

# TECHNICAL COOPERATION PROFILE

JULY 9, 2008

## I. BASIC PROJECT DATA

- **Country/Region:** Ecuador.
- **Program Name/Number:** Strategy to Strengthen Trade Logistics and Trade Facilitation / EC-T1173.
- **Team Leader/Members:** Leader: Claudia Stevenson (ICF/CMF); other members: Rosa Matilde Guerrero (CMF/CEC); Manuel Márquez (INT/INT); Marelía Martínez (Consultora); LEG; and Annabella Gaggero (ICF/CMF).
- **Date of Request:** July 1, 2008.
- **Beneficiary:** Ecuador / National Council for the Reactivation of Production and Competitiveness (Consejo Nacional para la Reactivación de la Producción y la Competitividad – CNPC).
- **Executing Agency:** The Bank – ICF/CMF.
- **Financing plan:**

IDB-Canada Trade Fund:	CAD\$236,750	US\$244,070
Local (in-kind):	CAD\$ 65,000	US\$ 67,000
Total:	CAD\$301,750	US\$311,080
- **Tentative dates:** Profile Approval: July 2008  
Plan of Operations Approval: August 2008

## II. BACKGROUND

- 2.1 Transport and Logistic practices and costs in general, as well as the delayed trade facilitation measures that should have already taken place, have been identified as impacting the competitiveness in a substantial proportion. The Bank carried out two consulting activities in 2006 and 2007 that highlighted the critical situation of the transport sector, the scarce diversification of logistic services that impact production costs, and the constraints that non-traditional exports and importers have to face while crossing borders (ports, airports and border crossing points).
- 2.2 During the first Forum of the WG, the constraints on logistics for regional integration and economic development were discussed widely with the relevant stakeholders from the public and private sector. As a result of the diagnosis, and in line with CNPC statutes and working methods, the creation of the High-Level working group in Trade Logistics and Trade Facilitation was proposed and was supported by the participants in the Forum. This TC provides technical assistance and improves the capacity of the different stakeholders in this industry (private sector, public sector and labor unions) to develop a long term plan and strategy

- aimed at reducing logistic costs, implementing sound measures to improve competitiveness and promote solutions that contribute to economic inclusion and poverty reduction
- 2.3 The project will support the activities of the High-Level Public/Private Working Group already set up at the CNPC, the WG-TLogTFac, and will support the deepening of the first draft of the implementation plan agreed at the launching forum held in early October in Quito. In this context, seven (7) sub-groups were established: Policy and Planning, Legal, Institutional, Infrastructure, Productive and Logistic Chains, Trade Facilitation, Human Resources and Innovation, and a Joint Declaration installing the WG was approved. The plan will include actions to support legal, institutional and regulatory reforms, processes and procedures, capacity building and innovation, and new investments related to logistic facilities aimed at promoting the development of added-value logistic services nationwide.
- 2.4 Currently, the Bank is working on the second phase of a Competitiveness Program, through a programmatic approach that supports institutional and regulatory reforms. The establishment and functioning of the WG, as well as the generation of a sector-wide set of policies, plans and programs will support the policy objective of reducing the cost of doing business of the Program.

### III. OBJECTIVES AND COMPONENTS OF THE PROJECT

- 3.1 The objective of this project is to support the National Council for the Reactivation of Production and Competitiveness (CNPC), in the development of a national policy, sectoral plans, programs and action plans to improve the efficiency and effectiveness of current practices in trade logistics and trade facilitation in Ecuador. To achieve this objective, the project will include the following components and activities.
- 3.2 **Component I: Support to the High-Level Working Group.** The objective of this component is to support the working activities of the High-Level Working Group in Trade Logistics and Trade Facilitation (WG-TLogTFac). The Bank will hire individual consultants that will support the discussions of the WG-TLogTFac and its sub-groups, will participate in seminars, present worldwide experience and benchmarking, providing expert advice, and develop working papers.
- 3.3 **Component II: Studies.** Specific consulting studies supporting priority activities defined by the WG during the launching forum will be developed under the TC such as: (i) the design of the National Observatory of Transport and Logistics; (ii) the institutional and infrastructure design required to adapt the model of bi-national border crossing control centers; (iii) national Policy in Logistics and its implementation strategy; (iv) and the preparation of detailed ToR for a national strategy plan for Human Resources and Innovation in Logistics.

#### IV. BUDGET

- 4.1 The total estimated budget of the project is CAD\$301,750. The IDB-Canada Trade Fund contribution is CAD\$236,750 and the counterpart funding from the CNPC is CAD\$65,000. A detailed budget follows.

Detailed Budget (in Canadian dollars)			
Item	Total	IDB-CCT	Local
<b>Component 1: Support to the WG-TlogTFac</b>	<b>87,750</b>	<b>22,750</b>	<b>65,000</b>
a. Coordinator of the WG-TlogTFac	63,000		63,000
b. Experts (2 x 15 days)	22,750	22,750	
c. Seminars, meetings and working sessions	2,000		2,000
<b>Component 2: Studies</b>	<b>209,000</b>	<b>209,000</b>	<b>-</b>
<b>Contingencies</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>
<b>Total</b>	<b>301,750</b>	<b>236,750</b>	<b>65,000</b>

#### V. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 5.1 The project will be executed by the Bank, with ICF/CMF having the principal technical responsibility. ICF/CMF will also be responsible for disbursements and basic administration.
- 5.2 The contracting of the project consultants will be carried out by ICF/CMF in accordance with the Bank's policies and procedures set forth in document GN-2350-7 (Policies for the Selection and Procurement of Consulting Services Financed by the IDB). The project will be executed over a period of 12 months with a disbursement period of 18 months.

#### VI. BENEFITS AND ISSUES

- 6.1 As a result of the first meeting of the WG-TLogTFac group, a series of areas that needed to be tackled were identified and consensus was reached among the different stakeholders on the need to carry further work on them in order to improve the provision of logistics services in Ecuador. The sustainability of the products financed through the TC depends on the implementation of the actions suggested by this group. The deliverables will be detailed studies with concrete plans of actions and activities designed to build up consensus and awareness in these areas in order to generate sufficient momentum for follow-up activities for public and private stakeholders.

## **VII. ACTION PLAN**

- 7.1 The different activities to be carried out under this TC have already been discussed and agreed with the principal stakeholders from both the Public and Private Sectors. A Plan of Operations will be prepared and submitted by July 2008.

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

- 8.1 This operation is connected with the Programmatic Series EC-L1004 and EC-L1033. Also, in view of the nature of the operation and the activities to be financed – consulting services and studies as specified in paragraphs 3.2 and 3.3–, the team estimates that the project will have no environmental or social impact. For this reason, this TC has been classified as a category “C” operation.

## **IX. APPROVAL**

*Original signed, July 9, 2008*

Kurt Focke, Division Chief ICF/CMF

# SAFEGUARD POLICY FILTER REPORT

This Report provides guidance for project teams on safeguard policy triggers and should be attached as an annex to the Project Concept Document (or equivalent) together with the Safeguard Screening Form, and sent to CESI.

1. Save as a Word document. 2. Enter additional information in the spaces provided, where applicable. 3. Save new changes.

PROJECT DETAILS	IDB Sector	Trade
	Type of Operation	Technical Cooperation
	Additional Operation Details	
	Country	Ecuador
	Project Status	New Operation
	Investment Checklist	Generic Checklist
	Team Leader	Claudia Stevenson
	Project Title	Strategy to Strengthen Trade Logistics and Trade Facilitation
	Project Number	EC-T1173
	Safeguard Specialist(s)	<i>To be completed by assessor</i>
	Assessment Date	2008-07-03
	Assessment Number	2008-07031343-2
	Additional Comments	

SAFEGUARD POLICY FILTER RESULTS	Type of Operation	Technical Cooperation	
	Safeguard Policy Items Identified (Yes)	No issues identified	
	Potential Safeguard Policy Items (?)	No potential issues identified	
	Recommended Action	Operation has not triggered any Policy Directives. Complete Project Classification Tool. Submit Safeguard Policy Filter Report, PCD (or equivalent) and Safeguard Screening Form to CESI Secretariat.	
	Additional Comments	<i>Policy Directives can be accessed from the Resources tab on the Toolkit home page.</i>	

ASSESSOR DETAILS	Name of person who completed screening:	
	Title	
	Date	2008-07-03

# SAFEGUARD SCREENING FORM

This Report provides a summary of the project classification process and is consistent with Safeguard Screening Form requirements. The printed Report should be attached as an annex to the Project Concept Document (or equivalent) (together with the Safeguard Policy Filter Report) and sent to CESI.

1. Save as a Word document. 2. Enter additional information in the spaces provided, where applicable. 3. Save new changes.

<b>PROJECT DETAILS</b>	IDB Sector	Trade
	Type of Operation	Technical Cooperation
	Additional Operation Details	
	Country	Ecuador
	Project Status	New Operation
	Investment Checklist	Generic Checklist
	Team Leader	Claudia Stevenson
	Project Title	Strategy to Strengthen Trade Logistics and Trade Facilitation
	Project Number	EC-T1173
	Safeguard Specialist(s)	<i>To be completed by assessor</i>
	Assessment Date	2008-07-03
	Assessment Number	2008-07031750-2
	Additional Comments	

<b>PROJECT CLASSIFICATION SUMMARY</b>	Project Category: C	Override Rating:	Override Justification:
			Comments:
	Conditions/Recommendations	<ul style="list-style-type: none"> <li>No environmental assessment studies or consultations are required for Category "C" operations (as established under directive B.3 of the Environment Policy).</li> <li>Some Category "C" operations may require specific safeguard or monitoring requirements (Policy Directive B.3).</li> <li>The Project Team must send the PCD (or equivalent) containing an Environmental and Social Strategy (ESS -- the requirements for an ESS are described in the Environment Policy Guideline: Directive B.3; paragraph 9).</li> </ul> <p><i>Policy Directives can be accessed from the Resources tab on the Toolkit home page.</i></p>	

<b>SUMMARY OF IMPACTS/RISKS AND POTENTIAL SOLUTIONS</b>	Identified Impacts/Risks	Potential Solutions
	No issues identified	

<b>ASSESSOR DETAILS</b>	Name of person who completed screening: Annabella Gaggero	Date: Project Assistant
	Comments:	

## Gaggero, Annabella

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**From:** ESRNet  
**Sent:** Monday, July 07, 2008 5:37 PM  
**To:** ICF-CMF  
**Cc:** Stevenson, Claudia; Lugo, Gloria; ESRNet  
**Subject:** CLEARED/ RE: ECUADOR: Strategy to Strengthen Trade Logistics and Trade Facilitation (EC-T1173)

Project classification: C

As specified under the ESR procedures this operation has been cleared by ESR secretariat. No further action is required in the ESR process.

Thank you very much,

ESR team

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**From:** ICF-CMF  
**Sent:** Thursday, July 03, 2008 5:05 PM  
**To:** ESRNet  
**Cc:** Stevenson, Claudia; Lugo, Gloria  
**Subject:** ECUADOR: Strategy to Strengthen Trade Logistics and Trade Facilitation (EC-T1173)

Adjunto, para su revisión, el Perfil de Cooperación Técnica del Programa de la referencia.

Atentamente,

Annabella Gaggero  
Capital Markets and Financial Institutions Division (ICF/CMF)  
Inter-American Development Bank  
Tel. (202) 623-1491  
annabellag@iadb.org

<< File: IDBDOCS-#1514101-v1-Safeguard\_Policy\_Filter\_Report.DOC >> << File: IDBDOCS-#1514108-v1-Safeguard\_Screening\_Form.DOC >> << File: IDBDOCS-#1504357-v1-Technical\_Cooperation\_Profile.DOC >>



Consejo Nacional  
para la Reactivación de la  
Producción y la Competitividad

Oficio No CNPC-DE-425-2008  
Quito, 01 de Julio del 2008

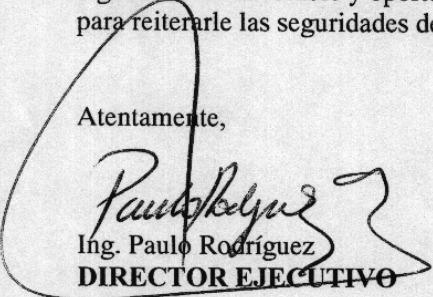
Economista  
Carlos Melo  
Representante del BID en el Ecuador  
**BANCO INTERAMERICANO DE DESARROLLO**  
Ciudad.

De mi consideración:

Convencido que el Gobierno del Ecuador, a través del Consejo Nacional para la Reactivación de la Producción y Coimpetitividad (CNPC), coadyuvando al cumplimiento del Plan Nacional de Desarrollo y, con la finalidad de avanzar en el plano de acción concretado al término del Taller de Desarrollo Logístico y Facilitación del Comercio y del Transporte, efectuado en la ciudad de Quito en Octubre del 2007, me permito solicitar su apoyo mediante una Cooperación Técnica No Reembolsable a través del BID –Canadá Fondo de Comercio, para ejecutar el Proyecto **"Estrategia para Fortalecer la Logística Comercial y la Facilitación del Comercio"**, por un monto de US.\$244.070,00.

Agradezco su favorable y oportuna acogida a esta solicitud y aprovecho la oportunidad para reiterarle las seguridades de mi distinguida consideración.

Atentamente,

  
Ing. Paulo Rodríguez  
**DIRECTOR EJECUTIVO**

**BANCO INTERAMERICANO  
DE DESARROLLO**  
REPRESENTACIÓN EN ECUADOR  
Fecha: 01-07-08 Hora: 16h24  
Firma: [Firma manuscrita]