

# PMR Public Report

|   |   |   |   |                        |                     |                        |                      |             |                    |
|---|---|---|---|------------------------|---------------------|------------------------|----------------------|-------------|--------------------|
| Operation Number  | EC-U0001                                | Chief of Operations Validation Date                       | 10/14/22  |                        |                     |                        |                      |             |                    |
| Year- PMR Cycle   | First period Jan-Jun 2022               | Division Chief Validation Date                            |   |                        |                     |                        |                      |             |                    |
| Last Update   | 10/14/22                                | Country Representative Validation Date                    |   |                        |                     |                        |                      |             |                    |
| PMR Validation Stage                                    | Validated by Chief of Operations        |   |   |                        |                     |                        |                      |             |                    |
| Basic Data  |   |   |   |                        |                     |                        |                      |             |                    |
| Operation Profile                                       |   |   |   |                        |                     |                        |                      |             |                    |
| Operation Name  | FINANCING LOW-INCOME HOUSING IN ECUADOR | Loan Number   | 4699/OC-EC  |                        |                     |                        |                      |             |                    |
| Executing Agency  | MINISTERIO DE ECONOMIA Y FINANZAS       | Sector/Subsector  | URBAN DEVELOPMENT AND HOUSING-HOUSING                             |                        |                     |                        |                      |             |                    |
| Team Leader   | PRATS CABRERA, JOAN ORIOL               | Overall Stage   | Disbursing (From eligibility until all the Operations are closed) |                        |                     |                        |                      |             |                    |
| Operation Type  | Guarantee                               | Country   | Ecuador   |                        |                     |                        |                      |             |                    |
| Lending Instrument                                      | Investment                              | Convergence related Operation(s)                          |   |                        |                     |                        |                      |             |                    |
| Borrower  | REPUBLICA DE ECUADOR                    |   |   |                        |                     |                        |                      |             |                    |
| Environmental and Social Safeguards                     |   |   |   |                        |                     |                        |                      |             |                    |
| Impacts Category  | B13                                     | Was/Were the objective(s) of this operation reformulated? | NO  |                        |                     |                        |                      |             |                    |
| Safeguard Performance Rating                            |   | Date of approval  |   |                        |                     |                        |                      |             |                    |
| Safeguard Performance Rating - Rationale                |   |   |   |                        |                     |                        |                      |             |                    |
| Financial Data  |   |   |   |                        |                     |                        |                      |             |                    |
|   | Total Cost and Source                   |   |   |                        |                     | Available Funds (US\$) |                      |             |                    |
| Operations  | Original IDB                            | Current IDB   | Local Counterpart   | Co-Financing / Country | Total Original Cost | Current IDB            | Disb. Amount to Date | % Disbursed | Undisbursed Amount |
| EC-U0001  | 300,000,000                             | 300,000,000   | 0   | 0                      | 300,000,000         | 300,000,000            | -                    | 0.00%       | 300,000,000        |
| Aggregated  | 300,000,000                             | 300,000,000   | 0   | 0                      | 300,000,000         | 300,000,000            | -                    | 0.00%       | 300,000,000        |
| Expense Categories by Loan Contract (cumulative values) |   |   |   |                        |                     |                        |                      |             |                    |

No Data Available

Please note that inactive indicators and outputs are not displayed; totals in the actual cost table may not match the sum of the cost of the outputs displayed, due to the cost of inactive outputs.

RESULTS MATRIX

General Development Objectives

General Development Objectives Nbr. 1: Financiamiento de Vivienda Social en Ecuador

Observation:

| Indicator |   | Unit of Measure | Baseline | Baseline Year | Expected Year of Achievement | EOP 2035 |      |
|-----------|---|-----------------|----------|---------------|------------------------------|----------|------|
| 1.0       | Tasa de hacinamiento de los deciles 6 a 9 | Porcentaje      | 6.14     | 2017          | 2025                         | P        | 6.05 |
|           |   |                 |          |               |                              | A        | -    |
| Details   |   |                 |          |               |                              |          |      |

Means of Verification: ENEMDU - Encuesta Nacional de Empleo, Desempleo y Subempleo

**Observations:** En ausencia del proyecto, la proyección realizada prevé que la tasa de hacinamiento en los hogares con ingreso familiar entre los deciles 6 a 9 se ubique en 6,24%. Se proyecta que con el proyecto dicha tasa se ubicaría en 6,05%. Los cálculos son conservadores sin considerar efectos demostración que incrementen el crédito más allá del proyecto. El hacinamiento es definido por una relación de personas-dormitorio mayor a tres; la tasa de hacinamiento refiere al porcentaje de hogares que verifican hacinamiento según esa definición.

The General Development Objective indicator target is expected to be observed by the operation's "Fully Justified" date in Convergence (CO): No

| Pro-Gender | No  | Pro-Ethnicity | No | CRF indicator   |          |               |                              |          |      |
|------------|---|---------------|----|-----------------|----------|---------------|------------------------------|----------|------|
|            |   |               |    |                 |          |               |                              |          |      |
| Indicator  |   |               |    | Unit of Measure | Baseline | Baseline Year | Expected Year of Achievement | EOP 2035 |      |
| 1.1        | Valor Agregado (VA) en las actividades de construcción en el segmento de las Viviendas de Interés Público (VIP) |               |    | USD millones    | 59.4     | 2017          | 2025                         | P        | 68.2 |
|            |   |               |    |                 |          |               |                              | A        | -    |
| Details    |   |               |    |                 |          |               |                              |          |      |

**Means of Verification:** Información Administrativa: Sistema de Información del MEF a través de información administrativa recopilada de las IFI, Cuentas Nacionales (BCE) e informe de análisis de costos beneficio ex post.

**Observations:** En ausencia del proyecto, se espera que el valor agregado de la construcción en el segmento VIP se reduzca a 23,1 millones. A efectos de este cálculo, el segmento de VIP se considera viviendas nuevas entre US\$20,000 y US\$70,000. Los valores proyectados suponen que la relación VA/Valor final se mantiene en los promedios observados en los últimos tres años en los datos de Cuentas Nacionales.

The General Development Objective indicator target is expected to be observed by the operation's "Fully Justified" date in Convergence (CO): No

| Pro-Gender | No   | Pro-Ethnicity   | No       | CRF indicator |                              |          |   |
|------------|--|-----------------|----------|---------------|------------------------------|----------|---|
|            |  |                 |          |               |                              |          |   |
| Indicator  |  | Unit of Measure | Baseline | Baseline Year | Expected Year of Achievement | EOP 2035 |   |
| 1.2        | Mujeres mayores de 15 años con un crédito hipotecario activo | Porcentaje      | 5        | 2017          | 2025                         | P        | 6 |
|            |  |                 |          |               |                              | A        | - |
| Details    |  |                 |          |               |                              |          |   |

Means of Verification: Global Findex Database

**Observations:** Se espera que el proyecto fomente, tanto por el efecto directo como por posibles efectos derrame/demostración, una mayor participación como sujeto de crédito en el segmento hipotecario.

The General Development Objective indicator target is expected to be observed by the operation's "Fully Justified" date in Convergence (CO): No

|            |    |               |    |               |  |  |  |
|------------|----|---------------|----|---------------|--|--|--|
| Pro-Gender | No | Pro-Ethnicity | No | CRF indicator |  |  |  |
|            |    |               |    |               |  |  |  |

RESULTS MATRIX

Specific Development Objectives

Specific Development Objectives Nbr. 1: Componente Único - Crédito hipotecario para Vivienda de Interés Público (VIP)

Observation:

|     | Indicator   | Unit of Measure | Baseline | Baseline Year |   | 2035 | EOP 2035 |
|-----|---|-----------------|----------|---------------|---|------|----------|
| 1.0 | Crédito hipotecario con destino a las VIP con relación al total del crédito hipotecario | Porcentaje      | 14.4     | 2017          | P | -    | 12.6     |
|     |   |                 |          |               | A | -    | -        |

Details

Means of Verification: Información Administrativa: Sistema de Información de MEF a través de información administrativa recopilada de las IFI, e información de la Superintendencia de Bancos

Observations: Se espera que, en ausencia del proyecto, el porcentaje de crédito hipotecario con destino a las VIP con relación al crédito total hipotecario se ubique en torno al 4,2%. A efectos de este cálculo, el segmento de VIP se considera viviendas nuevas entre US\$20.000 y US\$70.000.

Evaluation Methodology: -

|            |    |               |    |               |  |
|------------|----|---------------|----|---------------|--|
| Pro-Gender | No | Pro-Ethnicity | No | CRF indicator |  |
|            |    |               |    |               |  |

|     | Indicator   | Unit of Measure | Baseline | Baseline Year |   | 2035 | EOP 2035 |
|-----|---|-----------------|----------|---------------|---|------|----------|
| 1.2 | Total de crédito para VIP colocado por los bancos privados y las entidades de la economía popular y solidaria | USD millones    | 361      | 2018          | P | -    | 300      |
|     |   |                 |          |               | A | -    | -        |

Details

Means of Verification: Superintendencia de Bancos del Ecuador y Superintendencia de las entidades de la economía popular y solidaria

Observations: Entre 2015 y 2018 se colocaron un total de US\$361 millones en créditos para VIP a través de las líneas provistas por el Banco Central del Ecuador (BCE). Tras la aprobación de la Ley de Fomento Productivo en 2018, se terminan las líneas de financiamiento del BCE (ver Párrafo 1.11 de la Propuesta de Garantía para más detalle). Sin este financiamiento del BCE, se asume que no habría financiamiento para VIP entre 2019 y 2022. En dicho período, con la introducción del proyecto, se espera que se financien créditos VIP por un total de US\$300 millones.

Evaluation Methodology: -

|            |    |               |    |               |  |
|------------|----|---------------|----|---------------|--|
| Pro-Gender | No | Pro-Ethnicity | No | CRF indicator |  |
|            |    |               |    |               |  |

|     | Indicator  | Unit of Measure | Baseline | Baseline Year |   | 2035 | EOP 2035 |
|-----|--|-----------------|----------|---------------|---|------|----------|
| 1.3 | Déficit habitacional cuantitativo en hogares con ingreso familiar entre los deciles 6 a 9 de la distribución | Porcentaje      | 7.5      | 2017          | P | -    | 7.39     |
|     |  |                 |          |               | A | -    | -        |

Details

Means of Verification: Información Administrativa: Sistema de Información de MEF a través de información administrativa recopilada de las IFI y ENEMDU

Observations: En base a cálculos propios, se estima que, en ausencia del proyecto, el porcentaje de hogares con déficit cuantitativo en el año 2022 ascendería a 7,62%. Ver nota al pie 7 del documento de Propuesta de Garantía para definición del déficit cuantitativo

Evaluation Methodology: -

|            |    |               |    |               |  |
|------------|----|---------------|----|---------------|--|
| Pro-Gender | No | Pro-Ethnicity | No | CRF indicator |  |
|            |    |               |    |               |  |

|     | Indicator  | Unit of Measure | Baseline | Baseline Year |   | 2035 | EOP 2035 |
|-----|--|-----------------|----------|---------------|---|------|----------|
| 1.4 | Crédito hipotecario en el segmento de las VIP otorgado a mujeres | Porcentaje      | 44       | 2017          | P | -    | 50       |
|     |  |                 |          |               | A | -    | -        |

Details

Means of Verification: Información Administrativa: Sistema de Información de MEF e información de la Superintendenci a de Bancos

Observations: El Reglamento Operativo del Proyecto (ROP) articulará regulaciones, incentivos y restricciones destinadas a elevar la participación de las mujeres como receptoras de créditos hipotecarios en el segmento de VIP (ver párrafo 1.10 del del documento de Propuesta de Garantía).

Evaluation Methodology: -

|            |    |               |    |               |  |
|------------|----|---------------|----|---------------|--|
| Pro-Gender | No | Pro-Ethnicity | No | CRF indicator |  |
|            |    |               |    |               |  |

RESULTS MATRIX

OUTPUTS: ANNUAL PHYSICAL AND FINANCIAL PROGRESS

Component Nbr. 1 Componente Único - Crédito hipotecario para Vivienda de Interés Público (VIP)

|      |  |                 |       | PHYSICAL PROGRESS |          | FINANCIAL PROGRESS |          |
|------|--|-----------------|-------|-------------------|----------|--------------------|----------|
|      | Output   | Unit of Measure |       | 2022              | EOP 2035 | 2022               | EOP 2035 |
| 1.01 | Crédito hipotecario para las VIP a personas naturales a través de los intermediarios financieros | Créditos        | P     | 760               | 4,560    | -                  | 300      |
|      |  |                 | P (a) | 855               | 4,560    | -                  | 300      |
|      |  |                 | A     | 2,142             | 2,390    | -                  | 300      |

| Total Cost |            |       |   |     |
|------------|------------|-------|---|-----|
|            | Total Cost | P     | 0 | 300 |
|            |            | P (a) | 0 | 300 |
|            |            | A     | 0 | 300 |

| CHANGES TO THE MATRIX |  |                |   |             |                   |
|-----------------------|--|----------------|---|-------------|-------------------|
| Section               | Name   | Type of Change | Sub type  | Modified By | Entered in System |
| Output                | Crédito hipotecario para las VIP a personas naturales a través de los intermediarios financieros | Modify Output  | Modify Physical EOP P(a) value - caused by a change in the Physical P(a). | KARINAC     | 9/20/2022         |
|                       |  |                | Modify Physical Historical Actual   | KARINAC     | 9/20/2022         |

RISKS AND PLANNED RESPONSES

| Risk ID | Risk Status      |                     | Risk Taxonomy                      |
|---------|------------------|---------------------|------------------------------------|
| 3       | Active           |                     | Economic and Financial Environment |
|         |                  |                     |                                    |
|         | Response Actions |                     |                                    |
|         | 3.1              | Management Strategy | Status                             |
|         |                  | AVOID               | COMPLETE                           |
|         |                  |                     |                                    |
|         | 3.2              | Management Strategy | Status                             |
|         |                  | MITIGATE            | COMPLETE                           |
|         |                  |                     |                                    |
|         |                  |                     |                                    |

| Risk ID | Risk Status      |                     | Risk Taxonomy     |
|---------|------------------|---------------------|-------------------|
| 6       | Active           |                     | Legal Environment |
|         |                  |                     |                   |
|         | Response Actions |                     |                   |
|         | 6.1              | Management Strategy | Status            |
|         |                  | ACCEPT              | ACTIVE            |
|         |                  |                     |                   |
|         |                  |                     |                   |

| Risk ID | Risk Status      |                     | Risk Taxonomy        |
|---------|------------------|---------------------|----------------------|
| 9       | Inactive         |                     | Governance Framework |
|         |                  |                     |                      |
|         | Response Actions |                     |                      |
|         | 9.0              | Management Strategy | Status               |
|         |                  | -                   |                      |
|         |                  |                     |                      |
|         |                  |                     |                      |

| Risk ID | Risk Status      |                     | Risk Taxonomy         |
|---------|------------------|---------------------|-----------------------|
| 11      | Active           |                     | Political Environment |
|         |                  |                     |                       |
|         | Response Actions |                     |                       |
|         | 11.0             | Management Strategy | Status                |
|         |                  | -                   |                       |
|         |                  |                     |                       |
|         |                  |                     |                       |

| Risk ID | Risk Status      |                     | Risk Taxonomy            |
|---------|------------------|---------------------|--------------------------|
| 13      | Active           |                     | Organizational Structure |
|         |                  |                     |                          |
|         | Response Actions |                     |                          |
|         | 13.0             | Management Strategy | Status                   |
|         |                  | -                   |                          |
|         |                  |                     |                          |
|         |                  |                     |                          |

| Risk ID | Risk Status      |                     | Risk Taxonomy                      |
|---------|------------------|---------------------|------------------------------------|
| 14      | Active           |                     | Economic and Financial Environment |
|         |                  |                     |                                    |
|         | Response Actions |                     |                                    |
|         | 14.1             | Management Strategy | Status                             |
|         |                  | ACCEPT              | ACTIVE                             |
|         |                  |                     |                                    |
|         |                  |                     |                                    |

IMPLEMENTATION STATUS AND LEARNING

| Lesson Learned - Categories        |
|------------------------------------|
| Project Management Capacity        |
| Project Design                     |
| Stakeholder Priorities             |
| Legal aspects and public processes |