

JAPAN SPECIAL FUND (JSF) TC-PROFILE

I. BASIC DATA

Beneficiary Country	Ecuador
Region	Andean Region / Metropolitan District of Quito
Project name	Institutional Strengthening of the Municipality of Quito's Secretariat for Social Development and Equity
Project team	Marcelo Perez Alfaro, (CAN/CEC) ,Mario Loterzspil (IFC/ICS)
Beneficiaries	Municipality of Quito's Secretariat for Social Development and Equity (SDES). Population of quintiles 1 and 2 of the DMQ.
Financing plan	IDB (JSF) US \$ 669,600
	Local Counterpart US \$ 171,600
	Total US \$ 841,200
Execution period	21 months
Disbursement period	24 months

II. BACKGROUND AND PROBLEM STATEMENT

- 2.1 The Metropolitan District of Quito (DMQ in Spanish), comprising the city of Quito and its metropolitan area, with about two million people, is a hub of industrial development, and an important center for finance, tourism and transportation. Despite the accelerated growth of the DMQ in the past decade, the rates of underemployment and unemployment, as well as the number of working children and international migrants have dramatically increased. According to the Integrated System for Social Indicators, 33.6% of the DMQ's population lives in poverty. The rate of illiteracy among the poor doubles that of the non-poor. Poor children in the DMQ have in average three years less of schooling than their non-poor pairs, and university enrolments are six times lower. Levels of malnourishment and infant mortality rates are high, and violence and insecurity have escalated, including domestic violence.
- 2.2 In 2004 the Municipality elaborated two strategic plans for its action. The Plan "Quito hacia el Bicentenario 2005-2009) outlines seven policies: (i) citizenship culture, (ii) productivity, competitiveness and employment; (iv) social justice with equality and universality; (v) improvement of universal education, (vi) environment protection; (vii) family strengthening; and, (viii) quality public administration. It also defines four strategic axis related to economic, social, territorial, and governance issues. In the social axis, the main aspects are: rights approach, equality and inclusion, and respect for social and cultural diversity. The emphasis of the Plan is to strengthen the DMQ, to promote decentralization and modernization of public services, citizen participation, and to secure access of the population to quality services. The Secretariat for Social Development and Equity (SDES) is the DMQ unit responsible for the formulation and application of policies, and the coordination and follow-up of social projects.
- 2.3 In the strategic planning of the DMQ, a strong emphasis is placed upon aligning planning, design and implementation of projects and programs to the national strategy, as in the case of actions on education, age, and disabilities issues. On the other hand the DMQ is also very proactive in implementing innovative social programs for its people, as it is in its scope and power to do so, and has often acted as a leading actor in the design and implementation of social policies at the national level.
- 2.3. **The Secretariat for Social Development and Equity.** The SDES was created in August of 2005. A number of programs and institutions are dependencies of the SDES, including the Metropolitan Directorates of Education, Culture and Sports, Health and Public Safety. Projects carried out by

the following municipal entities are also under the SDES: the Firefighters association; Health and Public Safety Associations; the National Sucre Theatre Foundation, San José Patronage Foundation¹ and City Museums Foundation. SDES mission is to contribute to the formulation, coordination, execution and evaluation of social policies in benefit of DMQ's population. The SDES privileges projects and programs focused on rights, gender, and ethnicity that are age-inclusive and participative. The SDES' strategic guidelines are aimed at promoting universal social justice with equity and to offer the population access to optimum conditions of nutrition, health, education, housing and public safety. Through its projects and services the SDES attends to the following sectors: children and adolescents, youth, women, people with special needs, senior citizens, migrants, Afro-Ecuadorians, Indigenous peoples, sex workers and the community in general.

- 2.4. Main reasons justifying the need to strengthen the SDES are: a) its low capacity to manage a significant amount and complexity of projects it directly or indirectly executes; b) its weakness in its role as policy maker, project executor and coordinator of social projects; c) the poor quality of its information systems; d) the lack of updated diagnostics by region within the DMQ; f) the lack of definition of social protection policies; g) the need to enhance the urban management system; h) the need to improve the participation of citizens to project and services offered by the SDES. There is also an imperative need to design a strategy for policy, programs and plans information and dissemination.
- 2.5. One of the two components of the Neighborhood Improvement Program (1740/OC-EC) foresees the strengthening of Urban Development Enterprise of Quito (EMDUQ), and of some municipal units (cadastres, finance, among others), but it does not plan to strengthen the SDES which is the institutions that plans and coordinates the execution of the social projects that will be financed within this Program. Moreover within the Habitat component, the social intervention proposal has a basic design that needs to be improved in its methodological and conceptual aspects, including the development of management models.

III. PROGRAM OBJECTIVES AND DESCRIPTION

- 3.1. The general objective of the TC is to strengthen the institutional capacity of DMQ's Secretariat of Social Development, in order to enhance its role as policy-maker and coordinator of the social sector.

Component I: Redefinition of Social Protection Policies

- 3.2. This component aims at improving the SDES' public policy system, to provide better services to vulnerable population in the DMQ. Consultancy services will be contracted for the design of the municipal social protection policy for the vulnerable population of the DMQ.
- 3.3. Expected result is the design of an intervention policy for the DMQ's social protection area.

Component II: Institutional Strengthening of the Secretariat of Social Development and Equity

- 3.4. The objective of this component is to improve the management of the SDES, so that it can better accomplish its role as policy-maker and coordinator of the social sector. This component will finance consultancy services for the execution of the following activities: i) analysis of the main social, economic and territorial indicators of the city of Quito; ii) development of strategic plans of the SDES in conjunction with governmental and local social actors, in the following areas: education, culture, sports, health, public safety, social protection and migration. All plans should incorporate an emphasis on gender, ethnicity, generation and participation; iii) implementation of

¹ This foundation provides social services (housing and food support) to extremely poor population like street children, homeless people, battered women, and local migrants

the processes management model and optimization of human resources according to their skills in four institutions that are carrying out social sector programs: SDES, Culture, Sports and the San José Municipal Patronage Foundation; iv) design and implementation of an internal monitoring system for the programs and projects under SDES responsibility; v) implementation of the Social Information System; vi) systematization of the social sector legal framework (national and local) and if needed, develop adjustment proposals; vii) Design of strategies for budget sustainability.

- 3.5. Expected results of this component are: i) analysis of main indicators carried out; ii) strategic plans developed; iii) processes management model implemented and human resources optimized; iv) internal monitoring and evaluation system designed and implemented; v) Social Information System implemented; vi) legal framework systematized and adjusted, if necessary; vii) strategies for budget sustainability designed.

Component III: Innovation of the social intervention actions of urban management.

- 3.6. The objective of this component is to contribute to the improvement of the SDES' interventions in the area of social services and income generation, for vulnerable populations in the DMQ. This component will contract consultancy services for the execution of the following activities: i) study of social stakeholders, social agenda, and DMQ administration; ii) design and development of a Participative Management System for Quito's neighborhoods²; iii) design and piloting of a participative integral social intervention model with a focus on gender and social equity (generation, ethnicity and culture); iv) within the Solidarity Basket Project, design and implementation of the Sistema de Fondos de Ahorro/Inversion Popular in one of the neighborhood selected; v) strengthen of programs and project related to the social area.

- 3.7. Expected results of this component are: i) study of social stakeholders, social agenda, and DMQ administration carried out; ii) Participative Management System designed; iii) a participative management model with focus on gender and social equity (ethnic, generation, and culture), designed, approved and executed in two chosen neighborhoods participating in the program 1740/OC-EC in at least three neighborhoods participating in the program 1740/OC-EC; iv) Sistema de Fondos de Ahorro/Inversion Popular implemented in one neighborhood; v.1) management model for the conversion of Municipal Artisan Centers into centers for training, employment and productive enterprises elaborated and at least one Center activated; v.2) Healthy Schools Program institutionalized with quality standards and promotion materials designed; v.3) design of a management model for an Integral Service Center for Children, Adolescents, Youth, Women and Senior Citizens, which will offer training programs in diverse subjects and services, designed and approved.

Component IV: Dissemination of Policies, Programs and Projects

- 3.8. The objective of this component is to disseminate information about policies, programs, projects, relevant actions and special events that have been carried out, are being executed, or are planned by the social sector of the DMQ. This component will finance consulting services for the execution of the following activities: i) design of a communication strategy for the social sector; ii) production of materials for the media and studies dissemination.

Component V: Monitoring and Evaluation

- 3.9. The objective of this component is to implement a project monitoring and evaluation system. This system will offer feedback to the SDES on the obstacles and corrective actions needed to ensure successful project execution.

² Through this system SDES will allow citizens to participate in the process of program design and execution assuring proper feed back along the project cycle.

- 3.10. This component will finance international consultancy services to execute the following activities: i) preparation of a baseline; ii) elaboration of monitoring and evaluation indicators; iii) progress and final reports. The monitoring and evaluation activities will be carried out through three visits (initial, intermediate, and final), with a minimum duration of two weeks, each one. Expected results of this component are: i) project baseline carried out; ii) monitoring and evaluation indicators elaborated; iii) Progress reports (intermediate and final) which will include recommendations to improve execution, lessons learnt and future recommendations, elaborated.

IV. BUDGET

- 4.1 The total cost of this Project is US\$841,200; of which the Japan Special Fund (JSF) will finance US\$669,600 and US \$171,600 corresponds to the contribution of the local counterpart. The detailed proposal is presented in the following table:

Component		JSF financing	Local counter part	Total
1	Component I: Redefinition of Social Protection Policies	27,200	0	27,200
2	Component II: Institutional Strengthening of the Secretariat of Social Development	285,600	20,400	306,000
3	Component III: Improvement of SDES' Human Development Programs	197,200	65,000	262,200
4	Component IV: Dissemination of Policies, Programs and Projects	26,100	40,000	66,100
5	Component V: Monitoring and evaluation	30,000	0	30,000
6	Other costs	103,500	46,200	149,700
Grand Total		669,600	171,600	841,200
		80 %	20 %	100 %

V. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 5.1 The Project will be carried out by the Secretariat of Social Development of the DMQ, through EMDUQ. EMDUQ is a private commercial company with legal identity, its own capital, and institutional autonomy, subject to the control and monitoring of the Superintendence of Companies and, as partially financed from public sources, it is also supervised by the Controller's Office.
- 5.2 EMDUQ's mission is to identify, promote, manage and execute strategic urban development projects, with the participation of diverse actors, in order to improve the quality of life and the competitiveness of the Metropolitan District of Quito. Its fields of specialization are urban planning, housing and ground management, public space and urban landscape, as well as the promotion and development of programs and projects directed towards the development of the community.
- 5.3 EMDUQ is currently carrying out the Neighborhood Improvement Program 1740/OC-EC, which guarantees that the components of the Project will be linked to the achievement of the objectives aimed at in that program. Furthermore, given that the EMDUQ is an autonomous enterprise, greater administrative efficiency can be expected for the contracting of consultants and other services planned for in the Project.
- 5.4 The SDES will be responsible for the coordination of the activities included in the program, the follow-up of their execution by the hired consultants, and employees of the SDES, Metropolitan Sectoral Directorates, Zonal Administrations, and involved foundations and organizations, as well as for the presentation of reports on the program's progress.
- 5.5 The EMDUQ will be responsible for the management of financial resources from the project partners and the local counterpart, as for the timely presentation of requests for disbursement and

5.6 The project sustainability is based on the consolidation of the metropolitan government's stability and credibility, resulting from the execution of the Equinoccio Plan. Furthermore, SDES counts on a professionally solvent technical team with ample experience in local government issues and a solid knowledge of DMQ problems.

VI. MAJOR ISSUES

VII. ACTION PLAN

[illegible]

IX. APPROVAL



Kei Kawabata, Sector Manager

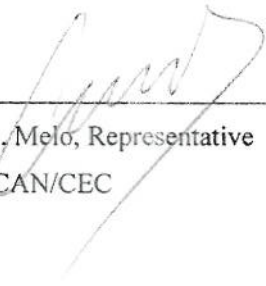


SCL/SCL

3-25-08

Date

Vo. Bo.



Carlos N. Melo, Representative

CAN/CEC

3-10-08

Date