

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	ECUADOR/CAN - Andean Group
▪ TC Name:	Support to strengthening the National Disaster Risk Management System
▪ TC Number:	EC-T1390
▪ Team Leader/Members:	HORI, TSUNEKI (CSD/RND) Team Leader; INURRITEGUI MAURTUA, MARISOL (CSD/RND) Alternate Team Leader; DAZA DONOSO, PABLO JOSE (CAN/CEC); VILLALBA, CRISTINA A (CAN/CEC); RESTREPO, LISA SOFIA (CSD/RND); GAGGERO, ANNABELLA (IFD/CMF); DURANTE, JUAN JOSE (IFD/CMF)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	Program to Strengthen the National Early Warning System-EC-L1221 - 3.Support for the Execution
▪ Date of TC Abstract:	19 Apr 2019
▪ Beneficiary:	The local and central governments of Ecuador
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	\$ 200,000.00
▪ Local counterpart funding:	\$ 50,000.00 (In Kind)
▪ Disbursement period:	30 months
▪ Types of consultants:	Not applicable
▪ Prepared by Unit:	Env, Rural Dev & Disaster Risk
▪ Unit of Disbursement Responsibility:	Country Office Ecuador
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Institutional capacity and rule of law; Climate change; Environmental sustainability

II. Objective and Justification

- 2.1 The general objective of this Technical Cooperation (TC) is to provide technical support to the National and Local Governments of Ecuador for strengthening the country's National Disaster Risk Management System through: (i) the identification of gaps to improve the national disaster risk management (DRM) governance; (ii) the design of priority actions for reducing disaster risk; and (iii) the development of technical inputs for a comprehensive disaster risk financing strategy.
- 2.2 The country's vulnerability to natural hazards, including earthquakes, floods, tsunamis, landslides and volcanic eruptions, is significant. From 1900 to 2019, the country experienced 35,000 disasters (DesInventar, 2016), of which 100 were major-scale disasters (EM-DAT, 2016). One of the significant recent events was an earthquake in April 2016 (of magnitude 7.8Mw) that caused 677 deaths, 1.2 million citizens seriously injured, and 35,000 houses destroyed.
- 2.3 In recent years, the Bank has provided support to the Government of Ecuador (GoE) in reducing the country's disaster risk, through loans and TC. These include: (i) Support to Ensure the Resilience of Public Infrastructure and Services System (TC: EC-T1354, financed by the Japanese Special Fund: JSF) to develop technical inputs necessary for increasing knowledge related to disaster risk; (ii) Program to Strengthen the National Early Warning System (a loan program EC-L1221) mainly for tsunamis;

and (iii) Contingent Loan for Natural Disaster Emergencies to provide liquidity and coverage extraordinary public expenditures during emergencies (Note: At the request of the country, the loan EC-O0006 is currently in preparation to restore its financial coverage to US\$300 million. The available balance of EC-X1014 will be canceled with the entry into force of EC-O0006).

- 2.4 As a result of these supporting projects, the national and local governments have made some progress towards reducing disaster risk through: (i) developing several important technical inputs to analyze future disaster risk through EC-T1354; (ii) expanding the territorial coverage of the early warning system (EWS) and improving local/community capacity for preparing future risk through EC-L1221; and (iii) providing a rapid emergency response and performing immediate rehabilitation of several critical infrastructures after the April 2016 earthquake with financial resources from the Contingent Loan EC-X1014.
- 2.5 Several important challenges need to be overcome however, to further strengthen the country's disaster risk management system. These include: (i) the need to make use of several under-utilized technical inputs to improve governance performance in risk reduction (these include legal instruments, regulations and institutional roles both at the national and local level); (ii) the improvement of EWS to prevent risks related to flooding and landslides that affect many areas of the country (that will complement existing capacities in tsunami preparedness that are being developed); and (iii) the design and implementation of a comprehensive disaster risk financing strategy that covers different financial instruments of both prevention (or for ex ante investment) and emergency assistance (or for ex post expense).

III. Description of Activities and Outputs

- 3.1 To address all challenges needed to strengthen the country's National Disaster Risk Management System, this TC is divided into three components: (i) strengthening governance framework for reducing disaster risk; (ii) preparing projects for reducing disaster risk; and (iii) developing technical inputs for disaster risk financing strategy.
- 3.2 **Component I: Strengthening governance framework for reducing disaster risk.** Based on the technical inputs developed through ongoing projects (specifically through EC-T1354), this component will diagnose gaps to incorporate the technical knowledges recently developed in policy, laws, norms and institutional regulations and identify actions necessary for local and national public entities; and elaborate plans for improving the governance framework necessary for reducing risk.
- 3.3 **Component II: Preparing projects for reducing disaster risk.** Based on the progress made through, and lessons learned from the EC-L1221 and EC-T1354, this component will identify priority actions necessary for disaster risk reduction - specifically in the face of flood and landslide hazards that frequently affect several sites of the country. Additionally, this component will design eventual public investment projects in disaster risk reduction.
- 3.4 **Component III: Developing financial strategy.** Within the framework of the Operating Regulations of EC-X1014/EC-O0006, this component will develop technical inputs necessary for developing a comprehensive financial strategy for disaster risk reduction and emergency response. The consultants will develop, among others: (i) a study to evaluate the insurance coverage in critical public infrastructure; and (ii) an in-depth review of financial instruments that the country could potentially use for disaster risk reduction and emergency response.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Strengthening governance framework for reducing disaster risk	\$ 40,000.00	\$ 10,000.00	\$ 50,000.00
Preparing projects for reducing disaster risk	\$ 120,000.00	\$ 30,000.00	\$ 150,000.00
Developing financial strategy	\$ 40,000.00	\$ 10,000.00	\$ 50,000.00

V. Executing Agency and Execution Structure

- 5.1 The Executing Agency for this TC will be the Bank, through CSD/RND. All administrative, technical supervision, necessary internal and external coordination and responsibility for the delivery and quality of the final products will be the responsibility of this division. The Bank will hire the services of individual consultants and consulting firms in accordance with the policies and procedures of the Bank.
- 5.2 The Executing Agency (The Bank) is proposed in accordance with the application letter by the national authority of Ecuador.

VI. Project Risks and Issues

- 6.1 Inter-institutional coordination is a key factor to maximize positive impact of this TC. At the same time, this factor may present a potential risk, diminish the impact of this TC and generate a delay in the execution of the same. This risk will be mitigated by the executing agency by facilitating a frequent inter-institutional coordination with the GoE during the execution of this TC.

VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "undefined".