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PROJECT COMPLETION REPORT

MEXICO

**SECOND URBAN AND REGIONAL DEVELOPMENT PROJECT
(LOAN 1990-ME)**

JANUARY 12, 1993

**Infrastructure and Energy Operations Division
Country Department II
Latin America and the Caribbean Regional Office**

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PROJECT COMPLETION REPORT

CURRENCY EQUIVALENTS

Currency Unit	=	MXP (Mexican Peso)
August 1981	1 US\$	= 22 MXP
July 1989	1 US\$	= 2,800 MXP

GLOSSARY OF ABBREVIATIONS

BANOBRAS	Banco Nacional de Obras y Servicios Públicos	National Development Bank for Public Works
FIDEIN	Fideicomiso de Conjuntos, Parques Ciudades Industriales y Centros Comerciales	Trust fund for Industrial Estate Development
FIFAPA	Fondo de Inversiones Financieras para Agua Potable y Alcantarillado	Investment Fund for Water Supply and Sewerage
FOGAIN	Fondo de Garantía y Fomento a la Industria Pequeña y Mediana	Small and Medium Industry Guarantee and Development Fund
FOMUN	Fondo de Fomento Municipal	Municipal Development Fund
FONHAPO	Fideicomiso Fondo Nacional de Habitaciones Populares	National Fund for Low-Cost Housing
MCMA	Área Metropolitana de la Ciudad de México	Mexico City Metropolitan Area
PACDU	Programa de Acción Concertada para el Desarrollo Urbano	Program of Concerted Action for Urban Development
SAHOP	Secretaría de Asentamientos Humanos y Obras Públicas	Ministry of Human Settlements and Public Works
SEDUE	Secretaría de Ecología y Desarrollo Urbano	Ministry of Urban Development and Ecology
SHCP	Secretaría de Hacienda y Crédito Público	Ministry of Finances
SPP	Secretaría de Programación y Presupuesto	Ministry of Planning and Budget

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THE WORLD BANK
Washington, D.C. 20433
U.S.A.

Office of Director-General
Operations Evaluation

January 12, 1993

MEMORANDUM TO THE EXECUTIVE DIRECTORS AND THE PRESIDENT

SUBJECT: Project Completion Report on Mexico
Second Urban and Regional Development Project (Loan 1990-ME)

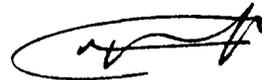
Attached is a copy of the report entitled "Project Completion Report on Mexico - Second Urban and Regional Development Project (Loan 1990-ME)" prepared by the Latin America and Caribbean Regional Office with Part II contributed by the Borrower.

This project suffered from difficult country conditions both political and economic. During preparation of the project, the Bank failed to obtain commitment for an approach which entailed a new lending system through a large number of local borrowing institutions. The Government did not succeed to gain the necessary support and understanding for this complex project at the local level. The results in physical investments were extremely limited. Achievements of institutional targets were minimal and cost recovery performance was poor. The studies that were to establish a programmatic approach to regional development were not carried out. The policy impact of this project, for all practical purposes, was nil. Eventually, nearly half of the loan amount was diverted to supplement housing programs under the Earthquake Reconstruction and Rehabilitation Project (Loan 2665-ME) which remains perhaps the only significant contribution of this project.

Overall, the project is rated as very unsatisfactory, its institutional achievements as negligible, and its sustainability as unlikely.

The project is being audited in the framework of the Mexico Country Study.

Attachment



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PROJECT COMPLETION REPORT

MEXICO

SECOND URBAN AND REGIONAL DEVELOPMENT PROJECT
(LOAN 1990-ME)

PREFACE

This is the Project Completion Report (PCR) for the Second Urban and Regional Development Project in Mexico, for which Loan 1990-ME, in the amount of US\$164 million was approved on August 13, 1981. The Borrower was BANOBRAS (Banco Nacional de Obras y Servicios Públicos) with the Mexican Government acting as the Guarantor. Following the September 1985 earthquake, an amount of US\$81 million was reallocated towards the reconstruction program. US\$20 million were canceled. The loan was closed in July 1989 four years behind schedule with the last disbursement made in September 1989.

This PCR was prepared jointly by the Infrastructure and Energy Operations Division, Department II, Latin American and the Caribbean Region Office (Preface, Evaluations Summary, Parts I & III) and by the Borrower (Part II). The report is based, inter alia, on the Staff Appraisal Report, the President's report, the Loan, Project and Guarantee Agreements, supervision reports, internal Bank memoranda, and correspondence between the Bank and the Borrower.

PROJECT COMPLETION REPORT

MEXICO

SECOND URBAN AND REGIONAL DEVELOPMENT PROJECT

(LOAN 1990-ME)

EVALUATION SUMMARY

1. Project Objectives. The objective of the project was to assist the Government in its efforts to: (a) establish an appropriate spatial strategy by facilitating and harmonizing urban growth in one of the highest priority development regions in the country; (b) set up a programmatic approach to urban and regional development and; (c) develop the Isthmus of Tehuantepec region's full economic potential in the interest of both the national economy and the region's population. To this end, the project was to finance a variety of housing, infrastructure, and credit operations in municipalities of the three States of Chiapas, Tabasco and Veracruz.

2. Implementation Experience. From the outset, the project suffered from difficulties in coordination between the Borrower, BANOBRAS (Banco Nacional de Obras y Servicios Públicos), and the various executing agencies at the federal, state and municipal government levels. Staffing was not adequate to promote and coordinate project activities. Moreover, the project elicited only little interest from state executing agencies and municipal authorities since they were able to obtain funding for the same type of investments as the ones eligible for project funding from other sources such as IDB or the same BANOBRAS, at more advantageous conditions. As of the second year of implementation, the project came to a virtual halt. Following the September 1985 earthquake, the Bank agreed to reallocate about half of the loan resources (US\$81.8 million) for housing reconstruction programs in Mexico City, thereby complementing the resources made available under the Earthquake Reconstruction and Rehabilitation Project (Ln. 2665-ME).¹ Implemented in conjunction with the latter project, this part was fully completed in 1989.

3. Results. All in all, the project achieved only a few tangible results, most of which were limited to the area of infrastructure works. In the Shelter and Related Activities component only about 6% of the originally planned program was completed. Similarly low results were achieved in the Urban Upgrading and Productive Activities components. Comparatively better was the outcome in the City-wide Infrastructure component that could be

1/ A PCR for Loan 2665-ME is being issued separately.

completed to about 80% of the original program. Conversely, the earthquake housing reconstruction programs implemented, in association with Loan 2665-ME, in Mexico City and the State of Jalisco were successfully completed.

4. Lessons Learned. Complex multi-sector, multi-agency and multi-institutional projects have only a chance to succeed if they enjoy a continuously strong political support on part of all the authorities involved and can be carried out by dedicated institutions with adequate technical implementing capacity. For the project under review, it would probably have been preferable to set more modest targets, take a more cautious approach and limit the scope of the project, possibly to one State and to a smaller number of components.

5. In view of the changes at the political level that took place between appraisal and actual inception of implementation, the interests of the project would probably have been better served if, rather than to pursue objectives and execution arrangements that had become inadequate, a thorough restructuring of the project had been undertaken at a very early stage of implementation, as soon as the major shortcomings in project design became apparent.

6. Operations that involve primarily sub-lending activities should only be carried forward on the basis of a comprehensive previous assessment of the overall funding sources available for the sector and upon ascertaining that the resources provided under the proposed operation are indeed competitive with those from other sources.

PROJECT COMPLETION REPORT

MEXICO

SECOND URBAN AND REGIONAL DEVELOPMENT PROJECT (LOAN 1990-ME)

PART I: PROJECT REVIEW FROM BANK'S PERSPECTIVE

1. Project Identity

Name : Second Urban and Regional Development Project
Loan No. : 1990-ME
RVP Unit : Latin America and the Caribbean Region
Country Department II
Sector : Infrastructure and Energy
Subsector : Urban

2. Project Background

2.01 Economic development in Mexico displays a high degree of spatial concentration in terms of activities and population. A longstanding objective of several successive Governments has been to prepare and implement strategies that would aim at slowing down the growth of the Mexico City Metropolitan Area (MCMA) as well as of Guadalajara and Monterrey, the country's other largest cities, and fostering the development of urban centers in regions with demonstrated economic potential. To attract industries and labor to these new development poles, successive governments developed a series of instruments, from tax incentives to differential interest rates for industrial credit, and price subsidies for public utilities.

2.02 In 1976, the Government issued the Law of Human Settlements (Ley de Asentamientos Humanos) as a legal basis for the implementation of its regional development strategy. Its objectives were to promote the development of medium sized cities as an alternative to the explosion of the largest urban centers, to increase rural/urban integration, to encourage local participation in resolving urban problems, to enforce land use controls, to improve urban services and to reduce the length of the journey to work within cities. In the National Urban Development Plan (Plan Nacional de Desarrollo Urbano or PNDU) prepared in 1987, the then Ministry of Human Settlements and Public Works (Secretaría de Asentamientos Humanos y Obras Públicas or SAHOP) defined the outlines for a spatial development strategy in thirteen integrated urban regions, of which 10 were given high priority for their immediate development potential. The Lázaro Cárdenas Conurbation, one of the priority regions identified, was selected for one of the first Bank supported urban projects in Mexico (Loan 1554-ME).² The Isthmus of Tehuantepec Region was proposed by the Government as the target of a next regional project. This region,

^{2/} Lázaro Cárdenas Conurbation Development Project (Ln. 1554-ME)
FY78, US\$16.5 million. Closed June 1983. PCR: Nov. 1987.

straddling the States of Veracruz, Tabasco, and Chiapas, in addition to being an area endowed with abundant agricultural and water resources, was the site of various fast expanding petrochemical industries. Because of the massive immigration of workers attracted by the employment prospects in the petrochemical industry, the State and local governments were unable to satisfy the demand for basic urban services and the situation, especially in the three larger cities of Villahermosa, Coatzacoalcos, and Minatitlan, had become extremely critical.

3. Project Objectives and Description

3.01 Reflecting the Government's regional development objectives outlined above, the project was to assist the Government in its efforts to: (a) establish an appropriate spatial strategy by facilitating and harmonizing urban growth in one of the highest priority development regions in the country; (b) set up a programmatic approach to urban and regional development, and (c) develop the region's full economic potential in the interest of both the national economy and the region's population.

3.02 To this end, the project was to provide funding for the following components:

(a) Shelter and Related Facilities, (US\$270 million, or 57% of total project cost):

- development of sites and services projects for a total of about 19,000 lots equipped with basic utilities as well provision of credits to the beneficiaries for the purchase of lots;
- credits to families for the acquisition of building materials and/or contracting of labor for construction of low-income dwellings on the lots;
- urban upgrading operations in low-income neighborhoods through improvements in the water, sewerage, and storm drainage networks, street paving, storm drainage and street lighting;
- sub-loans to families for home improvements;
- construction, equipment and operation of community centers.

(b) City-Wide Infrastructure, (US\$119 million, or 25% of total project cost):

- water supply works including the extension of distribution networks and service connections, expansion of pumping

stations, construction of water mains, storage tanks and treatment plants;

- sewerage systems including the extension of collector networks and service connections, and the construction of pumping stations, treatment plants and discharge systems;
- access roads to low-income neighborhoods;
- extension of electricity and telephone networks.

(c) Municipal Facilities and Services, (US\$41 million, or 9% of total project cost):

- construction of a wholesale market in Villahermosa and construction or rehabilitation of retail markets;
- construction or expansion of slaughter houses;
- improvement of solid waste collection and disposal services.

(d) Production Credit and Other Production Activities, (US\$34 million, or 8% of total project cost):

- sub-loans to artisans and small-scale enterprises;
- construction of industrial estates;
- training for the Borrower, housing corporations and other implementing agencies in the areas of project management, and financial and economic analysis;
- creation of a technical and management training center in Villahermosa.

(e) Studies and Support Activities, (US\$5 million, or 1% of total project cost):

- project and final design studies in water supply, sewerage, sanitation and related matters;
- project and final design studies in shelter-related matters and urbanization;
- strengthening of managerial and financial capabilities of water authorities, housing corporations, and municipalities;

- project promotion activities for Parts A, C, and D, above.

4. Project Preparation, Design and Organization

4.01 Preparation of the project was begun in Spring 1978. The low-income shelter, community facilities, productive credits and training components were appraised in Fall 1979. Appraisal of the city-wide infrastructure, water supply and sanitary sewage components was found unsatisfactory and required a post-appraisal in February 1980. Due to its complexities, it took 15 months to prepare the project for Board presentation. The latter took place in May 1981, but because of the time required to resolve legal and institutional issues, the loan became effective only in January 1982.

4.02 Overall coordination of project implementation was to be ensured by BANOBRAS which for that purpose would set up a specific Project Implementation Unit. The planning and design of each of the sub-components was to be undertaken in each State by the state agencies responsible for sector operations, and/or the participating municipalities.

- (a) Shelter and Shelter Related Facilities: Sites and Services projects were to be designed by the State Housing Corporations which would allocate the serviced lots and building material credits. Urban Upgrading Operations were to be planned by municipalities for more than 14,000 families in existing poorer neighborhoods. In areas where the land property situation was unclear and full scale upgrading precluded, an intermediate solution would consist in the provision of centrally located community facilities with potable water and collective laundry facilities. Home improvement loans were to be provided for 10,000 families and to be administered through the State Housing Corporations. The latter were to borrow the necessary funds from BANOBRAS on terms satisfactory to the Government and the Bank.
- (b) City-wide Infrastructure: The State Water and Sewage Authorities were to design and implement projects under project agreements (convenios) with SAHOP and in accordance with standards and procedures agreed upon by the Bank for the Second Medium Size Cities Water Supply and Sewerage Project-FIFAPA II (Ln. 1913-ME).³ Other infrastructure projects i.e., access roads to low-income neighborhoods, electric power and telephone networks were to be designed by the municipalities.

³ Second Water Supply Project - FIFAPA II (Ln. 1913-ME) made in FY81 for US\$125 million.

- (c) Municipal Facilities: A Wholesale Market for Villahermosa and about 10 Retail Markets were to be designed, built and/or rehabilitated the participating municipalities. Municipalities were also to assume responsibility for the construction of Fourteen Slaughterhouses and prepare a series of operations to improve Solid Waste Collection.
- (d) Productive Economic Activities: Credits to Small-Scale Enterprises and Artisans were to be administered by a separate unit in BANOBRAS. Industrial Estates were to be planned by specific trusts (Fideicomisos) established under the authority of the State governors and overseen by the National Trust Fund for Industrial Development (Fideicomiso de Conjuntos, Parques, Ciudades Industriales y Centros Comerciales or FIDEIN).
- (e) Studies and Complementary Support Activities: Several planning studies were to help prepare further programs for the development of the region. In addition, technical assistance was to be provided to the various implementing agencies in accordance to their needs.

4.03 In retrospect, the project design suffered from a series of shortcomings some of which were difficult to anticipate out at the time of preparation. However, while the project design fully blended in with the regional planning philosophy of the Government in power during the period of preparation (Lopez Portillo 1976-82), it was only marginally attuned to the development concepts of the following Government (De La Madrid 1982-1988) that became responsible for project implementation. Besides, although the project concept was clearly understood at the level of the Borrower and the Federal Government--at least during preparation--, this understanding was not shared to the same degree by the State and local authorities, an elusive objective anyway, given the volatility of local authorities. Finally, there was an excess of confidence in the implementation capacity of the various executing agencies, resulting in insufficient attention being paid to the arrangements required to ensure the adequate identification and preparation of a subproject portfolio beyond the slice identified at appraisal.

5. Project Implementation

5.01 From its beginning, the implementation of the project suffered from difficulties in establishing adequate inter-institutional coordination. The Project Implementation Unit in BANOBRAS was not suitably staffed and, thus, was unable to appropriately promote and coordinate the project. Coordination between the State implementing agencies level and the municipalities was inadequate, if not totally lacking. By the middle of the second year of implementation, the last of the civil works that had been identified at appraisal was under execution. About 25% of the loan had been

disbursed, giving the illusion that the project was actually ahead of schedule. However, at that point, no new projects had been identified and the project portfolio was essentially empty.

5.02 The reasons for this shortfall were multiple. Municipalities showed little interest in submitting project proposals to the respective States and to BANOBRAS because in the early 80's their fiscal revenues had increased substantially or they were able to obtain concessionary funds for these projects from the same BANOBRAS under the Government's municipal assistance program (Fondo de Fomento Municipal or FOMUN) at an interest of 12%, a rate significantly lower than the 18% applicable under the project. Financing of productive activities faced a similar constraint, with competing funds from the Guarantee and Medium and Small Scale Industries Fund (Fondo de Garantía y Fomento a la Industria Mediana y Pequeña or FOGAIN), which provided loans at lower interest rates. Likewise, the State Housing Corporations demonstrated a noticeable lack of interest for the implementation of programs intended for low and lowest-income households.

5.03 Hampered by coordination problems within BANOBRAS, and facing an evident lack of interest on part of the State and local governments, the project came to a virtual halt in 1984. The creation of a revolving fund (Special Account) and the Bank's agreement to increase its share of funding from 32% to 70% for infrastructure works did not yield the expected results. Further attempts to revive the project by extending the project area to another five States did not bear fruit either. In the wake of the September 1985 earthquake, the Bank agreed to reallocate about half of the loan resources (US\$81.8 million) for housing reconstruction programs in Mexico City and the State of Jalisco as a complement of the Earthquake Reconstruction and Rehabilitation Project (Ln. 2665-ME).⁴ These programs implemented by the National Fund for Low-Cost Housing (Fideicomiso Fondo Nacional de Habitaciones Populares or FONHAPO) were successfully completed by the end of 1989. A remaining total of US\$19.8 million of unspent funds was canceled by end of 1987 at the request of the Government.

5.04 In hindsight, it would have been preferable to carry out a thorough restructuring of the project, including the streamlining or even elimination of some components as soon as the major shortcomings began to appear, rather than to persist in attempting to salvage the original project design and concepts. This is particularly relevant as at that time it was already possible to draw the lessons from the--rather unsatisfactory--implementation experience of the Lázaro Cárdenas Conurbation Development Project

⁴/ Earthquake Rehabilitation and Reconstruction Project (Ln. 2665-ME) FY86, US\$400 million. Closed in December 1990.

(Loan 1554-ME), whose design was in many points similar to that of this project.

6. Project Results

6.01 All in all, the project achieved only a few tangible results most of which were limited to the area of physical infrastructure improvements. It did not achieve any of the major objectives stated in the Staff Appraisal Report (para. 3.02) and found its final vindication in the reallocation, in 1986, of half of the loan resources (US\$81.8 million) to the earthquake housing reconstruction programs in Mexico City and the State of Jalisco, which were indeed quite successful.

- (a) Shelter and Shelter Related Facilities: The city of Reforma, in Chiapas, developed 300 single-family lots, though not for low-income households. In the state of Tabasco, six small subdivisions were developed and eventually occupied, but the terms of the sales did not conform to the provisions of the Loan Agreement. In the State of Veracruz, the State Housing Corporation undertook works on a project of 305 lots. In total, only about 1,200 serviced lots were completed, or less than 6% of the initial program. Construction material loans for the 300 lots in Reforma were used to build "core houses", that were far more expensive than had been agreed upon and, thus were accessible only to families with an income of five minimum salaries. In Tabasco, about 600 construction material loans were made for three subdivisions, but were used to build houses of a type that did not conform to the cost provisions of the Loan agreement. The total of 1,200 material purchase credits represented only 8% of the original program of 15,000 such credits. Urban upgrading in the city of Reforma, Chiapas, benefitted 1,300 urban families on a limited site by improving water supply and storm drainage, representing a mere 9% of the original program. No proposals for other infrastructure improvements were ever identified in Tabasco and Veracruz. Results of the home improvement loan component were equally poor and less than 10% of the available funds were utilized.
- (b) City-wide Infrastructure: This was the only component that was implemented with relative success. Several projects were executed in urban centers of the three States representing about 80% of the original objectives. Implementation suffered repeatedly from delays and the last project was completed in 1987.
- (c) Municipal Facilities: Aside from the wholesale market in Villahermosa, no other market was built. Likewise, no slaughterhouse and solid waste collection project could be completed.
- (d) Productive Economic Activities: The project of an industrial estate in Villahermosa was abandoned. The credit program for

small-scale industries never got off the ground, because BANOBRAS did not see fit to develop a suitable implementation scheme, and, for the reasons mentioned above, actual demand was minimal.

- (e) Studies and Complementary Support Activities: Some small project identification studies were carried out by local consultants. Related expenditure represented 1% of the original allocation.

6.02 The Staff Appraisal Report estimated that the project would have an overall Economic rate of Return (ERR) of about 14%. Given the only partial implementation of the project and the impossibility to obtain reliable data on the actual results achieved between nine and six years ago, it did not seem practical and/or feasible to compute the actual ERR obtained. Given the nature of the components that were completed (primarily City-wide Infrastructure), it can be inferred from the evaluation of similar projects in Mexico and elsewhere that the ERR's of the individual sub-projects were satisfactory and most likely above the 14% limit stated in the Staff Appraisal Report. Because the proportion of the project that was actually implemented remained rather small, the project impact be it physical, institutional or social, was marginal at best. Where the project made a significant impact, however, was in its contribution to the earthquake housing reconstruction program in Mexico City and the State of Jalisco.

7. Project Risks and Possible Causes of Failure

7.01. The Staff Appraisal Report underscored that a multi-sectoral, multi-city, and multi-state project like the proposed one was likely to encounter a significantly higher share of problems than a project concerned with a single sector or a smaller number of intermediaries. It estimated, wrongly though, that the implementation of works could be expected to proceed smoothly. The project risks were considered justifiable "because the project would break new ground in the traditional pattern of urban projects in Mexico", address needs "in a region that represents an unusual opportunity in terms of its development potential", result in "an impact on the Government's policy of decentralizing planning and financial responsibilities to state and municipal authorities", and satisfy "last but not least, the political urgency to improve the social conditions in a region of such importance to the country". The risks were believed mitigated by "the commitment of the federal, state and municipal authorities to this program and the high professional level of Mexico's institutions and officials."

7.02 A first problem was that the project had been conceived under a Government that placed high emphasis on planning and regional development (President Lopez Portillo 1976-1982). The following Government of President De La Madrid (1982-1988), while not reneging openly the planning philosophy of its predecessor, was pressed with more critical issues of macroeconomic policies and management of the debt crisis. The shift in emphasis at the federal level undoubtedly was reflected in a change of attitude at the levels of State and local governments. Thus, at the critical moments of implementation the project did not enjoy any longer the degree of political

support and interest which it had elicited earlier. Moreover, elections at both the state and municipal level brought new actors into play who did not necessarily share the opinions of their respective predecessors even in regard to technical arrangements, or simply were unaware of the discussions that had taken place, or the understandings reached with the previous authorities. In addition, because part of the oil export taxes was earmarked for local government, the fiscal revenues of the latter increased significantly during the early 80's as a result of the rise of oil prices on the world market. (However, as of 1983, those revenues decreased sharply). Finally, in 1982, the Government also amended Article 115 of the Constitution to expand the competencies of the municipalities and increase their financial autonomy, a move that clearly modified the attitude of local governments vis-a-vis programs promoted and supported by Federal agencies.

7.03 In hindsight, the project clearly overestimated the capacity of the Borrower, BANOBRAS, and the State and municipal governments to plan and coordinate development programs of an almost unprecedented complexity. It also failed to properly assess the risk presented by the parallel existence of other sources of funding for identical purposes and accessible to both States and municipalities under much less stringent conditions, both technical and financial. This all the more so, as the proposed financial mechanisms involved a clear break with the traditional patterns of financial relationships between the Federal, State and Municipal Governments, and, for the political authorities, were likely to entail yielding a significant share of traditional patronage, power and influence.

8. Cost-Recovery and Financial Performance

8.01 One of the major objectives formulated in the Appraisal Report was to obtain high cost-recovery levels, 75% of the costs were expected to be directly recovered from beneficiaries of facilities upgrading, 60% of Community Centers, 50% for "Other" infrastructure, and 96% of all the remaining components. In spite of expectations and based on a general review of the situation it can be concluded that project cost-recovery, besides the inexistence of adequate data for its evaluation, was in practice, dismal. Following are the main reasons:

(a) the planned cost-recovery was based on the assumption that interest rates, which were negative in real terms at the beginning of the project, would gradually become positive. With the exception of credit to small enterprises (Part D(1)(b)), whose lending rates to final beneficiaries were adjustable, for the rest of sub-loan categories they were fixed rates at 15% (9% for water and sewerage sub-projects). The country's deteriorating financial situation and the ensuing acceleration of inflation (see Statistical Information, Inflation Rates), coupled with lack of adjustment in the interest rates, made the cost-recovery goal impossible to achieve; and

(b) sub-projects were supposed to be carried out by an ample spectrum of organizations at the national, state, and municipal levels. Among them the state housing institutes, water authorities, industrial development funds,

etc., all coordinated by a Project Unit in BANOBRAS. The diffused sub-project management, compounded by reorganizations in BANOBRAS, and Project Unit inadequacy, contributed not only to an inefficient management of the project but to deficient sub-project records maintenance and insufficient information to carry out a full cost-recovery analysis.

8.02 In spite of the poor cost-recovery performance, net transfer to final beneficiaries was minimal. Besides implementation problems, described in paras. 5.01 to 5.04, a multi-sectoral, multi-city and multi-state project like this, encountered problems which were complicated by central government subsidized funds in direct competition with the ones offered under the program. Lack of sub-projects brought the program to a halt and cutbacks reduced the completion rate to around 6% in Shelter and related activities. Twenty five percent in Municipal Facilities and Services, 50% in City wide infrastructure and almost zero in the rest of the components.

9. Bank Performance

9.01 Bank staff worked for almost two years with BANOBRAS and Federal, State and municipal agencies in preparing the project. However, the time spent with the municipalities was not sufficient to develop their understanding of the benefits of this multi-pronged, integrated approach, or to bring into the open their reservations or reluctance to participate in the operation. Supervision was originally programmed at four-month intervals. However, because of shortage of staff, it was reduced to one mission every six months as of the end of 1983. This was clearly an inadequate frequency for a project that was doing poorly. The shortage of staff was probably also the reason why the Bank did not press more strongly for a restructuring of the project. Persistent failure to rate this as a problem project is puzzling.

10. Borrower's Performance

10.01 BANOBRAS, with support from SAHOP at the Federal level, worked satisfactorily to prepare the project. However, in its responsibilities as the main implementation and overseeing agency, it was unable to muster adequate staff and develop organizational structures that corresponded to the complexity of the project. Moreover, although it was understood that unlike regular government lending programs, this project required skillful promotion, BANOBRAS failed to set up the required instruments. However, given the severe limitations in staffing and skills in the various state agencies and participating municipalities, it is doubtful that, even with a much greater effort, BANOBRAS would have been able to overcome the project's built-in deficiencies and the political realities referred to in paras. 7.02 and 7.03 above.

11. Consulting Services

11.1 Local consultants were to a limited extent engaged to reinforce the institutional capacity for project execution at the level of BANOBRAS, and the state and municipal authorities. Local design and consulting firms were used

to prepare final designs and engineering and/or architectural studies and, on the whole, proved to have adequate experience and delivered work of satisfactory quality.

12. Project Documentation and Data

12.01 Most data used for the preparation of the PCR was readily available in Bank files. A comprehensive final report on the project was prepared by BANOBRAS in 1989 and is on file. Data on the part of the loan allocated to reconstruction operations in Mexico City are included in the PCR for the Earthquake Reconstruction Project (Ln. 2665-ME), which is under preparation.

13. Lessons Learned

13.01 Complex multi-sector, multi-agency and multi-institutional projects have only a chance to succeed if they enjoy a continuously strong political support on part of all the authorities involved and can be carried out in a framework of dedicated institutions with adequate technical implementing capacity. Given the changing of the Mexican political scene at the time that this project was prepared, it would have been advisable not to succumb to the temptation of setting such ambitious objectives, take a more cautious approach and limit the scope of the project, possibly to one State and to a more modest number of components.

13.02 In view of the changes at the political level that took place between appraisal and actual inception of implementation, the interests of the project would have been better served if, rather than to pursue objectives and execution arrangements that had become inadequate and obsolete, a thorough restructuring of the project had been undertaken at a very early stage of execution. It would have been particularly advisable to draw the necessary lessons from the rather unsatisfactory implementation of the similarly designed Lázaro Cárdenas Conurbation Development Project (Ln. 1554-ME).

13.03 Operations that involve primarily sub-lending activities should only be carried forward on the basis of a comprehensive previous assessment of the overall funding sources available for the sector and upon ascertaining that the proposed operation is indeed competitive with other available sources of funding.

PROJECT COMPLETION REPORT

MEXICO

SECOND URBAN AND REGIONAL DEVELOPMENT PROJECT
(LOAN 1990-ME)

PART II: PROJECT IMPLEMENTATION FROM THE BORROWER'S PERSPECTIVE

(Unofficial translation)

Background:

1. Towards the middle of the 70's Mexico was confronted with an economic recession that brought about a deterioration of most social indicators, a sharp devaluation of the currency and a soaring inflation which seriously reduced the purchasing power of the population as a whole. The Gross Domestic Product (GDP) declined in those years while, in parallel, the public sector deficit saw a significant increase.
2. Facing these problems at the end of 1976 and beginning of 1977, Mexico attempted to revert the situation by intensifying the production of oil, a move that was considered to be the most efficient instrument to generate the resources needed for fighting the recession and helping restart the growth of the economy.
3. The oil industry sector provided the basis for a period of dynamic and sustained growth of the economy owing to then existing trends of rising oil prices in the world market, and the Government committed substantial investments resources to the sector financed primarily from external sources.
4. Despite the efforts deployed in the area of population growth control, in absolute numbers the population continued to increase at a high rate. This entailed that every year the needs of an additional approximately 1.5 million people had to be attended.
5. Aside from the problems related to the growth of the population in general, additional acute problems resulted from the spatial distribution of the population and, in particular, its tendency to concentrate in urban centers. The imbalances in regional and sectoral development led to a strong migratory move from rural to urban areas which is at the root of the current problems of overconcentration of population in the metropolitan areas of Mexico City, Guadalajara and Monterrey.
6. To address the problems caused by the concentration of population and economic activities in the latter cities as well as in others which were about to be affected by the same phenomenon, the Government approved in 1978 a

National Urban Development Plan, the purpose of which was to establish a hierarchy of priority development regions and urban areas based on their capacity to absorb incremental population, their location in respect to natural resources and their potential and/or prospects to generate employment as a result of the dynamics of growth of the different sectors.

7. Within the areas considered to be of high development priority was included the area of the Coast of the Gulf of Mexico and the Isthmus of Tehuantepec. This area encompassed a total of 242 municipalities, 3 of which were located in the State of Veracruz, 6 in the State of Tabasco, 1 in the State of Chiapas, and 230 in the State of Oaxaca.

8. The intense industrial development prompted in this area by the expansion of the activities of PEMEX, the national oil company, led over a short period of time to the creation of about 10,000 new jobs of a wide variety of qualifications and incomes. This in turn resulted in a growing needs for urban infrastructure. The rapid expansion of the oil industry related activities caused serious bottlenecks and distortions in the availability and delivery of goods and services. The inflow of migrants to the area heavily taxed the already insufficient systems of basic urban services, housing, and regional infrastructure.

Identification, Preparation and Evaluation of the Program:

9. To address the problems of urban development which the area of the Coast of the Gulf of Mexico and the Isthmus of Tehuantepec was facing towards the end of the 70s, the Government established the Program of Concerted Action for Urban Development - PACDU (Programa de Acción Concertada para el Desarrollo Urbano), with the support of the Ministry of Finance - SHCP (Secretaría de Hacienda y Crédito Público), the Ministry of Planning - SPP (Secretaría de Programación y Presupuesto), the Ministry of Urban Development - then SAHOP (Secretaría de Asentamientos Humanos y Obras Públicas), now SEDUE (Secretaría de Desarrollo Urbano y Ecología) and BANOBRAS, and a later stage, as a source of financing, the International Bank for Reconstruction and Development (IBRD).

10. The PACDU program was prepared within the framework of the national planning system and envisaged the active involvement of various state governments and municipalities as well as of several decentralized public entities and agencies. For the implementation of the program, SHCP required BANOBRAS to enter into a Mandate Agreement with the Federal Government with a view to create a mechanism through which financial resources could be channelled to the participating agencies.

11. Likewise, BANOBRAS was requested to negotiate with the IBRD a loan of US\$146 million which would provide part of the capital of PACDU program whereas the remainder would be formed by contributions from the Federal Government and other sources.

12. To achieve its objectives PACDU was designed to provide support in five main areas:

- (a) assistance to low-income groups primarily through housing programs;
- (b) development of infrastructure in urban areas targeted principally at the extension and rehabilitation of water supply and sewerage systems;
- (c) strengthening of municipal services and construction of municipal service facilities principally retail and wholesale markets, slaughterhouses, etc.
- (d) promotion of economic activities especially in the small industry and the informal enterprise sector;
- (e) studies and technical assistance to prepare future regional development programs and provide support to the executing agencies.

13. In the actual implementation of the program, only four of these areas became operational, since none of the executing agencies considered the promotion of economic activities to lie within its field of competencies.

14. Given the slow pace of implementation of the program, the Government decided, following the September 1985 earthquake, to request IBRD's authorization to partially use the funds available for addressing emergency needs. As a result, US\$81.8 million were transferred on February 29, 1986 to the Popular Housing Fund- FONHAPO (Fideicomiso Fondo Nacional de Habitaciones Populares) for the financing of housing reconstruction programs. On June 30, 1989, the original closing date of the loan, US\$60.1 million had been utilized, or 73.15% of the total loan amount.

The Role of the Borrower:

15. The main actor in the design of the project was SHCP which requested BANOBRAS to establish a Mandate Agreement and to act as a the Federal Government's financial agent in the dealings with the IBRD. BANOBRAS, in turn, concluded agreements with the participating States, as well as with some executing agencies. The actual implementation of the project involved the participation of various ministries and public sector entities, among which the most important were SHCP, SPP and SAHOP (now SEDUE).

The Issues:

16. A major problem during the implementation of the PACDU program was the shortage of finalized project proposals. This delayed works on several occasions and/or reduced the scope of projects because of lacking actualization of existing designs.

17. The revenues which the States of Veracruz and Tabasco received from the oil production incited the respective governments to limit their borrowing. On occasion, loans were arranged somewhat forcibly and in many cases without the support of properly identified and designed project proposals.

18. Owing to declining oil prices on the world market in 1983 and 1984, the Government reduced substantially the shares of oil revenue transferred to the States and, as a result, the local governments began to use the resources available under the PACDU program. However, because of the lack of final designs, projects were executed with much delay.

19. As a consequence of the slow rate of disbursements, SPP did not allocate adequate resources to the program and expenditures were covered to a 100% by the proceeds of the IBRD loan and BANOBRAS' own resources.

20. The accelerated inflation combined with the preferential rates under which project loans were extended, led to a low rate of return of the PACDU program and its decapitalization.

21. The dispersion of the implementation activities in connection with the process of administrative decentralization of BANOBRAS, hampered an appropriate monitoring of the project which, otherwise, would have allowed a timely discovery of deviations of projects from the agreed proposals.

22. The changes that occurred in the administration of the States and municipalities prompted changes in economic policies and, in particular, in the priorities assigned to the investment projects. This caused delays in the execution of works and also led to the suspension of negotiations on projects that could have been included in the program.

23. Last, the municipal autonomy, which was often combined with insufficient administrative capacity, also became an impediment to the financing of projects.

October 1991

PART III: STATISTICAL INFORMATION

1. Related Bank Loans

<u>Number - Project Title</u>	<u>Purpose</u>	<u>Year of Approval</u>	<u>Status</u>
Loan 1534-ME Lazaro Cardenas Conurbation	Urban and Regional Development	1978	Loan closed 1983
Loan 2665-ME Earthquake Reconstruction	Reconstruction	1983	Loan closed 1990

2. Project Timetable

	<u>Date planned</u>	<u>Actual Date</u>
- Identification	04/10/78	04/10/78
- Preparation	06/01/78	06/01/78
- Pre-appraisal	10/—/78	10/06/78
- Appraisal mission	02/—/79	05/16/79
- Post-appraisal	08/—/79	02/04/80
- Loan negotiation	03/—/80	05/12/80
- Board approval	06/—/80	05/12/81
- Loan signature	04/—/80	08/12/81
- Loan effectiveness	10/—/80	01/12/82
- Loan closing	12/31/86	12/31/89
- Loan completion	06/30/86	12/31/89

3. Loan Disbursements

Cumulative, Estimated and Actual Disbursements
(US\$ millions)

<u>Bank FY</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Appraisal Estimate	7.0	23.0	59.0	103.0	146.0	164.0			
Actual	0.6	34.6	38.6	46.4	64.3	109.2	132.3	136.6	141.6 ²

4. Project Implementation

<u>Indicators</u>	<u>Appraisal Estimate</u>	<u>Actual</u> (Completion in Ratios)
<u>I. Shelter Program</u>		
(a) Sites and Services	19,000 (Beneficiaries)	6%
(b) Construction Material Credits	15,000 (" ")	8%
(c) Urban Upgrading		
- Improved Water, Sewer, Paving	14,000 (" ")	9%
- Community Water Supply	20 (Communities)	5%
(d) Home Improvement Loans	10,000 (Beneficiaries)	5%
(e) Community Centers	12	0%
<u>II. City Wide Infrastructure</u>		
(a) Water Supply Works	8	30%
(b) Sewerage Works	8	40%
(c) Other Infrastructure	10	10%
<u>III. Municipal Facilities and Services</u>		
(a) Retail Markets	3	30%
(b) Wholesale Markets	1	0%
(c) Slaughter Houses	14	7%
(d) Refuse Collection	4	25%
<u>IV. Productive Activities</u>		
(a) Credit to Artisans	1,800	1%
(b) Credit to Small Scale Enterprises	800	0%
(c) Industrial Estates	2	0%
(d) Training Center	1	0%
(e) Promotion Programs		0%
<u>V. Studies</u>	6	15%

^{2/} Includes amount of US\$81.8 million disbursed in connection with Loan 2665-ME, but excludes cancelled amount of US\$22.4 million.

5. Project Costs and Financing

<u>A. Project Costs</u> (US\$ millions)							
<u>Item</u>	<u>Appraisal Estimate</u>			<u>Actual</u>			
	<u>Local Costs</u>	<u>Foreign Costs</u>	<u>Total</u>	<u>Local Costs</u>	<u>Foreign Costs</u>	<u>Total</u>	
<u>I. Shelter Program</u>							
(a) Sites and Services	108.7	42.2	150.9	14.1	5.5	19.6	
(b) Construction Material	49.7	17.5	67.2	12.8	4.5	17.3	
(c) Urban Upgrading	12.6	6.8	19.4	5.1	2.8	7.9	
(d) Home Improvements	20.3	7.3	27.6	5.9	2.1	8.0	
(e) Community Centers	3.2	1.3	4.5	0	0	0	
<u>Subtotal</u>	<u>144.5</u>	<u>75.1</u>	<u>219.6</u>	<u>37.9</u>	<u>14.9</u>	<u>52.8</u>	
<u>II. City-Wide Infrastructure</u>							
(a) Water Supply Works	23.4	20.6	44.0	24.9	18.0	42.9	
(b) Sewerage Works	36.8	26.7	63.5	19.1	14.3	33.4	
(c) Other Infrastructure	3.7	2.8	6.5	1.1	0.9	2.0	
<u>Subtotal</u>	<u>63.9</u>	<u>50.1</u>	<u>114.0</u>	<u>45.1</u>	<u>33.2</u>	<u>78.3</u>	
<u>III. Municipal Facilities</u>							
(a) Retail Markets	2.8	2.0	4.8	2.2	1.6	3.8	
(b) Wholesale Markets	4.9	3.2	8.1	-	-	-	
(c) Slaughterhouses	14.3	9.5	23.8	1.7	0.9	2.6	
(d) Refuse Collection	2.5	1.8	4.3	2.3	1.0	3.3	
<u>Subtotal</u>	<u>24.5</u>	<u>16.5</u>	<u>41.0</u>	<u>6.2</u>	<u>3.5</u>	<u>9.7</u>	
<u>IV. Productive Activities</u>							
(a) Credits to Artisans	1.3	1.3	2.6	0.1	-	0.1	
(b) Credits to Small-Scale Enterprises	7.4	7.4	14.8	-	-	-	
(c) Industrial Estates	6.7	4.7	11.4	-	-	-	
(d) Training Centers	1.0	0.5	1.5	-	-	-	
(e) Promotion Programs	0	0.7	0.7	-	-	-	
<u>Subtotal</u>	<u>16.4</u>	<u>14.6</u>	<u>31.0</u>	<u>0.1</u>	<u>0</u>	<u>0.1</u>	
<u>V. Studies</u>		4.6	4.6	0.6		1.2	
<u>TOTAL PROJECT COST</u>			<u>468.0</u>			<u>142.7</u>	

B. Project Financing
(US\$ millions)

<u>Source</u>	<u>IBRD Expenditures</u>	<u>Planned Loan Agreement</u>	<u>Final</u>
<u>I. Shelter Program</u>			
(a) Sites and Services		42.3	13.3
(b) Construction Materials		17.5	5.3
(c) Urban Upgrading		6.8	2.4
(d) Home Improvements		7.2	1.9
(e) Community Centers		1.4	0.5
<u>II. City-Wide Infrastructure</u>			
(a) Water Supply		20.6	17.0
(b) Sewerage		26.7	13.4
(c) Other Infrastructure		2.7	0.8
<u>III. Municipal Facilities</u>			
(a) Retail Markets		1.9	1.5
(b) Wholesale Markets		3.2	-
(c) Slaughterhouses		9.5	1.0
(d) Refuse Collection		1.8	1.3
<u>IV. Productive Activities</u>			
(a) Credits to Artisans		3.0	0.1
(b) Credits to Small-Scale Enterprises		8.2	-
(c) Industrial Estates		4.6	-
(d) Training Centers		0.5	-
(e) Promotion Programs		0.7	-
<u>V. Studies</u>		4.6	0.7
<u>VI. Mexico City Earthquake Reconstruction</u>			81.8
<u>Total IBRD Domestic</u>		<u>164.0</u>	<u>82.3</u>
<u>TOTAL PROJECT COSTS</u>		<u>468.0</u>	<u>223.7</u>

6. Project Results

<u>Indicators</u>	<u>Appraisal Estimate</u>	<u>Estimate at Closing Date</u>
I. <u>Shelter Program</u>		
a) Sites and Services	19,000 (Beneficiaries)	1,205
b) Construction Material Credit	15,000 (" ")	1,200
c) Urban Upgrading	14,000 (" ")	1,300
d) Home Improvement Loans	10,000 (" ")	980
e) Community Centers	12	(none)
II. <u>City Wide Infraestructure</u>		
a) Water Supply Works	6	4
b) Sewerage Works	8	3
c) Other Infraestructure	10	1
III. <u>Municipal Facilities</u>		
a) Retail Markets	3	1
b) Wholesale Markets	1	(none)
c) Slaughter Houses	14	1
d) Refuse Collection	4	1
IV. <u>Productive Activities</u>		
a) Credit to Artisans	1,800	100
b) Credit to Small Scale Enterprises	600	(none)
c) Industrial Estates	2	(none)
d) Training Center	1	(none)
e) Promotion Programs	-	(none)
V. <u>Studies</u>	6	1

7. Status of Major Loan Covenants

Loan Agreement:

3.05 (b) (1)	BANOBRAS to maintain records and procedures to monitor progress.	In compliance
4.02 (c) (11)	BANOBRAS to furnish to bank no later than six months after end of each fiscal certified copies of audit and opinion on use of SOE for project works.	In compliance

Schedule 1 - Withdrawal of Loan Proceeds

(b)	No Bank reimbursements to be made for B(1) and B(2) unless water authority has established satisfactory conditions.	In compliance
(c)	... for D(1)(a) unless Instituto de Viviendas have special credit departments and charter to carry out project	In compliance
(d)	... for expenditures until (1) Bank receives executed subloan agreement and state project agreement.	In compliance

8. Use of Bank Resources

A. Staff Inputs - Man/Weeks

<u>Stage of Project Cycle</u>	<u>Planned</u>		<u>HQ</u>	<u>Final Field</u>	<u>Total</u>
	<u>HQ</u>	<u>Field</u>			
Through Appraisal	30	30	107.9	68.9	176.7
Appraisal Through Board Approval	30	30	151.4	7.0	158.4
Board Approval through effectiveness (01/12/82)	-	-	-	-	-
<u>Supervision</u>					
FY82	12	6	24.9	-	24.9
FY83	12	6	11.0	5.7	16.7
FY84	12	4	13.5	4.9	18.5
FY85	10	4	9.0	2.9	11.9
FY86	10	4	9.1	2.1	11.2
FY87	6	4	6.4	-	6.4
FY88	6	3	2.0	4.6	6.6
FY89	4	2	0.8	-	0.8
FY90	2	-	0.6	-	0.6
	<u>131</u>	<u>93</u>	<u>336.5</u>	<u>96.2</u>	<u>432.3</u>

B. Missions

<u>Stage Project Cycle</u>	<u>Month/Year</u>	<u>No. of Persons</u>	<u>Days in Field</u>	<u>Specialists Represented</u>	<u>Perform Rating</u>	<u>Comments</u>
<u>Thru Appraisal Identification</u>	04/78	3	6	. Urb. Plan'r/Econ. . Arch/Plan'r.	1	
Preparation	06/78	6	10			
Pre-appraisal	10/78	7	20			
<u>Appraisal</u>	05/80	8	33	. Urb. Plan'r/Legal . Financ/ Mun.Mnger/ . Econ/Housing		
Post Appraisal	02/81	4	10	. Econ/Urb.Plan'r/Housing . Fin Anal/Housing		
Project Launch	05/81	3	3	. Econ/Urb.Plan'r/Housing		
<u>Supervision</u>						
SPN 1	11/82	2	5	. Urban Plan'r./Econ.	1	
SPN 2	03/83	3	10	. Urban Plan/Econ/Housing	1	
SPN 3	12/83	2	5	. Urb.Plan'r/Econ/	2	Complete Funds
SPN 4	05/84	2	12	. Econ/Arch/	2	Delay in Counterpart Funding
SPN 5	04/85	2	10	. Econ/Arch/	2	"
SPN 6	04/86	3	5	. Econ/Urb.Planr/Eng.	2	"
SPN 7	11/87	2	9	. Econ/Arch	2	Project Completion
SPN 8	04/88	2	7	. Econ.Arch	2	"

9. Inflation Rates

(1978=100)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
General Index CPI (Year Average)	57.0	66.0	85.1	100.0	118.2	149.3	191.1	261.6	612.9	1014.1	1599.7	2979.2	6996.6	14791.2	17750.6	22161.5
Agriculture, livestock, forest & fish	64.3	70.8	85.7	100.0	118.7	151.7	196.4	264.8	494.6	812.1	1276.1	2386.9	5314.5	11289.7	15404.1	
Oil & derivatives	72.0	76.7	98.7	100.0	191.9	105.0	116.7	274.9	757.7	1175.3	1812.5	3740.9	8400.5	18047.3	18364.5	
Food, Beverages & Tobacco	57.3	65.6	85.9	100.0	118.5	147.0	184.0	294.4	567.3	1009.3	1618.1	3009.5	7013.7	14580.1	16914.0	
Textiles	51.9	61.5	82.9	100.0	122.6	167.2	215.8	341.8	731.3	1205.6	1955.9	3575.5	8332.1	18561.1	19482.3	
Wood products	58.1	68.1	88.1	100.0	119.2	151.8	199.6	319.2	678.4	1072.7	1728.5	3247.4	6810.0	18772.3	19843.9	
Chemical products	59.9	68.7	88.6	100.0	111.9	139.1	173.5	270.4	643.1	1109.4	1696.5	3192.1	8195.7	1661.9	15404.1	
Metal products	53.2	62.9	84.5	100.0	116.5	146.7	180.8	301.4	711.0	1147.6	1797.9	3429.4	8708.4	17999.6	18279.2	
Electricity	82.0	86.0	98.0	100.0	118.0	144.4	170.2	242.0	531.9	938.8	1311.7	2761.3	4970.0	10209.3	11312.6	
Transport & communication	52.8	61.3	89.5	100.0	112.5	137.3	176.2	283.4	543.4	828.7	1209.0	2671.2	7247.2	15719.4	17665.0	
Other services	54.9	65.5	82.4	100.0	119.7	153.5	202.2	317.4	588.4	956.9	1475.4	2538.8	5476.0	12432.7	15060.6	
Inflation Rate (Average CPI)	15.3%	15.3%	28.2%	17.5%	13.2%	26.3%	28.0%	58.9%	101.9%	65.5%	57.7%	86.2%	131.8%	111.2%	20.0%	26.7%
General Index CPI (End of Period)	59.6	75.8	91.5	106.9	127.6	165.6	213.2	423.8	766.3	1219.9	1996.9	4197.7	10647.3	16147.3	19227.9	25112.7
WPI (1978=100) (Aver.)	50.1	61.2	86.4	100.0	118.3	147.2	183.2	286.1	593.2	1010.4	1551.6	2922.0	6887.5	14731.2	16613.8	17895.81