



<b>1. Project Data:</b>		<b>Date Posted :</b> 08/07/2001	
<b>PROJ ID:</b> P055571		<b>Appraisal</b>	<b>Actual</b>
<b>Project Name:</b> El Nino Emergency Recovery Project	<b>Project Costs (US\$M)</b>	66	76.17
<b>Country:</b> Ecuador	<b>Loan/Credit (US\$M)</b>	60	69.43
<b>Sector(s):</b> Board: ENV - Central government administration (100%)	<b>Cofinancing (US\$M)</b>	0	0
<b>L/C Number:</b> L4259			
	<b>Board Approval (FY)</b>		98
<b>Partners involved :</b>	<b>Closing Date</b>	12/31/2000	12/31/2000

<b>Prepared by :</b>	<b>Reviewed by :</b>	<b>Group Manager :</b>	<b>Group:</b>
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**2. Project Objectives and Components**

**a. Objectives**

Since the disastrous 1982-83 El Nino episode, the Government of Ecuador (GOE) has given a high priority to flood control and mitigation. The objectives of the project were to:

- (i) reduce the potential loss of human life and preclude a deterioration in living standards;
- (ii) prevent El Nino-related damage;
- (iii) rehabilitate economic and social infrastructure, in need of repair because of extreme weather events; and
- (iv) strengthen the GOE's capabilities to forecast and respond to the El Nino phenomenon .

**b. Components**

The project had two components -- Subprojects and Technical Assistance (TA)

Subproject investments included works and services to protect and rehabilitate public infrastructure associated with : (a) ports, airports, roads and bridges; (b) flood protection and drainage; (c) water supply and sewerage; (d) municipal services; (e) irrigation; (f) electricity supply and distribution; (g) health and sanitation; (h) education; and (i) resettlement.

The TA component comprised: (i) strengthening of COPEFEN, the Coordinating Unit of the Emergency Program; (ii) providing consultant services to executing agencies for design and supervision of sub -projects; (iii) carrying out studies for the design of resettlement programs, including social and environmental assessments; (iv) strengthening government capabilities to forecast and respond to the El Nino phenomenon; and (v) consultant services to carry out technical and financial audits of the project .

**c. Comments on Project Cost, Financing and Dates**

**Project Cost:** Actual project cost was US\$ 76.17 million against a planned US\$66 million (an increase of almost 16 percent). This was not a cost overrun but an increase in the amount of financing from the Bank managed directly by COPEFEN. Cost of TA exceeded the original budget by almost 29 percent. This was primarily in response to the needs of establishing CORPEC (Executive Corporation for the Reconstruction of El Nino).

**Financing:** Bank Credit was US\$ 69.43 million and Government of Ecuador (GOE) contribution was US\$ 6.74 million.

**Dates:** The project closed as scheduled on 12/31/2000.

**3. Achievement of Relevant Objectives:**

(i) **reduce the potential loss of human life and a preclude deterioration in living standards** : *Partly Achieved*. The Bank financed the voluntary resettlement of 5000 families that had lost their homes. Only 1000 families were resettled, however, mainly due to the government's limited capacity for managing such activities .

(ii) and (iii) **prevent El Nino related damage; rehabilitate economic and social infrastructure, in need of repair because of extreme weather events** ; *Mostly Achieved*. The project completed its reconstruction activities as scheduled, restoring damaged infrastructure and returning agricultural production and exports to pre -emergency levels. The prevention element of this objective was achieved as part of the reconstruction process . The resettlement activities supported by the project permanently relocated families . Trunk roads were only paved on a temporary basis, as a second phase reconstruction is planned over a ten year period .

(iv) **strengthen the GOE's capabilities to forecast and respond to the El Nino phenomenon** : *Partly Achieved*. Short term TA for COPEFEN was provided under the project, to help implementing agencies with their subprojects .

Though not foreseen at appraisal, the Bank also provided TA to establish CORPECUADOR, a regional agency with responsibility to reconstruct infrastructure in the coastal area damaged by El Nino .

In the Sub-Projects component (US\$ 69.7 million) the emergency nature of the project meant that a demand -driven approach was used to identify and implement reconstruction investments . All procurement of civil works relied on fixed price contracts and virtually all were completed within their budgets .

**4. Significant Outcomes/Impacts:**

The project's financing of preparation and planning for resettlement of ten new communities, and associated financing of infrastructure and services was selected as a Best Practice Case Study for the Bank's Social Development Notes.

**5. Significant Shortcomings (including non-compliance with safeguard policies):**

<b>6. Ratings:</b>	<b>ICR</b>	<b>OED Review</b>	<b>Reason for Disagreement /Comments</b>
<b>Outcome :</b>	Satisfactory	Satisfactory	
<b>Institutional Dev .:</b>	Modest	Modest	
<b>Sustainability :</b>	Likely	Likely	
<b>Bank Performance :</b>	Satisfactory	Satisfactory	
<b>Borrower Perf .:</b>	Satisfactory	Satisfactory	
<b>Quality of ICR :</b>		Satisfactory	

**NOTE:** ICR rating values flagged with '\*' don't comply with OP/BP 13.55, but are listed for completeness.

**7. Lessons of Broad Applicability:**

- The design of an Emergency Recovery Loan (ERL) must be adjusted to local conditions . Where there is weak centralized implementation capacity, a demand-driven approach with local implementation may be more appropriate.
- To be effective, an ERL project needs political support at the highest level .
- Public participation at the local level can be a very effective tool to reduce corruption .

**8. Assessment Recommended?**  Yes  No

**Why?** A detailed study of this project experience can be valuable input into the forthcoming OED study on natural disasters.

**9. Comments on Quality of ICR:**

The ICR presents all relevant issues in a clear and objective manner .