and lack of supply of economic and cultural activities, which have not been exploited, at least not fully; (iv) lack of coordination among the different organizations and activities in the cultural industry sphere; and (v) a multipolar business structure unaware of the new business opportunity potential and synergies that could be created through partnership.

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<sup>3</sup> "La cuestión de los Nuevos Yacimientos de Empleo en la Unión Europea". [The issue of new fields of employment in the European Union]. *Revista Valenciana de Estudios Económicos*.



- 2.7 In addition, the transformation of societal demand, a result of economic and industrial development, has been accompanied by urban development and demographic expansion. This has led to the development of an urbanized periphery and the gradual abandonment of the historic center of Quito, which has therefore begun to lose much of its network of businesses and population. This phenomenon has resulted in an increased abandonment of housing, reduction and concentration of economic activity, deepening of the informal economy, safety problems, and deterioration of the cultural heritage. So the Quito historic center is in decline and its cultural and economic potential neglected.
- 2.8 The first step towards restoring the historic center of Quito and developing its cultural heritage in order to restore its importance and make it an engine of employment generation and economic development for the city was taken by the Empresa de Desarrollo Urbano de Quito [Quito Urban Development Corporation], through the IDB loan “Quito Historic Center Rehabilitation Program” (822/OC-EC). The loan supported the rehabilitation of the historic center of Quito in order to lay the groundwork for reversing its decline and taking advantage of its income-generation capacity through cultural promotion. To that end, the IDB loan was used to install infrastructure that added value to the cultural heritage and enabled the city center to become a tourist destination. The program provided financing for the rehabilitation of two hotels and for the creation of five luxury restaurants, four luxury shopping centers in historic buildings, and six small markets. In each case, the decorative and architectural details of the original buildings were carefully restored to highlight the historic center’s unique environment. At the same time, the historic district’s major infrastructure problems were addressed through the installation of 55,000 square meters of new sidewalks that help to improve safety and access, the construction of six new garages and eight new multi-storey commercial complexes, the installation of traffic lights, routes for the new system of articulated buses with a view to reducing congestion and pollution, and street lighting, as well as the relocation of electrical cabling underground, among several other works. In addition, as a complementary stage, the Quito Historic Center Rehabilitation Program, Stage II (1630/OC-EC) is now being executed. Its objective is to help develop the economic and social potential of Quito’s historic center, consolidating the accomplishments of the first stage and essentially developing an avenue for the competitive strengthening of SMEs.
- 2.9 As with many other areas of the region, the market in Quito did not guarantee that systems would emerge spontaneously from relationships among different organizations or companies. This is because coordination costs—and perhaps the lack of trust with which institutional and economic actors view the possibility of undertaking joint projects with their peers—limit the likelihood that the potential benefits of partnership schemes will be reaped. There are also barriers emanating from the costs of human capital and learning that companies must address in adapting their established routines to the requirements of work in partnership. Best international practices in this area show that both horizontal and vertical partnership generates benefits by raising productivity and efficiency, makes it possible to

identify new business opportunities, and promotes stronger economic growth, which creates a suitable climate for the establishment of new companies. Examples abound of radical innovations introduced by new companies because they create new markets, possibly because established companies are more interested in obtaining profit from products already on the market than they are in seeking new opportunities. In addition, launching new businesses further diversifies products and services, thus generating a greater number of possible solutions to existing technological problems, and to consumer needs.<sup>4</sup>

- 2.10 **Rationale and additionality.** The historic center of Quito, like many other cities in LAC, is a specific economic area characterized by its installed cultural heritage and its many stakeholders. It is a place with opportunities to promote social and economic development by promoting public and private actions and partnerships between these two sectors. Cultural industry development is a highly significant way of combating poverty and the deteriorating quality of life of the historic center's residents (50,200) and daily visitors (500,000). The importance of the historic center of Quito, promoted by tourism, international cooperation, and the World Heritage Site designation, together with the impacts of globalization and the new communication technologies, have led to a rescaling of its status and quality. In that context, the historic center of Quito may be incorporated as a potential vehicle for income and employment generation, by making appropriate use of the area's cultural assets without causing them to deteriorate.
- 2.11 The project seeks to complement IDB efforts to remodel historical architecture and organize and promote the area as a focus of public and private economic development, with the aim of strengthening its sustainability through the development of cultural industries. It is important to view the present time as an opportunity to strengthen the cultural industries of the historic center of Quito by preserving the values of its identity and making intelligent use of cultural heritage as an input and chief asset for generating wealth, reducing unemployment, and promoting social cohesion. Activities are planned that will boost the competitiveness of existing cultural industries, together with others that will promote new enterprises, all with impact on poverty reduction by generating work and job opportunities in this area. This project provides the MIF with a clear learning opportunity for transfer to other historic centers of the region, as well as a high added value initiative that strongly complements the Bank's activities to develop the heritage of urban centers.

### III. OBJECTIVES AND COMPONENTS

- 3.1 The **general objective** of the project is to contribute to the socioeconomic development of the historic center of Quito by promoting its cultural industries. Its **specific objective** is to promote cultural industries in the historic center of Quito by

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<sup>4</sup> Inter-American Development Bank: "Fomento de la asociatividad emprendedora en América Latina y el Caribe" [Business partnership building in LAC]. (2005).

connecting supply with demand and through public-private partnerships. The project will accomplish these objectives through the execution of four components: (i) Networks of organized and dynamic cultural organizations; (ii) Development of new business opportunities through production linkages; (iii) Development of cultural products and services; and (iv) Evaluation, dissemination, and sustainability.

- 3.2 **Component I. Networks of organized and dynamic cultural organizations (MIF US\$226,000; counterpart US\$115,500).** The objective of this component is to improve business development of cultural organizations (i.e. museums, theaters, cultural centers, etc.) in the historic center of Quito through their network membership. Creating opportunities for cooperation among various institutions promotes the identification of competitive advantages and externalities that help consolidate such institutions and accelerate their modernization. This in turn facilitates the production of quantifiable outcomes for possible appropriation by their members. Accordingly, the supported networks would gain a shared strategic vision and collective identity, together with a high degree of coordination and complementarity among all participating public and private actors. To that end, the following activities will be carried out: (i) network development and linkage; (ii) selection and training of network coordinators; (iii) cofinancing of the execution of network strategic projects; and (iv) training of cultural promoters of network member institutions.
- 3.3 An expected outcome of this component is at least two networks established and formalized. Also planned is the implementation of their business and sustainability plans. This means that at least two strategic projects will have been executed and the following accomplished: a specific network image, a web platform for information exchange among the different cultural actors of the historic center of Quito, and a website for external communication. Lastly, by project end, at least 15 cultural promoters will have been trained on topics such as financial management, administration, marketing, and customer service.
- 3.4 **Component II. Development of new business opportunities through promoters production linkages (MIF US\$258,000; counterpart US\$67,400).** The objective of this component is to promote entrepreneurial synergies among the different institutions and businesses of the historic center of Quito in order to promote “packages” of innovative and competitive cultural products. A joint strategic vision is thus expected to be encouraged and collective gains in efficiency and productivity enabled, by nurturing and developing competitive capacities in local productive systems. Anticipated benefits of such linkage include higher productivity, access to new technologies and organizational practices, training of unskilled labor and technical staff, and market diversification. To that end, the following activities will be carried out: (i) development and interconnexion of production linkages; (ii) coordination of such linkages; and (iii) competitive cofinancing for the strategic projects of production linkages.

- 3.5 An expected outcome of this component is at least four cultural production linkages—vertical and horizontal—in operation and serving as a standard reference for demonstration purposes.
- 3.6 **Component III. Development of cultural products and services (MIF US\$572,500; counterpart US\$9,500).** The objective of this component is to contribute to the emergence of new businesses and to the incubation of existing businesses so as to generate further added value to cultural business activity in the historic center of Quito. The development of entrepreneurs, new businesses, and new products is of vital importance in boosting economic and social progress through employment generation and the creation of a much faster-growing environment. New business creation—and even the specter of their emergence is expected to bring about a change in the performance of existing businesses, which will seek to become more efficient as a result of the added competition. The activities to be carried out are: (i) cofinancing from a competitive fund for the development and implementation of new cultural products and services; and (ii) training of cultural entrepreneurs.
- 3.7 An expected outcome of this component is the provision, through five competitions, of financial and technical support to at least 25 projects to develop new cultural products or services in the historic center of Quito. In addition, at least 100 entrepreneurs will have been trained on different aspects of cultural business management (administrative, financial, and commercial).
- 3.8 **Component IV. Evaluation, dissemination, and sustainability (MIF US\$67,000; counterpart US\$116,750).** The objective of this component is to help disseminate the project and ensure its sustainability. A complementary objective is to conduct an initial survey (census) of existing cultural businesses and cultural products and services now available in the historic center of Quito. To that end, the following project activities are planned: (i) implementation of the census and supervision and monitoring system; (ii) design and implementation of a project sustainability plan; (iii) support for the linkage of interagency actions for cultural promotion in the historic center of Quito; (iv) project dissemination activities; (v) participation in international events to gain awareness of best practices in the economic revival of historic districts; (vi) a survey of best practices in the use of historical buildings for business purposes; and (vii) documentation of the public-private linkage model developed.
- 3.9 An expected outcome of this component is a statistical survey of cultural businesses, products, and services now available in the historic center of Quito. The component will seek to disseminate project outcomes at the local and international levels, the latter through participation by cultural representatives in events held abroad. The Municipio of the City of Quito is expected to be presented with at least five new potential business activities in rehabilitated historical heritage buildings in the historic center of Quito. In addition, a document will be prepared containing information useful in developing cultural industries in other historic centers of the

region. Lastly, a strategic sustainability plan will be developed for the program in execution.

#### IV. PROJECT COST AND FINANCING

- 4.1 The total project cost will be US\$1,776,000, of which US\$540,000 (31%) will be contributed by the Empresa de Desarrollo Urbano de Quito [Quito Urban Development Corporation] (EMDUQ), which has responsibility for the counterpart resources. The table below contains the estimated project budget:

Budgetary categories	MIF	EMDUQ	Total	%
<b>Component I</b>	226,000	115,500	341,500	19.30
<b>Component II</b>	258,000	67,400	325,400	18.39
<b>Component III</b>	572,500	9,500	582,000	32.88
<b>Component IV</b>	67,000	116,750	176,750	10.38
<b>Administration</b>	3,000	220,100	223,100	12.61
<b>Other (audits, contingencies, etc.)</b>	103,351	10,750	114,101	6.45
<b>Subtotal</b>	<b>1,229,851</b>	<b>540,000</b>	<b>1,769,851</b>	
<i>Percentage</i>	<i>69.49%</i>	<i>30.51%</i>	<i>100%</i>	
<b>Impact Evaluation Fund<sup>5</sup></b>	6,149	-	6,149	-
<b>Total</b>	<b>1,236,000</b>	<b>540,000</b>	<b>1,776,000</b>	

- 4.2 **Sustainability.** First, a large percentage of cultural enterprises that receive support through the project are expected to prosper and grow, which will smooth the way field for the creation of new job opportunities. In addition, the companies supported will benefit from the fact that Quito's rich historical and cultural heritage has a captive domestic and international tourism market. Second, as the project is targeted specifically at the cultural market, business startups within its framework are expected to serve as a model for other potential businesses, in both Quito and other cities of the country or region. Third, the future of the initiative beyond this project will depend largely on its capacity to effectively incorporate local cultural institutions—both public and private—and to establish a solid foundation for the emergence of new businesses. Last, the project includes activities focused on beneficiaries' internalizing actions to ensure sustainability.

#### V. EXECUTING AGENCY AND EXECUTION MECHANISM

- 5.1 The Empresa de Desarrollo Urbano de Quito [Quito Urban Development Corporation] (EMDUQ) is a semipublic privately-managed company. Its core objectives are to: (i) contribute to the Metropolitan District's socioeconomic development; (ii) create conditions for business investment; and (iii) contribute to improving the quality of life of Quito residents. To that end, its primary areas of

<sup>5</sup> "MIF II Managing for Results Commitments – Impact evaluation system," MIF/GN-92-4.

- action are: urban planning, land and housing management; connectivity, public space, and the urban landscape.
- 5.2 In addition to activities carried out to improve the accessibility, sanitation, and safety of the historic center and rehabilitate its spaces and buildings, EMDUQ has implemented works such as the City Museum and the Metropolitan Cultural Center, whose restoration helps to underscore the treasures constituted by this series of civic and religious buildings, preserving the harmonious coexistence of their periods and styles, from simple dwellings to imposing religious buildings. The true challenge of the work undertaken by EMDUQ is how to harmonize the different interests of the complex network of social actors present in the historic center who give it life, and their relationship to the city's urban development. EMDUQ satisfactorily executed the Quito Historic Center Rehabilitation Program (822/OC-EC) and now has responsibility for coordinating and executing two other Bank loans: the second stage of the Quito Historic Center Rehabilitation Program (1630/OC-EC); and the Program for Municipal Modernization and Comprehensive Neighborhood Upgrading in Quito (1740/OC-EC).
- 5.3 EMDUQ's primary shareholder is the Municipio del Distrito Metropolitano de Quito [Municipio of the Metropolitan District of Quito] (MDMQ), with 92.43% of its shares, followed by the Empresa Metropolitana de Agua Potable de Quito [Metropolitan Quito Water Corporation], with 3.75%; the Empresa Metropolitana de Obras Públicas [Metropolitan Public Works Corporation], with 3.75%; and the Fundación Caspicara [Caspicara Foundation], with 0.07%.
- 5.4 **Execution mechanism.** The project will be managed by EMDUQ, through an executing unit. The unit will have the same director as that of the second stage of the Quito Historic Center Rehabilitation Program (1630/OC-EC), since these are highly complementary projects that can add value to one another through the synergies generated. The director will also have the support of a project coordinator, who will be engaged under a performance contract that is based on execution of the Annual Work Plan (AWP).
- 5.5 Since one the project's key objectives is to seek participation by the private sector as a key actor in the economic and social development of the historic center of Quito, the project will have an **Advisory Committee**, composed of: EMDUQ's General Manager, or his delegate; the Executive Director of the Corporación Metropolitana de Turismo [Metropolitan Tourism Corporation], or his delegate; the Executive Director of the Pichincha Chamber of Commerce (CAPTUR), or his delegate; and a representative of the private cultural business sector. The Advisory Committee's basic functions will be: (i) to be familiar with and provide feedback for the Project Execution Plan (PEP) and AWP at least once each year; and (ii) to evaluate the progress of the project's components and indicators every six months.
- 5.6 **Execution period and disbursement period:** The project execution period is expected to be 36 months. The disbursement period will be 42 months, in order to

complete contract closure and product delivery. To this end, a revolving fund equivalent to 10% of the total MIF contribution will be set up.

- 5.7 **Procurement.** The project coordination unit (PCU) will procure the goods and services and select and engage the consulting services included in the project and approved in advance by the Bank in accordance with the Procurement Plan. Such procurement will be made in accordance with the Bank's policies set forth in documents GN-2349-7 and GN-2350-7. In view of the PCU's experience in the application of Bank procurement procedures and policies, project procurement for contracts involving amounts below or equal to US\$50,000 will be subject to ex post review. Shopping will be the preferred method for the procurement of goods. In the case of consulting services (individual consultants and consulting firms), the selection methods established in document GN-2350-7 will be used. In addition, and based on an executing unit evaluation, all procurement processes may end up being reviewed ex post.
- 5.8 The **fiduciary procurement and disbursement processes** with fund resources—(i) cofinancing of the execution of network strategic projects; (ii) competitive cofinancing for execution of the strategic projects of production linkages; and (iii) cofinancing of the execution of cultural products and services—will be carried out by the project beneficiaries themselves in accordance with Bank procedures, under the close supervision of the PCU. In addition to reviewing the procurement process, the PCU will issue payments to suppliers. The operations, administration, finance, and procurement manual (OAFPM) contains a detailed description of said processes.

## VI. MONITORING AND EVALUATION

- 6.1 The Bank's Country Office in Ecuador will have responsibility for supervisory and control activities, fulfillment of the contractual clauses, processing of disbursement requests, and receipt of the audited financial statements. EMDUQ will have responsibility for compiling and analyzing relevant information for ongoing monitoring of the indicators established in the program's logical framework (Annex I). It will also submit reports to the MIF every six months on the activities financed, as well as other information that may be requested, in accordance with the Bank's standard reporting requirements. Said reports will be used to monitor the program and prepare the project completion report (PCR), in accordance with Bank procedures.
- 6.2 The Bank will enter into contracts for two consulting assignments, for the midterm and final evaluations. The midterm evaluation will be commissioned when 50% of the MIF contribution has been committed, or after 50% of the disbursement period has elapsed, whichever is first. The main objective of this evaluation will be to measure project progress with regard to fulfillment of the intermediate indicators defined in the logical framework (see Annex I), with particular emphasis on the following aspects: (i) whether a significant number of cultural institutions have

- been trained and have participated in the project; (ii) each component's execution status; (iii) the institutional capacity of the executing agency and the other institutions involved in the project; and (iv) compliance with the *pari passu* counterpart funding in accordance with the budget and Operating Regulations. If necessary, the midterm evaluation will make recommendations for the Bank and the executing agency to determine corrective actions.
- 6.3 The final evaluation will be made at project end or when 95% of MIF resources have been disbursed, whichever is first, and will analyze the status of fulfillment of the final performance indicators defined in the logical framework and baseline (census). Said evaluation will also analyze the anticipated sustainability of actions promoted by the project after the MIF contribution has been disbursed, as well as lessons learned and best practices identified.
- 6.4 Three months prior to the end of project execution, a closing workshop will be organized in which EMDUQ, Bank staff, and sector representatives will take part, for joint evaluation of outcomes achieved and identification of additional tasks to ensure the sustainability of actions begun by the project as well as lessons learned. If necessary, agreement will be reached on an *ex post* evaluation two years from project end to evaluate its impact. In addition, a sustainability workshop will be held at least one year prior to the end. Its scope will be agreed in advance by the Bank and the executing agency.
- 6.5 Each year, the Bank will conduct an operational and financial audit of the project, which will include a detailed review of processes and supporting, financial, and procurement documents. These audits will be conducted based on the terms of reference agreed with the Bank. At project end, a project completion financial review will be conducted in accordance with Bank policies in this area.

## VII. PROJECT BENEFITS AND RISKS

- 7.1 **Project benefits.** The project is expected to help create conditions for the sustainable socioeconomic development of the historic center of Quito through linkage and promotion of the cultural industry. The historic center's competitive advantage (cultural heritage, number of visitors, existing business network, etc.) will serve as the basis to test a business development model founded on the identification and partnership-based marketing of business opportunities in a public-private institutional environment linked around a series of shared objectives. This project will provide an experience for many other cities of the region with a distinctive cultural and historical heritage that they wish to build on in order to promote their socioeconomic development.
- 7.2 **Project risks.** The main risks were documented during project design through a risk analysis that involved relevant actors and potential beneficiaries. The main risks identified with potential impact on the achievement of the established objectives are: (i) existing small and medium-sized companies in the historic center of Quito are not accustomed to working together; and (ii) new policy priorities



might emanate from possible electoral changes in the Municipio of Quito during the life of the project.

- 7.3 The following measures will be taken to mitigate such risks: (i) MIF experience has demonstrated the importance of transparent and participatory processes, which become a source of learning, while promoting a sense of ownership of the initiative among beneficiaries. The project will promote synergies and positive externalities among the heterogeneous group of businesses; and (ii) the project is expected to be successful, which would ensure its effectiveness beyond changes in the Municipio of Quito priority structure.

### **VIII. ENVIRONMENTAL AND SOCIAL IMPACT**

- 8.1 By its nature, the project is unlikely to have direct adverse environmental impact. In fact, this initiative is expected to have significant positive societal impact, generate new job opportunities, and contribute to improving the quality of life of the residents of the historic center of Quito by strengthening their cultural identity and social cohesion.

**CULTURAL INDUSTRIES AS AN ENGINE OF SOCIOECONOMIC DEVELOPMENT IN THE QUITO HISTORIC CENTER (EC-M1034)**  
**LOGICAL FRAMEWORK**

Narrative summary	Indicators	Means of verification	Assumptions
<b>Goal</b>			
To contribute to the socioeconomic development of the historic center of Quito by promoting its cultural industries.	<b>Two years from project end:</b> A dynamic public and private institutional ecosystem that promotes cultural industry supply and demand in the historic center of Quito on an ongoing basis.	Ex post evaluation. <sup>1</sup>	Public institutions remain committed to promoting the historic center of Quito. Private sector investment activity is stimulated.
<b>Purpose</b>			
To promote cultural industries in the historic center of Quito by connecting supply with demand, and through public-private partnerships.	<b>By project end:</b> A strategic plan linking the public and private sectors in developing cultural industries in the historic center of Quito designed and implemented based on consensus. Operation of 2 networks of cultural institutions with a shared strategic entrepreneurial vision. Four production linkages working in connection with the cultural industry. 25 innovative cultural enterprises marketing new cultural products and/or services. 400 new jobs.	Midterm and final project evaluations. Semiannual reports. Project Completion Report (PCR). Project Performance Monitoring Report (PPMR).	National and international tourism continues to be developed in the country. Environmental conditions (security, accessibility, etc.) improve for economic activity in the historic center of Quito. Motivation exists among public and private actors in participating on a consensus basis in developing the historic center of Quito.

<sup>1</sup> During project execution, the MIF, in conjunction with the executing unit, will consider the possibility of using MIF impact evaluation system resources to make this evaluation.

Narrative summary	Indicators	Means of verification	Assumptions
<b>Components</b>			
<p>1. Networks of organized and dynamic cultural institutions.</p>	<p><b>By project month 6:</b>  <b>1.a</b> At least 60 people informed of best practices through workshops.  <b>By project month 12:</b>  <b>1.b</b> At least 2 networks established and formalized.  <b>By project month 18:</b>  <b>1.c</b> The network image established is present in the historic center of Quito.  <b>By project month 24:</b>  <b>1.d</b> Web platform operating.  <b>By project end:</b>  <b>1.e</b> At least 2 strategic projects executed.  <b>1.f</b> The 2 networks supported are sustainable.  <b>1.g</b> 15 cultural promoters trained in accounting, management, marketing, and customer service.</p>	<p>Midterm and final evaluations.  Semiannual progress reports.  Inspection visits.</p>	<p>Financial viability of cultural institutions that might join a network is maintained.</p>
<p>2. Development of new business opportunities through production linkages.</p>	<p><b>By project month 6:</b>  <b>2.a</b> The supply and demand of cultural production linkages have been identified.  <b>By project month 12:</b>  <b>2.b</b> At least 4 linkages established and formalized.  <b>By project end:</b>  <b>2.c</b> At least 4 linkage strategic projects executed</p>	<p>Midterm and final evaluations.  Semiannual progress reports.  Inspection visits.</p>	<p>The cultural business class is willing to assume new partnership and investment challenges.</p>

Narrative summary	Indicators	Means of verification	Assumptions
3. Development of cultural products and services.	<b>By project end:</b> <b>3.b</b> At least 5 competitions conducted. <b>3.c.</b> At least 25 projects approved. <b>3.d.</b> 100 cultural entrepreneurs trained in administrative, financial, and business management.	Midterm and final evaluations. Semiannual progress reports. Inspection visits.	The business class has the vision and resources to promote the supply of new innovative cultural products and/or services.
4. Evaluation, dissemination, and sustainability.	<b>By end of month 6:</b> <b>4.a</b> Dissemination campaigns conducted to raise awareness among potential consumers of cultural products and/or services. <b>By project month 12:</b> <b>4.b</b> A census made of cultural enterprises established in Quito that provide products and/or services in the historic center of Quito. <b>By project month 24:</b> <b>4.c</b> At least 5 new business activities in rehabilitated historic heritage buildings of the historic center of Quito proposed to the Municipio of the Metropolitan District of Quito (MDMQ). <b>By project end:</b> <b>4.d</b> At least 2 proposed policies agreed by consensus with the relevant actors in the historic center of Quito and presented. <b>4.c</b> At least 2 international events attended. <b>4.d</b> The model has been documented.	Midterm and final evaluations. Semiannual progress reports. Census surveys conducted. Public proposal document. Inspection visits.	Citizens' perception of the historic center of Quito improves.

Narrative summary	Indicators	Means of verification	Assumptions
<b>Activities</b>			
<b>Component 1: Networks of organized and dynamic cultural institutions</b>			
<b>1.1 Network development and linkage</b> <b>1.1.1</b> Engagement of consultant with international experience to develop the network concept; evaluate and/or propose how the networks are to be established; <sup>2</sup> identify and disseminate best practices; and develop business and sustainability plans and implementation benchmarks for potential beneficiary networks, <sup>3</sup> as well as selection criteria for the strategic projects.	<b>By project month 6:</b> <b>1.1.1.a.</b> Network typologies and potential network participants identified. <b>1.1.1.b</b> 4 workshops to disseminate best practices. <b>1.1.1.c.</b> 2 plans formulated to establish and formalize the networks. <b>1.1.1.d</b> 2 network business plans designed. <b>1.1.1.e.</b> Selection criteria report. <b>1.1.1.d.</b> 2 sustainability plans designed.	Executing agency's semiannual reports. Midterm and final evaluations. Consultant's product report. Inspection visits. PPMR. Records of workshop participants.	
<b>1.2 Selection and training of network coordinators</b> <b>1.2.1</b> Engagement of a coordinator for each network to constitute and formalize the networks; implement the business plans; monitor deviations from the benchmarks; design, structure and execute network strategic projects; represent and link the network with other actors and implement the sustainability plan.	<b>By project month 12:</b> <b>1.2.1.a</b> At least 2 networks established and formalized. <b>1.2.2.a.</b> Participation in at least 2 internships. <b>1.2.1.b.</b> Business plan implementation begun. <b>1.2.1.c.</b> At least 2 strategic projects identified and structured. <b>By project month 18:</b> <b>1.2.1.d</b> Execution of 2 strategic projects begun.	Midterm and final evaluations. Executing agency's semiannual reports. Inspection visits. PPMR. Regulations and/or bylaws approved.	Existence of qualified consultants.

<sup>2</sup> Evaluate and/or propose articles of incorporation and/or regulations for the establishment of beneficiary networks.

<sup>3</sup> Identified on a preliminary basis in the consulting assignment to prepare the project design (museum network, theater network).

Narrative summary	Indicators	Means of verification	Assumptions
<b>1.2.2</b> Internships abroad for network coordinators, in a successful case.	<b>By project month 30:</b> <b>1.2.1.e</b> Implementation of sustainability plan begun.		
<b>1.3 Cofinancing of implementation of network strategic projects.</b> <sup>4 5</sup>	<b>By project end:</b> <b>1.3.</b> At least 2 strategic projects executed.	Executing agency's semiannual reports. Midterm and final evaluations. Inspection visits. PPMR. Final report on strategic projects.	
<b>1.4 Detailed update of a sustainability plan.</b> <b>1.4.1</b> Engagement of a consultant to update each network's sustainability plan.	<b>By project month 30:</b> <b>1.4.</b> At least 2 sustainability plans updated.	Executing agency's semiannual reports. Inspection visits. Midterm and final evaluations. Sustainability plans. PPMR. Consultant's final report.	Existence of qualified consultants.
<b>1.5 Design of the networks' communication strategy.</b> <b>1.5.1.</b> Engagement of a consultant to design and implement the networks' image and marketing strategy. <b>1.5.2.</b> Engagement of a consulting firm to design and implement the web platform enabling the networks to manage their knowledge and create a joint promotion and image	<b>By project month 18:</b> <b>1.5.1.a.</b> Network image defined. <b>1.5.1.b.</b> Market strategy designed. <b>1.5.1.a.</b> Implementation of strategies begun. <b>1.5.2.a.</b> Web platform designed. <b>By project month 24:</b> <b>1.5.2.b.</b> Web platform in operation.	Executing agency's semiannual reports. Inspection visits. Midterm and final evaluations. Web platform. PPMR. Consultants' reports.	Existence of individual consultants and qualified consulting firms.

<sup>4</sup> Partial financial support (to include beneficiary counterpart) for strategic projects designed and structured by each network's coordinator, for presentation to the PCU for technical and financial evaluation.

<sup>5</sup> The maximum amount to be cofinanced with program resources for each network's strategic project is US\$35,000.

Narrative summary	Indicators	Means of verification	Assumptions
vehicle (this consulting assignment will be implemented in strict coordination with the design and implementation of the networks' image, and marketing strategy).			
<b>1.6 Training of cultural promoters of the network member institutions.</b> <b>1.6.1</b> Training seminars (accounting, management, business, and customer service).	<b>By project month 12:</b> <b>1.6.1a</b> 2 seminars conducted. <b>By project month 24:</b> <b>1.6.1b</b> 4 seminars conducted.	Executing agency's semiannual reports. Inspection visits. Midterm and final evaluations. PPMR. Seminar attendance records.	Cultural promoters are interested in the training offered.
<b>Component 2: Development of new business opportunities through production linkages</b>			
<b>2.1 Development and interconnexion of production linkages.</b> <b>2.1.1</b> Engagement of a consultant with international experience to conduct a supply and demand study, and establish and apply selection criteria for at least 4 cultural production linkages in the historic center of Quito <sup>6</sup> ; and develop the business plans and implementation benchmarks for the potentially selected linkages.	<b>By project month 6:</b> <b>2.1.1.a</b> Report on the study on supply of and demand for cultural production linkages and linkage selection criteria <b>By project month 12:</b> <b>2.1.1.b.</b> At least 4 business plans designed for cultural production linkages. <b>2.1.1.c.</b> Business plans developed.	Executing agency's semiannual reports. Inspection visits. Midterm and final evaluations. Business plans. PPMR. Consultant's final report.	

<sup>6</sup> Identified on a preliminary basis during the consulting assignment to prepare the project designed (audiovisual, information and communication technology, musical stage performances).

Narrative summary	Indicators	Means of verification	Assumptions
<p><b>2.2 Engagement of a production linkage coordinator.<sup>7</sup></b></p> <p><b>2.2.1</b> Engagement of a coordinator for each linkage for its establishment and formalization; to implement the business plans and monitor deviations from the benchmarks; and to connect actors in each linkage with other sectors in the historic center of Quito.</p>	<p><b>By project month 18:</b></p> <p><b>2.2.1.a</b> At least 2 linkages established and formalized.</p> <p><b>2.2.1.c.</b> Implementation of business plans begun.</p> <p><b>By project end:</b></p> <p><b>2.2.1.c</b> At least 4 linkages established and formalized.</p> <p><b>2.2.1.d.</b> At least 4 strategic linkage projects executed.</p>	<p>Executing agency's semiannual reports.</p> <p>Inspection visits.</p> <p>Midterm and final evaluations.</p> <p>Strategic projects.</p> <p>PPMR.</p> <p>Consultant's final report.</p>	<p>Existence of qualified consultants.</p>
<p><b>2.3. Cofinancing from a competitive fund for implementation of strategic production linkage projects.</b></p> <p><b>2.3.1</b> Consultant to design the competitive fund's regulations and standardized project presentation forms.</p> <p><b>2.3.2</b> Consultant to provide advice for the formulation of projects preselected by the executing unit.</p> <p><b>2.3.3</b> Competitive cofinancing resources.<sup>8</sup></p>	<p><b>By project month 12:</b></p> <p><b>2.3.1.a</b> Regulations approved.</p> <p><b>By project month 18:</b></p> <p><b>2.3.2.a</b> At least 2 linkage strategic projects approved.</p> <p><b>By project month 24:</b></p> <p><b>2.3.2.b</b> At least 4 linkage strategic projects approved.</p>	<p>Executing agency's semiannual reports.</p> <p>Inspection visits.</p> <p>Midterm and final evaluations.</p> <p>Fund regulations.</p> <p>Strategic projects.</p> <p>PPMR.</p> <p>Consultant's final report.</p>	

<sup>7</sup> The network coordinators will be housed in the offices of the beneficiary networks.

<sup>8</sup> May include financing from program resources of up to 50% of the allocation for equipment. The maximum amount to be cofinanced from program resources for each network's strategic project is US\$50,000.



Narrative summary	Indicators	Means of verification	Assumptions
<b>Component 3: Development of cultural products and services for the historic center of Quito</b>			
<b>3.1. Cofinancing from a competitive fund to develop and implement cultural products and services.<sup>9</sup></b> <b>3.1.1</b> Consultant to design the competitive fund's regulations and standardized project presentation forms. <sup>10</sup>	<b>By project month 6:</b> <b>3.1.1</b> Regulations approved. <b>By project end:</b> <b>3.1.3.a.</b> At least 25 projects approved. <b>3.1.3.b</b> At least 5 competitions held.	Executing agency's semiannual reports. Inspection visits. Midterm and final evaluations. Fund regulations. Approved projects. PPMR.	
<b>3.1.2</b> Consultant to provide advice for the formulation of projects preselected by the executing unit and monitor the execution of those selected. <b>3.1.3</b> Competitive fund resources for cofinancing.			
<b>3.2 Training of cultural entrepreneurs.</b> <b>3.2.1</b> Training workshops on administrative, financial, and business management.	<b>By project month 12:</b> <b>3.2.1b</b> 3 workshops implemented. <b>By project month 18:</b> <b>3.2.1c</b> 6 workshops implemented. <b>By project month 24:</b> <b>3.2.1d</b> 9 workshops implemented. <b>By project month 30:</b> <b>3.2.1e</b> 12 workshops implemented. <b>By project end:</b> <b>3.2.1f</b> 15 workshops implemented.	Executing agency's semiannual reports. Inspection visits. Midterm and final evaluations. Attendance records. PPMR.	

<sup>9</sup> Priority will be given to innovative sustainable products for which market demand has been demonstrated. Priority will also be given to those complementing the above-mentioned components.

<sup>10</sup> May include financing from program resources for up to 50% of the allocation for equipment. The maximum amount to be cofinanced from program resources for each network's strategic project is US\$20,000.

Narrative summary	Indicators	Means of verification	Assumptions
<b>Component 4: Evaluation, dissemination, and sustainability</b>			
<b>4.1 Development of the baseline and monitoring and tracking system.</b> <b>4.1.1</b> Engagement of consultant to develop the baseline, conduct a statistical census, and design the monitoring and tracking system. <sup>11</sup>	<b>By project month 12:</b> <b>4.1.1a</b> Baseline (census) established. <b>4.1.2a</b> Monitoring system designed. <b>4.1.1b</b> Statistical census conducted.	Executing agency's semiannual reports. Inspection visits. Midterm and final evaluations. PPMR.	
<b>4.1.2</b> Engagement of consultant to develop the monitoring and tracking software.			
<b>4.2 Design and implementation of project sustainability plan.</b> <b>4.2.1</b> Engagement of a consultant with international experience to design and implement the sustainability plan for the project based on its periodic monitoring.	<b>By project month 24:</b> <b>4.2.1.</b> Sustainability plan designed and approved	Executing agency's semiannual reports. Inspection visits. Midterm and final evaluations. PPMR.	
<b>4.3 Support for coordination of interagency cultural promotion actions in the historic center of Quito.</b> <b>4.3.1</b> Engagement of a consultant to develop a strategic plan, support its implementation, and propose public policy. <sup>12</sup>	<b>By project month 6:</b> <b>4.3.1.a</b> Strategic plan developed. <b>By project month 12:</b> <b>4.3.1.b</b> Implementation of strategic plan begun. <b>By project end:</b> <b>4.3.1.c</b> At least 2 draft policies agreed by consensus.	Executing agency's semiannual reports. Inspection visits. Midterm and final evaluations. PPMR.	

<sup>11</sup> Includes a census of businesses in Quito that provide cultural products and/or services in the historic center of Quito.

<sup>12</sup> The consultant's contract should be performance-based.

Narrative summary	Indicators	Means of verification	Assumptions
<p><b>4.4 Project dissemination activities.</b></p> <p><b>4.4.1</b> Project dissemination campaign.</p> <p><b>4.4.2</b> Dissemination workshop.</p>	<p><b>By project month 6:</b></p> <p><b>4.4.1a</b> Dissemination campaign designed and implementation begun.</p> <p><b>By project end:</b></p> <p><b>4.4.1.b</b> Dissemination campaign implemented.</p> <p><b>4.4.2a</b> Dissemination workshop held.</p>	<p>Executing agency's semiannual reports.</p> <p>Inspection visits.</p> <p>Midterm and final evaluations.</p> <p>PPMR.</p>	
<p><b>4.5 Attendance of international events to gain awareness of best practices.</b></p>	<p><b>By project end:</b></p> <p><b>4.5</b> At least 2 events attended.</p>	<p>Executing agency's semiannual reports.</p> <p>Inspection visits.</p> <p>Midterm and final evaluations.</p> <p>PPMR.</p>	
<p><b>4.6. Consulting assignment on best practices in the use of historical buildings for business purposes<sup>13</sup></b></p> <p><b>4.6.1</b> Engagement of an international consultant.</p>	<p><b>By project month 6:</b></p> <p><b>4.6.1</b> Strategic plan for the productive use of historical buildings in the historic center of Quito prioritized by the project coordination unit (PCU).</p>	<p>Executing agency's semiannual reports.</p> <p>Inspection visits.</p> <p>PPMR.</p>	
<p><b>4.7. Documentation of the public/private linkage model developed.</b></p> <p><b>4.7.1</b> Engagement of a consultant to document the experience.</p>	<p><b>By project end:</b></p> <p><b>4.7.1</b> The public/private linkage model documented for possible replication in other historic centers of LAC.</p>	<p>Executing agency's semiannual reports.</p> <p>Experience document (final consultant report).</p> <p>PPMR.</p>	

<sup>13</sup> The consulting assignment should include analysis of intervention options, which will take account of their economic, financial and social feasibility.

## BUDGET

### Cultural Industries as an Engine of Socioeconomic Development in the Quito Historic Center (EC-M1034)

I. 1. Networks of organized and dynamic cultural organizations			
	TOTAL COST	MIF	LOCAL COUNTER-PART
<b>1.1 Network development and linkage</b>	<b>44,000</b>	<b>42,000</b>	<b>2,000</b>
1.1.1 Consultant with international experience (including per diems, travel, and fees)	42,000	42,000	
1.1.2 Workshops	2,000		2,000
<b>1.2 Selection and training of network coordinators</b>	<b>104,000</b>	<b>0</b>	<b>104,000</b>
1.2.1 Coordinator for each network (half-time)	96,000		96,000
1.2.2 International internships for coordinators (including per diems and travel)	8,000		8,000
<b>1.3 Cofinancing of implementation of network strategic projects</b>	<b>70,000</b>	<b>70,000</b>	<b>0</b>
1.3.1 Cofinancing fund	70,000	70,000	
<b>1.4 Detailed update of a sustainability plan</b>	<b>7,500</b>	<b>0</b>	<b>7,500</b>
1.4.1 Consultant to update each network's sustainability plan	7,500		7,500
<b>1.5 Design of communication strategy for networks</b>	<b>102,000</b>	<b>102,000</b>	<b>0</b>
1.5.1 Consulting assignments to design and implement networks' image and marketing strategy	50,000	50,000	
1.5.2 Consulting firm to design and implement the web platform	52,000	52,000	
<b>1.6 Training of cultural promoters of the network member institutions</b>	<b>14,000</b>	<b>12,000</b>	<b>2,000</b>
1.6.1 Training seminars (accounting, management, business, and customer service)	14,000	12,000	2,000
<b>Subtotal</b>	<b>341,500</b>	<b>226,000</b>	<b>115,500</b>
II. Development of new business opportunities through production linkages			
	TOTAL COST	MIF	LOCAL COUNTER-PART
<b>2.1 Development and interconnexion of production linkages</b>	<b>42,000</b>	<b>42,000</b>	<b>0</b>
2.1.1 Consultant with international experience	42,000	42,000	
<b>2.2 Contracting of a production linkage coordinator</b>	<b>62,400</b>	<b>0</b>	<b>62,400</b>
2.2.1 Production linkage coordinator	62,400		62,400
<b>2.3 Cofinancing from a competitive fund for implementation of strategic production linkage projects</b>	<b>221,000</b>	<b>216,000</b>	<b>5,000</b>
2.3.1 Consultant to design the fund's regulations	5,000		5,000
2.3.2 Consultant to provide advice for the formulation of projects	16,000	16,000	
2.3.3 Cofinancing fund	200,000	200,000	
<b>Subtotal</b>	<b>325,400</b>	<b>258,000</b>	<b>67,400</b>
III. Development of cultural products and services for the historic center of Quito			
	TOTAL COST	MIF	LOCAL COUNTER-PART
<b>3.1 Cofinancing from a competitive fund to develop and implement cultural products and services</b>	<b>555,000</b>	<b>550,000</b>	<b>5,000</b>
3.1.1 Consultant to design the competitive fund's regulations	5,000		5,000
3.1.2 Consulting assignments to provide advice for the formulation and execution of the selected projects	50,000	50,000	
3.1.3 Cofinancing fund	500,000	500,000	
<b>3.2 Training of cultural entrepreneurs</b>	<b>27,000</b>	<b>22,500</b>	<b>4,500</b>
3.2.1 Training workshops on administrative, financial, and commercial management	27,000	22,500	4,500
<b>Subtotal</b>	<b>582,000</b>	<b>572,500</b>	<b>9,500</b>
IV. Evaluation, dissemination, and sustainability			
	TOTAL COST	MIF	LOCAL COUNTER-PART
<b>4.1 Census and monitoring and tracking system</b>	<b>33,750</b>	<b>0</b>	<b>33,750</b>
4.1.1 Consultant with experience in statistical surveys and monitoring and tracking system design	30,000		30,000
4.1.2 Consultant to develop monitoring and tracking software	3,750		3,750
<b>4.2 Design and implementation of project sustainability plan</b>	<b>12,000</b>	<b>12,000</b>	<b>0</b>
4.2.1 Consultant with international experience	12,000	12,000	
<b>4.3 Support for coordination of interagency cultural promotion actions in the historic center of Quito</b>	<b>41,000</b>	<b>0</b>	<b>41,000</b>
4.3.1 Consultant to develop a strategic plan, support its implementation, and propose public policy	41,000		41,000
<b>4.4 Project dissemination activities</b>	<b>42,000</b>	<b>0</b>	<b>42,000</b>
4.4.1 Dissemination campaign (including the invitation to submit proposals)	35,000		35,000
4.4.2 Dissemination workshop	7,000		7,000

<b>4.5 Attendance of international events to gain awareness of best practices</b>	<b>12,000</b>	<b>12,000</b>	
<b>4.6 Consulting assignment on best business practices in connection with historic houses</b>	<b>36,000</b>	<b>36,000</b>	<b>0</b>
4.6.1 International consultant	36,000	36,000	
<b>4.7 Documentation of public/private linkage model developed</b>	<b>7,000</b>	<b>7,000</b>	
4.7.1 Consultant to document the experience	7,000	7,000	
<b>Subtotal</b>	<b>183,750</b>	<b>67,000</b>	<b>116,750</b>
<b>V. Management</b>			
	<b>TOTAL COST</b>	<b>MIF</b>	<b>LOCAL COUNTER-PART</b>
5.1 Project coordinator	100,800		100,800
5.2 Project and procurement assistant	63,000		63,000
5.3 Financial assistant (part-time)	24,000		24,000
5.4 Consultant for fulfillment of conditions precedent	5,000		5,000
5.5 Administrative costs	27,300		27,300
5.6 Computer equipment	3,000	3,000	
<b>Subtotal</b>	<b>223,100</b>	<b>3,000</b>	<b>220,100</b>
<b>VI. Other</b>			
	<b>TOTAL COST</b>	<b>MIF</b>	<b>LOCAL COUNTER-PART</b>
6.1 Annual audits	20,000	20,000	
6.2 Midterm and final evaluations	20,000	20,000	
6.3 Ex post evaluation	30,000	30,000	
6.2 Contingencies	44,101	33,351	10,750
<b>Subtotal</b>	<b>114,101</b>	<b>103,351</b>	<b>10,750</b>
<b>PROJECT SUBTOTAL</b>	<b>1,769,851</b>	<b>1,229,851</b>	<b>540,000</b>
<b>VII. Impact evaluation fund</b>			
	<b>TOTAL COST</b>	<b>MIF</b>	<b>LOCAL COUNTER-PART</b>
7.1 Impact evaluation fund	6,149	6,149	
<b>PROJECT TOTAL</b>	<b>1,776,000</b>	<b>1,236,000</b>	<b>540,000</b>