

60

DECLARACION  
UNIVERSAL DE  
DERECHOS  
HUMANOS

INEC	FFH EB
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	18
FILE:	P/00072143/Pr000C
LOG No.	09E-13012

Dignidad y justicia para todas y todos

HOJA DE RUTA



TIPO DE REVISION: PROYECTO NUEVO  FONDOS: 26931/04140

GENERAL  DONANTE/S: BCPR/GRIP

MANDATORIA  AGENCIA/S IMPLEMENTADORA/S: SNGR

SUSTANTIVA  # ACTIVIDADES: 2

MONTO TOTAL: 300000.00

PROYECTO NUMERO: AWARD: 00058169 P/00072143

NOMBRE: DISASTER RISK REDUCTION GRIP

- presentado por:
- formato AWP
  - cuadro de responsabilidades
  - plan de compras
  - plan de trabajo
  - cronograma de actividades
  - aprobación Finanzas Programa
  - revisión Unidad Asistencia Programa
  - aprobación Coordinador Programa
  - aprobación Representante Residente

JF

EB

RG

CP

JMH

*[Handwritten signature]*

FECHA:

FECHA:

FECHA:

FECHA:

1. PROPOSAL- APROBACION LUEGO DE PREPAC /CLEARING HOUSE

MINUTA PREPAC: 13/03/2009

OFICIAL DE PROGRAMA:  APROBADO:

ASISTENTE A CARGO: RFH *[Handwritten signature]*

CONTROL RECURSOS REGULARES TRAC					
APL		EB			
AÑO	APROBADO	AUMENTO/ DISMINUCION EN ESTA REVISION	TOTAL INCLUIDA ESTA REVISION	% DE UTILIZACION	
2009	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
2010	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
2011	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
2012	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	

Variación Presupuesto NO  SI

Monto anterior	US \$ 300,000.00
Variación	
Total de presupuesto	US \$ 300,000.00

2 AWARD

FIRMADO POR CONTRAPARTE:  FECHA: 18/08/09

FIRMADO POR RR:  FECHA: 18/08/09

APROBADO /AWARD MOVED: EB

3 PROYECTO /PRESUPUESTO AL MODULO KK

ENVIADO: EB

*[Handwritten notes and signatures]*  
20/10/09  
4/11/09

4. COMUNICACIÓN

RESPONSABLE OP

A. AGENCIA:

B. CONTRAPARTE:

PNUD QUITO: FILE PRODOC

OFICIAL DE PROGRAMA

FINANZAS PROGRAMA

COMENTARIOS:



Programa de las Naciones Unidas para el Desarrollo  
Ecuador – Quito

**Título:** INCENTIVE SYSTEM DISASTER RISK REDUCCTION MUNICIPAL LEVEL

**Award:** 00058169

**Proyecto:** 00072143

**Año de Inicio:** 2009

**Año de Fin:** 2011

**Modalidad de Ejecución:** NEX

**Agente Implementador:** SNGR

**Tipo de Revision:** Inicial

ORIGEN	AÑO	VALOR
<b>A. Presupuesto:</b>		
26931 BCPR	2009	\$ 35.000,00
11888Country Co-Financing CS	2009	\$ 10.000,00
26931 BCPR	2010	\$ 107.500,00
04140 GRIP * (NO INGRESA EN ATLA	2010	\$ 50.000,00
26931 BCPR	2011	\$ 107.500,00
<b>A. Total Presupuesto</b>		<b>\$ 310.000,00</b>
<b>B. Gasto:</b>		
ATLAS		
ATLAS		
ATLAS		
<b>B. Total Gasto</b>		<b>\$ 0,00</b>
<b>C. Total Proyecto (A+B)</b>		<b>\$ 310.000,00</b>
<b>D. Contribuciones:</b>		
BCPR		\$ 250.000,00
* GRIP		\$ 50.000,00
UNDP		\$ 10.000,00
<b>D. Total Contribuciones</b>		<b>\$ 310.000,00</b>
<b>E. Gran Total (C-D)</b>		<b>\$ 0,00</b>

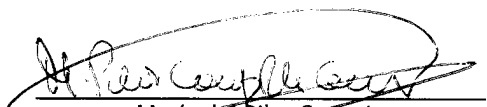
\* El fondo GRIP se gastará vía REQ 217 bajo

\* Este fondo se gastará vía REQ 217 bajo ECU50, ingresado por BCPR


**Justificación:**

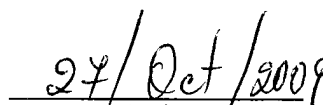
Aperturar el presupuesto para inicio de actividades programadas dentro del Proyecto

**Aprobado por:**

  
María del Pilar Cornejo  
Secretaria Nacional

Secretaría Nacional de Gestión de Riesgo:

  
José Manuel Hermida  
Representante Residente UNDP

  
27/Oct/2009  
Fecha

  
29/Oct/2009  
Fecha



Programa de las Naciones Unidas para el Desarrollo  
Ecuador – Quito

**Título:** INCENTIVE SYSTEM DISASTER RISK REDUCCTION MUNICIPAL LEVEL

**Award:** 00058169

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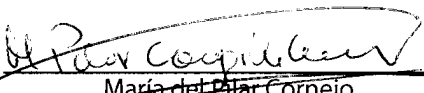
\* El fondo GRIP se gastará vía REQ 217 bajo

\* Este fondo se gastará vía REQ 217 bajo ECU50, ingresado por BCPR


**Justificación:**

Aperturar el presupuesto para inicio de actividades programadas dentro del Proyecto

**Aprobado por:**

  
María del Pilar Cornejo  
Secretaria Nacional  
Secretaría Nacional de Gestión de Riesgo:

24/Octubre/2009  
Fecha

  
José Manuel Hermida  
Representante Residente UNDP

29/Oct. /2009  
Fecha



## Annual Work Plan

Ecuador - Quito

**Award Id:** 00058169

**Report Date:** 21/10/2009

**Award Title:** Incentive System Disaster Risk Reduction Municipal level

**Year:** 2009

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget			
			Start	End		Fund	Donor	Budget Descr	Amount US\$
00072143	Incentive System Disaster Risk	1RISK AWARENESS			SECRETARIA TECNICA DE GES	26931	NOR	72100 Contractual Services-Companies	9,300.00
		2TECHNICAL ASSISTANCE			SECRETARIA TECNICA DE GES	26931	NOR	75100 Facilities & Administration	700.00
		3TECHNICAL ASSISTANCE			SECRETARIA TECNICA DE GES	26931	NOR	61100 Salary Costs - NP Staff	25,000.00
<b>TOTAL</b>						11888	UNDP	71300 Local Consultants	9,000.00
<b>GRAND TOTAL</b>						11888	UNDP	75100 Facilities & Administration	1,000.00
<b>TOTAL</b>									<b>45,000.00</b>
<b>GRAND TOTAL</b>									<b>45,000.00</b>



**Annual Work Plan**

Ecuador - Quito

Award Id: 00058169

Award Title: Incentive System Disaster Risk Reducction Municipal leve

Year: 2010

Report Date: 21/10/2009

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget			Amount US\$
			Start	End		Fund	Donor	Budget Descr	
00072143	Incentive System Disaster Risk	1RISK AWARENESS			SECRETARIA TECNICA DE GES	26931	NOR	72100 Contractual Services-Companie	23,350.00
					SECRETARIA TECNICA DE GES	26931	NOR	75100 Facilities & Administration	3,150.00
					SECRETARIA TECNICA DE GES	26931	NOR	75700 Training, Workshops and Confe	18,500.00
		2TECHNICAL ASSISTANCE			SECRETARIA TECNICA DE GES	26931	NOR	61100 Salary Costs - NP Staff	62,500.00
<b>TOTAL</b>									<b>107,500.00</b>
<b>GRAND TOTAL</b>									<b>107,500.00</b>



**Annual Work Plan**

Ecuador - Quito

Award Id: 00058169

Award Title: Incentive System Disaster Risk Reducction Municipal leve

Year: 2011

Report Date: 21/10/2009

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget				
			Start	End		Fund	Donor	Budget Descr	Amount US\$	
00072143	Incentive System Disaster Risk	1RISK AWARENESS			SECRETARIA TECNICA DE GES	26931	NOR	72100	Contractual Services-Companie	23,350.00
					SECRETARIA TECNICA DE GES	26931	NOR	75100	Facilities & Administration	3,150.00
					SECRETARIA TECNICA DE GES	26931	NOR	75700	Training, Workshops and Confer	18,500.00
		2TECHNICAL ASSISTANCE			SECRETARIA TECNICA DE GES	26931	NOR	61100	Salary Costs - NP Staff	62,500.00
<b>TOTAL</b>										<b>107,500.00</b>
<b>GRAND TOTAL</b>										<b>107,500.00</b>



## UN Development Programme

Ecuador - Quito

**Award ID:** 00058169  
**Award Title:** Incentive System Disaster Risk  
 Reduccion Municipal leve  
**Start Year:** 2009  
**End Year:** 2011

**Implementing Partner**  
**(Executing Agency):** SEC. TECNICA GESTION DE  
 RIESGO

**Responsible Party**  
**(Implementing Agent):** SECRETARIA TECNICA DE GESTION

**Revision Type:** Initial Project Approval

**Brief Description:**

La presente revisión tiene por objetivo:

- Aperturar el presupuesto para inicio de actividades programadas dentro del Proyecto.

**Budget (US\$) as of Last Revision on 21-October-2009**

Donor	Fund	Amount
UNDP	11888 Country Co-Financing CS	10,000.00
NOR	26931 CPR TTF – Disaster	250,000.00
<b>Total Budget ( 2009 and Beyond )</b>		<b>260,000.00</b>
<b>Total Expenditure ( 2008 and Prior )</b>		<b>0.00</b>
<b>Award Total</b>		<b>260,000.00</b>
<b>Unprogrammed/Unfunded</b>		<b>0.00</b>

**Agreed by:**

**Agreed by:**

**Agreed by:**

**Agreed by:**



Project: 00072143

Description: Incentive System Disaster Risk

Details Find | View All | First | 1 of 1 | Last

**Justification Type:** INI **Date:** 21/10/2009

**Reason:** INICIO DE ACTIVIDADES

**Employee Name:** 478227 **AGUSTO, José**

**Comments:** La presente revisión tiene por objetivo:

- Aperturar el presupuesto para inicio de actividades programadas dentro del Proyecto.

[Save as Template](#) | [Copy Project](#)

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Project: 00072143 **Description:** Incentive System Disaster Risk

**Details** Find | View All First 1 of 1 Last

**Justification Type:** INI **Reason:** INICIO DE ACTIVIDADES **Date:** 21/10/2009

**Employee Name:** 478227 AGUSTO, José

**Comments:**  
 La presente revisión tiene por objetivo:  
 - Aperturar el presupuesto para inicio de actividades programadas dentro del Proyecto.

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Project: 00072143

Description: Incentive System Disaster Risk

Details

Justification Type: INI Reason: INICIO DE ACTIVIDADES

Employee Name: 478227 AGUSTO, José

Comments: La presente revisión tiene por objetivo:

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Find | View All | First | 1 of 1 | Last

Date: 21/10/2009

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**Government Ecuador**

**United Nations Development Programme  
Bureau for Crisis Prevention and Recovery**

***Design and Implementation of an Incentive System for  
Disaster Risk Reduction at the Municipal Level in Ecuador***

**August, 2009**

## **Narrative**

After the heavy floods that impacted the coastal region of Ecuador in January and February 2008, the National Government of Ecuador has raised its interest in taking pro-active actions to reduce the possible impacts of natural hazards in its territory. Several key actions have been undertaken by the government in this regard:

- a) The mandate to incorporate disaster risk reduction and management mechanisms at every geographical and institutional level through specific (389 and 390) articles incorporated in the New Constitution of Ecuador,
- b) The establishment of a National Secretariat for Disaster Risk Reduction (Secretaría Técnica de Gestión de Riesgos-STGR) which is in charge of the overall inter-institutional coordination for Disaster Risk Reduction and Management,
- c) Empowerment of the Ministry of the Coastal Region (Ministerio del Litoral) through the lessons learned from the 2008 flooding experience which is interested in setting up a comprehensive process for preparedness, emergency management and recovery.

In this regard, the UNDP office of Ecuador received a formal request from the Ministry of Finance (Ministerio de Economía y Finanzas-MEF) to assist them in the formulation of an incentive system for disaster risk reduction at the municipal level through fiscal policy. The project aims at incorporating realistic DRR actions into daily municipal business, which will be periodically evaluated to make sure of the impact of the actions implemented by the municipalities.

The project comprises six major objectives:

1. To understand major hazards, vulnerabilities, capacities and risk in the coastal region of Ecuador to facilitate decision making for a disaster risk reduction (DRR) strategy at the local level.
2. To understand the risk that Government faces from natural hazard and vulnerabilities.
3. To design tools and methodologies to guide local governments for effective risk reduction investments.
4. To design an incentives system for DRR addressed to local governments through fiscal policy that will be implemented by the Ministry of Economy and Finance (MEF), which includes a monitoring process through a regional observatory for DRR and the implementation of an indicators system for disaster risk reduction and management.
5. To implement concrete DRR applications in selected municipalities so as to test and guide the implementers in the use of the indicators, monitoring system and fiscal policy, as well as the use of tools and specific mechanisms for DRR.
6. To build capacity and train key actors on the use and of the tools and methodologies produced through out the project.

The implementing partner for the project will be Secretaría Técnica de Gestión de Riesgos, STGR, and it will count on the support of the Ministry of Economy and Finance, this will reinforce the vision of promoting DRR through public investment, while project's sustainability can also be assured through allocation in the National Budget. Appropriate linkages and coordination with the national level will be encouraged through the leadership of STGR and the National Agency for International Cooperation (Agencia Ecuatoriana de Cooperación Internacional-AGECI). Further, key research centres and universities based in the coastal region will be the ones to provide all the technical support for the risk assessment while at the same time they will assist the municipalities in the use of practical applications of the tools and other materials generated in the risk assessment phase. This arrangement will assure improved capabilities of the technical groups and direct implementation through the end users.

UNDP will provide technical assistance and supervision through the NDRA based in Quito and the project will be part of the Global Risk Identification Program GRIP. The program will also make the appropriate coordination with the BCPR Regional Office based in Panama, particularly on the phase of implementation of practical DRR initiatives.

UNDP will assure the incorporation of gender considerations and promote the active participation of men and women in the project as to enhance their capabilities and contribution to the project. On the other hand UNDP will make sure that UNET-E is abreast of the project in order to welcome contributions from UN Agencies as well as enhance their knowledge on DRM and DRR.

The project will be undertaken in phases, the initial one which will be funded by BCPR and GRIP Program through the CO, will be focused on the identification of a baseline and institutional strengthening of national, regional and local institutions, these relates to objectives 1 and 6 from above. The Project counts on additional sources of funding which will be executed directly by the implementing partners, thus these resources will not be reflected on ATLAS, which in turn will reflect only the direct contribution of UNDP/BCPR. In addition, the National Government of Ecuador and UNDP will continue to look for the additional funding that is required to complete the whole program. The budget reflects the whole program as it was conceived with the counterparts, it includes an annex that refers to phase one as described herein.

## **COMPONENT 2: SITUATION ANALYSIS**

### **2.1 BASIC COUNTRY INFORMATION**

- Population: 13,4 million
- Geography: 256,370 square kilometers in size, the country is geographically divided into four regions (the Amazon, the Highlands, the Coast, and the Galapagos Islands) and is politically split into 22 provinces.
- HDI: Rank 83 among 177 countries; value 0,765 (HDR 2006)
- Key social and economic indicators:
  - GDP growth rate: 4.1% (2006)
  - GDP per capita (PPP): US\$ 3,050.
  - Poverty level: 38.3% (urban: 24.9%; rural: 61.5%);
  - Absolute poverty: 12.8% (urban: 4.8%; rural: 26.9%);
  - Rate of illiteracy: 9.1%
  - Maternal mortality rate: 85 per 100.000 live births
  - Infant mortality rate: 22.1 per 1.000 live births
  - Chronic malnutrition rate: 18.1% (40.1% among the indigenous people)
  - Schooling rate: primary school 73.8%, secondary school 32.6%
  - HIV/AIDS is spreading rapidly, particularly in the coastal provinces, although official information is still scarce and unreliable. Studies conducted in some areas have showed a prevalence rate of over 1%.
  - Demography: 64.3% comprises the population with 1-33 years old, followed by a 27.5% of 34-59 years old and a 8.2% with people 60 years and older.

Ecuador's income is based on the exports of petroleum, agricultural and fishery products, and the remittances of an important population that migrated to the USA, Spain and Italy after a severe banking crisis in the late 1999.

### **2.2 Political setting**

Ecuadorian democracy has suffered a severe crisis in recent years, which produced a progressive weakening of the central public institutions and the rule of law combined with acute political instability (the country has had 7 presidents in the last decade). January 15<sup>th</sup>, 2007 marked the beginning of the new administration led by President Rafael Correa – an economist influenced by the ideas of Amartya Sen and Joseph Stiglitz, who based his campaign on a far-reaching agenda that comprises de-politization of justice and control bodies, re-orientation of economic policies towards social needs, fight to corruption and defense of Ecuador's environmental and natural resources, whose cornerstone is the convening of a Constitutional Assembly to give the country a new Constitution.

His first initiative was to convene a referendum to approve the convening of the Assembly, which took place on April 15<sup>th</sup>, 2008 and resulted in a whopping 82% of favorable votes. On September 2008 the New Constitution was voted, as it was expected, it counted with a positive and strong support from the community.

This particular situation provides a unique opportunity to review current administrative structure of the country as well as its institutions and legal frameworks, including those related to the construction of a Decentralized Disaster Risk Management System and its concurrent laws and regulations.

In fact, the recently approved 2008 Constitution of Ecuador incorporates for the first time explicit references to Disaster Risk Management through articles 389 and 390. Both articles provide the framework for the design and implementation of a Decentralized DRM System which aims at preventing people and investment from the negative impact of several

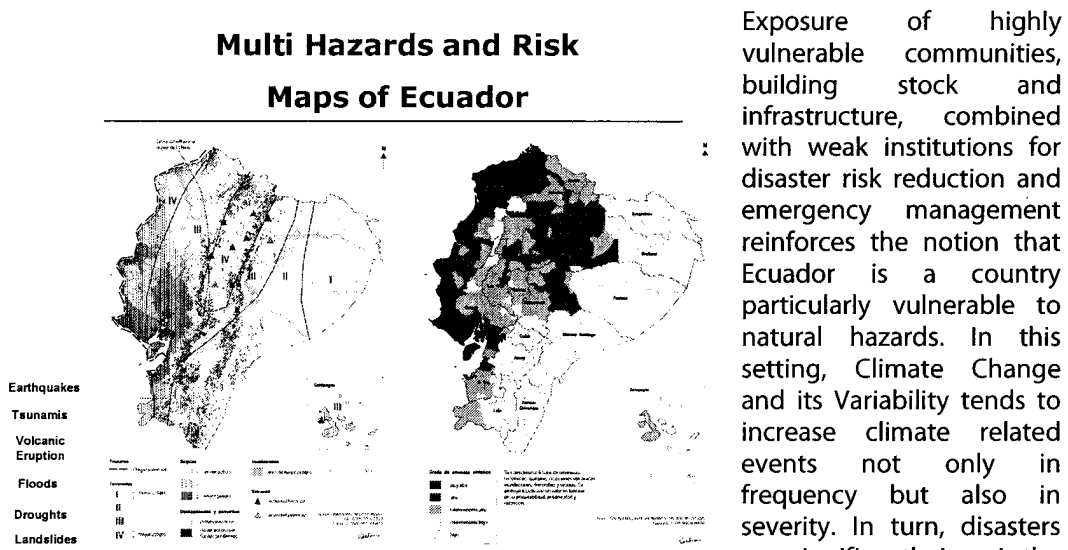
natural hazards that affect the country on yearly basis. On the other hand, the National Development Plan (2007-2010) has also mainstreamed Disaster Risk Reduction into its 12 development goals.

As a result of the interest of the National Government in DRM and DRR, the Civil Defense has been re-structured and a new agency to lead the construction of the Decentralized DRM System and the Emergency Management Strategy has been set up. The National Secretariat for DRM has the mandate to reorganize de Emergency Management Structure and promote the construction of the DRM System.

Current situation provides a unique opportunity to the UNS and the international community to assist the National Government of Ecuador in the construction process of the new institutional and legal framework and the strengthening of national, regional, local and sectoral capabilities for DRM,

### 2.3 Hazards, Vulnerabilities, Capacities and Risk Context

Hazards of varied types threaten Ecuador, a densely populated country with a rugged topography located in the Equatorial line and in the so-called "Fire belt" of the Pacific. Amongst them are volcanic activity, earthquakes, and a host of phenomena related to climate variability and change, such as floods, landslides, and prolonged dry seasons.



Exposure of highly vulnerable communities, building stock and infrastructure, combined with weak institutions for disaster risk reduction and emergency management reinforces the notion that Ecuador is a country particularly vulnerable to natural hazards. In this setting, Climate Change and its Variability tends to increase climate related events not only in frequency but also in severity. In turn, disasters can significantly impair the

development of vulnerable countries like Ecuador, evidence suggest that the impacts of these hazards have slowed development during at least the last 20 years.

Just to mention the most catastrophic, the country was hit by El Niño Phenomena in 1983 and 1997 with extensive flooding along the Ecuadorian lowlands, bringing devastation and destruction to an already weak infrastructure. In 1987, an earthquake struck the northeastern part of the country producing severe damage to Ecuador's only oil pipeline and stopping oil exportation for several months. In 1993 a mega-landslide occurred upstream of Paute, the largest and most important hydroelectric dam in Ecuador. In 1998, a 7 Magnitude earthquake produced severe damage in houses and buildings. Non-structural damage in the modern resort of Bahía de Caráquez was huge, showing the high vulnerability of buildings. During the same period, the national gross product and other economic indicators showed either negative growth or significant reductions. More recently, volcanic activity in Mount Tungurahua has impacted a densely populated area, displacing peasants and slowing a very active local tourism industry in the city of Baños.

January and February 2008 surprised the country with an abnormally intense rainy season that flooded a huge area of the country, particularly but not limited to the lowlands of the Ecuadorian coast. Thirteen out of 24 provinces sustained heavy damage and social and economic losses, recent evaluations suggest up to 2.5% of GDP loss in this sole event, showing once again that the country is ill prepared to manage a humanitarian crisis and the consequent emergency situation.

A deep analysis of the 2008 floods in Ecuador<sup>1</sup> was carried out and consultation with different actors of the process resulted in the identification of to be the underlying causes of vulnerability in Ecuador, which can be summarized:

- **Incomplete recovery processes from past events** have weakened both the build environment and the social fabric of the country. El Niño 97/98 produced 2800 million in losses, by then, the government assigned USD 1670 for the reconstruction, only 292 actually invested.
- **Political instability**, none of the elected presidents have finished their periods since 1996.
- **Economic issues**, After the bank assets were frozen in March 1999, the dollar became the national currency (instead of "Sucre") salaries went down, unemployment went up thus leading to a high exodus of more than a million Ecuadorians.
- **Poor and aggressive urbanization processes** in major cities in Ecuador, particularly In the coast after repeated flooding
- **Huge Deforestation and Environmental Degradation** including destruction of primary woods
- **Issues with Basic Response Institutions**, they were weakened during the political processes among them the Civil Defense, Basic organizations for response such as Red Cross and Firemen
- **Little knowledge Transfer**, there is a fragile relationship from those who produce knowledge and those who should apply it
- **No Risk Reduction Vision** within sartorial implementers such as Ministries and other local organizations such as municipalities for example.
- Limited inter-institutional coordination

The recent flooding episode in the coastal region of Ecuador has raised the issue of how well prepared are our communities to face such devastating events, and the readiness of local, regional and national organizations to protect and provide humanitarian assistance in crisis situations.

The expectation goes beyond the particular phase of emergency management to the overall Disaster Risk Management perspective. The need of a switch in the paradigm of sole emergency response vis à vis the investment in prevention and mitigation as well as in the recovery planning making a better link to sustainable development is what the country urgently needs.

Therefore, current situation, after the flooding of the coastal region in January and February this year and eruption of Mt. Tungurahua late last year have raised awareness and make the community and the authorities sensible to risk reduction and recovery.

This situation clearly indicates that a complete review of the legal and institutional arrangements for a comprehensive disaster risk management is needed, including a shift of

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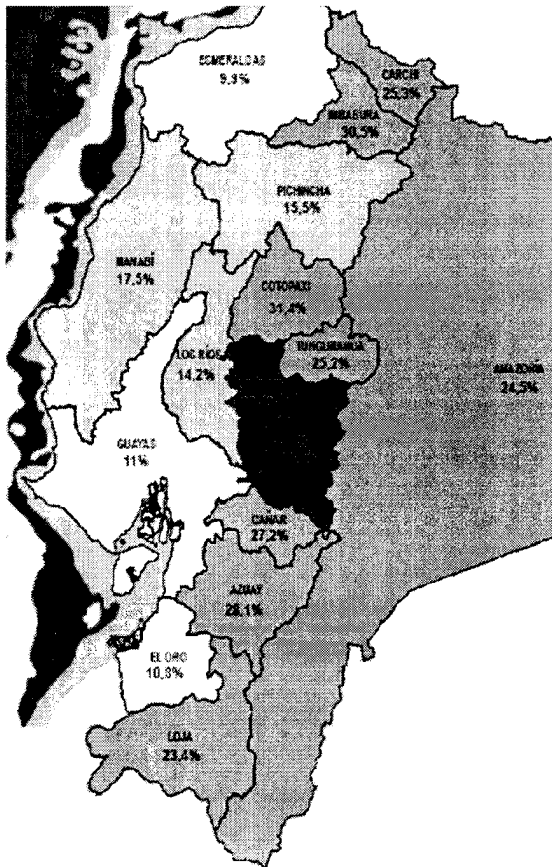
<sup>1</sup> Ecuador 2008, La Respuesta frente a las Inundaciones en el Litoral, una publicación del Ministerio del Litoral y del Programa de Naciones Unidas para el Desarrollo, Enero 2009



paradigms and practices, from immediate response which has been traditional to prevention, mitigation and preparedness.

In this new perspective the need for a comprehensive risk assessment to guide the design and implementation of a Disaster Risk Reduction and Emergency Management Strategy (including technical, social, economic, political aspects) is seen as a unique opportunity, linked to the review of overall national administrative and territorial organization of the country promoted by the National Government of Ecuador through the New Constitution of Ecuador which will be approved at the end of September 2008.

## 2.4 Risk Analysis in the Coastal Region of Ecuador



Coastal Ecuador is divided into five provinces, four of them with coastal front. From north to south there are Esmeraldas, Manabí, Guayas and El Oro. The main socioeconomic activities respond to the climatic conditions, with the exception of petroleum exports through the Esmeraldas port in Esmeraldas Province.

The population in coastal provinces was about 5,406,045 in 2001 (2001 Population Census), excluding Los Ríos Province, which does not have a coastal front. It amounts for about 50% of Ecuador's population in 2001. Schooling is calculated as the average number of years approved by the population 10 years old and older at the different levels of instruction<sup>2</sup>. The average for the whole country is 7.1. It is important to mention that most of the artisan and industrial fisheries take place in Guayas and Manabí provinces. In Esmeraldas the population uses the services of estuaries and mangrove area only for subsistence and for crabs and oysters catches (National Fisheries Institute,

personal communication), with some aquaculture activity. El Oro province is mostly dedicated to banana farming and exports, as well as shrimp aquaculture, and the artisan fisheries are mostly for household consumption. Guayas has the most important port of Ecuador and Esmeraldas houses the only oil refinery of the country.

The fishery and agricultural sectors in the coastal region of Ecuador face several problems regarding climate impact that must be taken in account:

- 1) Changes in air temperature and precipitation patterns.
- 2) Sea level rise: because of the gentle slope of the continental platform, and immediate coastal plains a small rise in sea level would result in increase of the surge area, coastal erosion and lost of the beach side. This in turn poses the question of adaptation through different kind of measures.

<sup>2</sup> In Ecuador the elementary and high school system amount for 7 and six years respectively by 2001. Today, the system has changed, and 2 years of pre-school have been added.

- 3) Changes in water masses (temperature, salinity and oxygen properties), and hence migration of fisheries because of changes in the habitats

The impact in this region is exacerbated by the current socioeconomic conditions of the Ecuadorian population which are the result of the socio-political situation of the country in at least the last ten years plus the effects of lack of enforcement of coastal management policies regarding land use, zonation and sustainable use of ecological services as well as sanitation and provision of potable water in small settlements and rural areas.

El Niño/Southern Oscillation (ENSO) was one of the best well known climatic extremes in Ecuador. The pre-Columbian El Niño knowledge presented it as a climatic warm event, that periodically appears during the rainy season (around the end of December) in southern coastal Ecuador and northern coastal Peru. This climatic event was associated with fertility, because of the increase in rainfall associated with it. During the twenty century, the concept of ENSO evolved from a local process (local to Ecuador and Peru) to an equatorial Pacific basin-wide event with worldwide tele connections, along with positive and negative impacts. Currently, during the twenty-first century, the ENSO events have been limited to the central equatorial Pacific Ocean, with little signature and impact over coastal Ecuador and Peru. This evolution of ENSO events through the centuries implies that it is necessary to study it in relationship to longer time scales of variability, associated with multi-decadal to centennial variability in order to understand its changing behavior. However, in lieu of climate change, the scenarios posed by both the warm - El Niño-, and the cold - La Niña -, phases are still useful as climate extremes that could occur under climate change conditions under the assumption that the climatic extremes would become more frequent. There are several studies looking at the impact of ENSO upon different socioeconomic sectors, such as agriculture, fisheries, and also upon infrastructure and health.

In addition to climate related events and El Niño/La Niña, the coastal region of Ecuador can be affected by strong shaking produced by Earthquakes generated by the subduction of the Nazca Plate under the sud-american plate with historical events that show Magnitudes as big as M=8.7 in Esmeraldas in 1906, or Manabi M=8.1 in 1942, or Guayaquil M=4 to 6 plus in several years, with the possibility that offshore generated earthquakes could produce a Tsunami that may severely affect the coastal population. Vulnerability of the exposed elements is high, as already explained, poor population, weak institutions and vulnerable infrastructure due to lack of appropriate seismic standards for design and construction in both, dwellings and lifelines, such as bridges, roads, and development infrastructure.

The recurrent natural hazards combined with high physical, social and institutional vulnerabilities, along with a low coping capacity (lack of resilience) of the community, configures a high risky scenario which potential damages can be progressively reduced with a sustained work that includes the leadership of the national authorities, together with a joint effort at the local level (municipalities) and with the understanding and support of the community, scientific organizations and other key actors located in the Coastal Region of Ecuador.

## **2.5 Institutional Framework and Capabilities**

The leading national entity for the implementation of the project would be the Ministry of Economy and Finance because this is the organization in charge of implementing the government's fiscal policy and it is the one that would be best placed to promote and implement those public policies identified by the project, which will need to be incorporated through complementary laws and/or municipal ordinances. On the other hand, the Ministry of the Coastal Region (Min. Litoral) has strengthened its capabilities for emergency management and DRR. Key aspects of Disaster Risk Management and Reduction have been absorbed by these regional

authorities leading their interest to identifying practical tools, methods and procedures for effective risk reduction and the promotion of a real strengthening of local governments reducing their dependence on donors and the national level. Therefore, there is an important political interest and leadership to promote DRR in the coastal region of Ecuador. Also, prepared technical cadres to promote the real implementation of the project are available within this Ministry. Local municipalities are in weaker situation, and therefore, they will require a lot of support from the project, at least until they become familiar with the tools and other means that will be developed by the project.

To make the appropriate linkages to the national level, which is key to act in accordance to national strategies and policies and in order to have access to national resources assuring sustainability, it would be paramount to gain the buying of the STGR (Technical Secretariat for DRM), and the Ecuadorian Agency for International Cooperation (AGECI)

The area of Democratic Governance at UNDP incorporates Disaster Risk Management among its portfolio of programs. Major focus has been given to the strengthening of local capabilities for a comprehensive disaster risk reduction and management. A key element represents the incorporation of risk sensitive planning perspective into development and land use plans as an option for pre-event mitigation and vulnerability reduction. The development of appropriate communication and information technologies and early warning systems to keep local stakeholders aware is a second line of interest. In addition, UNDP plays an active role for emergency situations within the UN System through the inter-agency group called UNETE. This has broadened our perspective to engage in this type of situations particularly related to early recovery and planning for long term recovery, looking mostly at livelihoods recovery.

## **COMPONENT 3: STRATEGY**

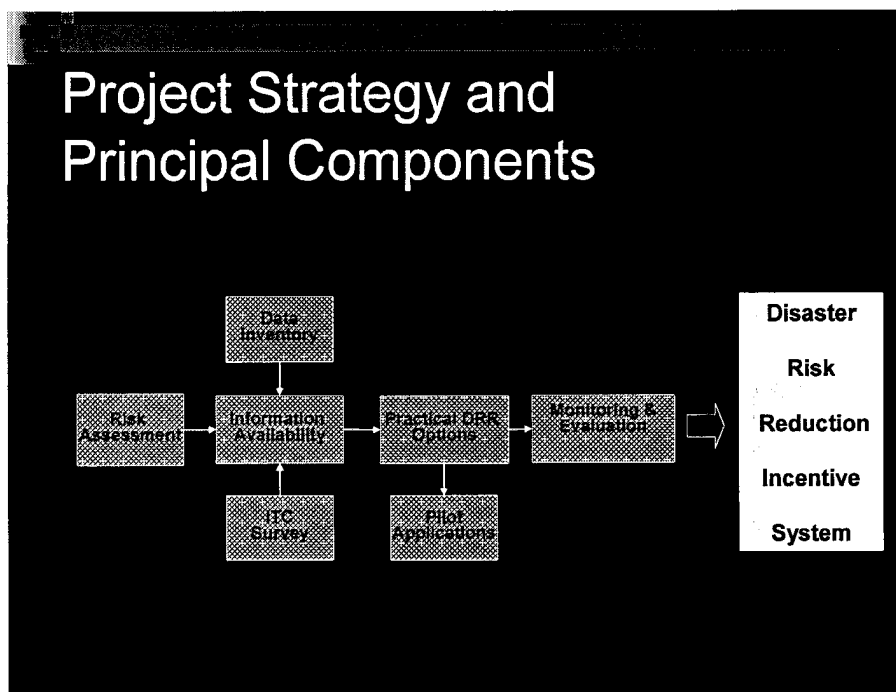
### **3.1 Project Strategy**

The local level is where effective risk reduction takes place. Many local authorities are interested in reducing the impact of natural hazards in their territory, nevertheless, either they think that it would imply a lot of resources, investment that competes with other pressing issues such as provision of basic amenities to the population, or reducing crime and violence, or simply they don't know how to go about it, because there are no local specific tailored patterns to guide local governments for cost-effective risk reduction investments.

The strategy for motivating the implementation of DRR actions at the local level consists of the following key steps:

1. Risk Identification or assessment for awareness rising. As mentioned earlier, hazards are rather well known in the country, but vulnerability and capabilities (resilience) have been only broadly incorporated in the analysis.
2. Development of a role model to assess the economic and financial risk of Ecuador due to high vulnerability and exposure to natural hazards and the possible losses associated with disasters.
3. Bringing this information down to be useful at the local level (appropriate scales and resolution), and making it accessible to the local planners, emergency managers and decision makers. Data inventories and ITC capabilities will be factored in the project not to duplicate and make use of what is already available.

4. Making tools, methodologies, sound practices and other instruments for DRR available to municipal staff and policy makers for its implementation.
5. Making use of both, the defined strategies for cost effective investments for DRR and the incentive system for risk reduction and management.
6. Monitoring and evaluating for improving base line.
7. Pilot testing and application in selected municipalities.
8. Building capacity at all levels of intervention, including the community.



### 3.2 Country Office DRM Strategy

Since 2002 BCPR has provided \$ 2.58 million from which US \$ 155,000 have been in support to natural disasters immediate response projects. The Assistance for recovery of affected areas due to flooding in Los Rios and volcanic eruption in Tungurahua, both with visible results. BCPR technical support and funds have served to lay a solid foundation for UNDP to position itself as the main partner and interlocutor with the Ecuador Government, especially with the Secretary for Internal and External Security responsible for the coordination of ministries in crisis situations, Secretary of National Planning (Senplades), Civil Defense and the Escuela Politécnica Nacional's Geophysics Institute and local governments and municipalities, Ministry of Economy, Ministry of Litoral and Local Governments.

This DRR programmatic strategy also builds on the important experience gained through the preparatory assistance supported by BCPR on the period 2006-2007, carried out for nine municipalities located around Mt. Tungurahua affected by volcanic eruption: "Recovery of the affected zones by the eruption of Mt. Tungurahua" (USD 60.000), and the construction of the so called "Recovery Agendas" for four municipalities in Los Rios Province dealing with early recovery after a flooding episode through the project "Assistance for the recovery and transition to development of the zones affected by the flooding episode in Los Rios" (USD 100.000). In 2008 BCPR continued support to floods caused by el Niño with the Project for the Rehabilitation of Livelihoods and economic recovery (USD 110,000) and the Project for strengthening national and local capacities for

disaster risk reduction and management (US 327,000). These later projects are still being executed in its final stages for project completion.

This project takes stock of the programme built in the past from recurrent natural disasters, and takes it a step further in having the Ministry of Finance and the local governments on board to be part of a larger DRM strategy that the CO has put in place in response to the risk background in Ecuador.

An action plan aimed at assisting the National Government of Ecuador building its strategy for disaster risk reduction and management has been formulated, it includes five key areas of intervention were identified: 1) Development of Public Policy for disaster risk reduction and management, 2) Development of a bundle of projects to support national and local capabilities with the technical advice of UNDP, 3) Interagency collaboration within the UN system, and inter-area collaboration within the UNDP office, 4) Knowledge Management for DRR and DRM, and 5) mobilization of resources and funding from different sources.

The attached table shows a summary of the DRM portfolio of projects that will be complementary to the activities that will be undertaken under the project combined with the GRIP Initiative.

The completion of these projects in the upcoming years will provide a very good understanding of hazards, vulnerabilities and risk in the country, plus the identification of an agreed upon DRM Strategy and the improvement of Information and Communication Processes for both DRM and Emergency Management.

**DRM portfolio for Ecuador implemented by UNDP  
Year 2009-2011**

<b>Name of the Project</b>	<b>Amount</b>	<b>Sources of Funding</b>	<b>Implementing Partners</b>
Implementation of a Collaborative Climate, Seismic and Volcanic Information System for Decision Making at the Municipal Level in Ecuador	Euros 400.000	ECHO DIPECHO	IG-EPPN-CIIFEN – INAMHI Approved, Implementation will start on July 2009
Urban Risk Reduction Program for Quito	USD 981.000	WB	City of Quito Implementation initiated March 2009
Strengthening voluntarism for DRR and DRM in Ecuador	USD 300.000	AECID through UNV	Several Volunteering Organizations in Ecuador Approved, Implementation will start on July 2009
<b>TOTAL</b>	<b>USD 1'881.000</b>		

## COMPONENT 4: RESULTS AND RESOURCES FRAMEWORK FOR THE WHOLE PROGRAM

<b>Intended Outcome as stated in the UNDP CO Results Framework:</b> The National and local governments count on prevention and mitigation plans as well as with disaster risk management capabilities		
<b>UNDP Strategic Plan:</b> Basic governance functions of the state are re-established/National capacities to reduce conflict and disaster risk factors are enhanced.		
<b>Partnership Strategy:</b> NEX execution with Technical Secretariat for Risk Management (STGR) and the Ministry of Finance as leading agencies, UNDP to provide technical assistance, UNDP's regulations for contracting and purchasing would be followed.		
<b>Project title and number:</b> Design and Implementation of an Incentive System for Disaster Risk Reduction at Municipal Level in the Coastal Region of Ecuador		
<b>Intended Outputs</b>	<b>Output Targets</b>	<b>Indicative Activities</b>
<p>1. Risk awareness</p> <p>Understanding hazards, vulnerabilities, capacities, and risk for disaster risk reduction (DRR) at the local level, including the economic and financial risk phase.</p> <p>Indicators</p> <ul style="list-style-type: none"> <li>• One Report on DRM Context for the Coastal Region of Ecuador</li> </ul> <p>At least the following maps for each province:</p> <ul style="list-style-type: none"> <li>• One map for each type of natural hazard (Floods, Landslide, earthquake)</li> <li>• One vulnerability map for each province.</li> <li>• One Risk map for each province.</li> <li>• One Economic losses map (according to risk assessment) for each province.</li> <li>• One National Strategic Plan for DRR</li> </ul>	<p>1.1. Municipalities and Provincial Governments count on tools, methodologies and practices to understand risks and its economic implications.</p>	<p>1.1.1. Identify the context for DRM and DRR within the coastal region of Ecuador (legal and institutional arrangements, resources and capabilities, fiscal policies, financial framework), assessing the current local risk reduction investments and its effectiveness.</p> <p>1.1.2. Re-assessment of comprehensive risk in the coastal region of Ecuador including Climate Change (Bringing down the scales from the national to the local levels)</p> <p>1.1.3. Provision of practical information/tools to understand risk and its economic implications, and to support the actual implementation of DRR into municipal and provincial policies (Maps, GIS and Web Based for easy access to promote Risk Sensitive Land Use and Planning, use of norms and standards), includes data analysis and identification of ITCs capabilities.</p> <p>1.1.4. Definition of a Regional Strategy for DRR and an action plan including responsible actors/organizations, resources and time frame. This includes sector specific analysis, to identify disaster prone areas to prioritise communities for implementing DRR activities.</p>
		<b>Inputs</b>
		USD 10.000
		USD 200.000
		USD 100.000
		USD 50.000
		<b>TOTAL OUTPUT USD 360.000</b>

<p><b>2. To develop a proposal to guide and promote cost-effective risk reduction strategies for local governments</b></p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>• One multi-sector plan for DRM and DRR</li> <li>• Set of sound practices for DRR and DRM exchanged in LAC.</li> <li>• One Guide to promote portfolios of local DRM and DRR within each province. At least one of the projects will explicitly incorporate women head of families in a leading role.</li> <li>• One proposal to develop an adequate framework for DRR and DRM</li> </ul>	<p>2.1. Cost-effective actions are mainstreamed into local governments and municipalities' regular business.</p>	<p>2.1.1 Develop a multi-sectoral package for DRM and DRR.</p> <p>2.1.2 Support the exchange of sound practices for DRM and DRR within the country and in the LAC region.</p> <p>2.1.3 Develop a portfolio of local DRM and DRR initiatives to be implemented by local governments and municipalities.</p> <p>2.1.4 Local governments have appropriate policies to develop an adequate framework to DRR and DRM. (legal, normative, technical).</p>	<p>USD 50.000</p> <p>USD 100.000</p> <p>USD 50.000</p> <p>USD 20.000</p> <p><b>TOTAL OUTPUT USD 220.000</b></p>
<p><b>3. Design of a financial incentive system for DRR for local governments through fiscal policy implemented by the secretary of economy and finance.</b></p> <p><b>Indicators:</b></p> <p>One indicators system designed and implemented for each province</p> <p>One proposal to incorporate risk reduction into budgetary allocation for local governments.</p>	<p>3.1 The Secretary of Economy and Finance counts on the legal framework and suitable technical resources to implement financial incentives for DRR at the local level and initiates its implementation.</p>	<p>3.1.1 Identify the context for financial incentives in Ecuador.</p> <p>3.1.2 Design of a fiscal instrument to incorporate risk reduction into budgetary allocation for local governments and municipalities, and implement it within the MEF.</p> <p>3.1.3 Design of an indicators system to measure progress in DRM and DRR at the local and municipal levels, linked to the incentive's system, in the short, intermediate, and long run.</p> <p>3.1.4 Implement a regional observatory to monitor key social, political, institutional and risk indicators to measure DRM and DRR in the coastal region of Ecuador</p> <p>3.1.5 Formulate a proposal of a regulatory framework (laws and regulations) to be submitted to the National Assembly for discussion and approval.</p>	<p>USD 10.000</p> <p>USD 25.000</p> <p>USD 25.000</p> <p>USD 50.000</p> <p>USD 25.000</p> <p><b>TOTAL OUTPUT USD 135.000</b></p>

<p><b>4. Pilot application in selected municipalities</b></p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>• One document with the specific strategy for DRR for selected municipalities</li> <li>• One action Plan for each selected municipality</li> <li>• One process designed for selection of beneficiaries.</li> <li>• Group of beneficiaries are selected in each province.</li> </ul>	<p>4.1 A full process is applied to at least 6 municipalities having different hazards (Earthquake, flooding and landslides), additional criteria for the selection will include population size, strategic infrastructure for the country and political will.</p> <p>4.2 Participatory small projects implemented to engage communities in disaster risk &amp; vulnerability reduction and emergency preparedness</p>	<p>4.1.1 Identification of the pilot sites for application of the methodology.</p> <p>4.1.2 Definition of the local specific strategy for DRR and prioritization of an action plan.</p> <p>4.1.3 Definition of the DRR actions.</p> <p>4.1.4 Implementation of DRR actions which may include preparedness, emergency management, mitigation actions, preparedness for recovery, financial protection and others. At least one project will incorporate women heads of families.</p> <p>4.2.1 Identification of the beneficiaries at the community level, design and implementation of DRR actions.</p> <p>4.2.2 Strengthen community capacity for the monitoring and evaluation of DRM and DRR activities.</p>	<p>USD 10.000</p> <p>USD 10.000</p> <p>USD 5.000</p> <p>USD 200.000</p> <p>USD 100.000</p> <p>USD 30.000</p> <p><b>TOTAL OUTPUT USD 355.000</b></p>
<p><b>5. Capacity Building and UNDP Technical Assistance</b></p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>• One training program designed, with emphasis in gender issues.</li> <li>• One training program implemented.</li> </ul>	<p>5.1 National Government, Local governments, municipalities and communities understand the benefits of the DRR incentives system and make use of it.</p> <p>5.2 UNDP Technical assistance and Project Administration</p>	<p>5.1.1 Design and implementation of a training program for National Institutions, local governments, municipalities and communities to facilitate mainstreaming of identified strategies and practices</p> <p>5.1.2 Support to simulation exercises</p> <p>5.1.3 Publications, Training and Media Materials</p> <p>5.2.1 Technical assistance</p> <p>5.2.2 Project Admin and Implementation</p>	<p>USD 50.000</p> <p>USD 20.000</p> <p>USD 50.000</p> <p>USD 200.000 NDRA National Advisor</p> <p>USD 100.000 Project Manager/Mobilization</p> <p><b>TOTAL OUTPUT USD 420.000</b></p> <p><b>GREAT TOTAL OF THE PROJECT FOR TWO YEARS USD 1'490.000</b></p>



**COMPONENT 5: BUDGET SHEET FOR THE WHOLE PROGRAM**

EXPECTED OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES <i>List all activities including M&amp;E to be undertaken during the year towards stated CP outputs</i>	TIME FRAME				RESPONSIBLE PARTY	Source of Funds	PLANNED BUDGET	
		Se m 1	Se m 2	Se m 3	Se m 4			Budget Description	Amount
1. Risk awareness: Understanding hazards, vulnerabilities, capacities, and risk for disaster risk reduction (DRR) at the local level, including the economic and financial risk phase.	Identify the context for DRM within the coastal region of Ecuador (legal and institutional arrangements, resources and capabilities)	X				Technical Partners STGR Min. Litoral Local Governments and Municipalities	BCPR	71300 Local Consultants	7.500
								71600 Travel	2.500
	Re-assessment of comprehensive risk in the coastal region of Ecuador including Climate Change (Bringing down the scales from the national to the local levels)	X	X				BCPR	72100 Contractual Services	180.000
								74200 Audio Visual & Print Prod. costs	20.000
		X	X					72100 Contractual Services 71600 Travel	70.000 5.000
Provision of practical information/tools to understand risks and its economic implications and support the actual implementation of DRR into municipal and provincial policies.	X	X					72800 Information Technology Equipment 74200 Audio Visual & Print Prod. costs	20.000 5.000	
Definition of a Regional Strategy for DRR and an action plan including responsible actors/organizations, resources and time frame. This includes sector specific analysis, to identify disaster prone areas to prioritise communities for implementing DRR activities.	X	X				BCPR	74500 Miscellaneous Expenses (workshops)	15.000	
							74200 Audio Visual & Print Prod. costs 71600 Travel 71300 Local Consultants	5.000 10.000 20000	
							<b>TOTAL</b>	<b>360.000</b>	
2. To develop a proposal to guide and promote cost-	Develop a multi-sector package for DRM and DRR.	X	X			Technical Partners	BCPR	72100 Contractual Services	50.000

<b>effective risk reduction strategies for local governments</b>	Support the exchange of sound practices for DRM and DRR within the country and in the LAC region.									BCPR	74500 Miscellaneous Expenses (workshops) 71600 Travel	50.000 40.000
	Develop a portfolio of local DRM and DRR initiatives to be implemented by local governments and municipalities.		X							BCPR	74200 Audio Visual & Print Prod. costs 72100 Contractual Services	10.000 40.000
	Design appropriate policies to develop for an adequate framework for DRR and DRM. (legal, normative, technical).			X						BCPR	74500 Miscellaneous Expenses (Consultation) 71600 Travel	5.000 5.000
<b>3. Design of a financial incentive system for DRR for local governments through fiscal policy implemented by the secretary of economy and finance.</b>	Identify the context for financial incentives in Ecuador.	X								BCPR	71300 Local Consultants	<b>220.000</b> 10.000
	Design of a fiscal instrument to incorporate risk reduction into budgetary allocation for local governments and municipalities, and implement it within the MEF.	X								BCPR	71400 Consultant Services-Individuals 74200 Audio Visual & Print Prod. costs	20.000 5.000
	Design of an indicators system to measure progress in DRM and DRR at the local and municipal levels, linked to the incentive's system, in the long, intermediate, and long run.		X							BCPR	72100 Contractual Services 74200 Audio Visual & Print Prod. costs	20.000 5.000
	Implement a regional observatory to monitor key social, political, institutional and risk indicators to measure DRM and DRR in the coastal region of Ecuador; monitoring pilot application in selected municipalities.									BCPR	72100 Contractual Services 72800 Information Technology Equipment	40.000 10.000
	Formulate a proposal of a regulatory framework (laws and regulations) to be submitted to the National Assembly for discussion and approval.			X						BCPR	72100 Contractual Services	25.000
	<b>TOTAL</b>										<b>TOTAL</b>	<b>135.000</b>
<b>4. Pilot application in selected municipalities</b>	Design of technical criteria for selection of municipalities for pilot application, identification of the pilot sites and DRR report.		X							BCPR	71300 Local Consultants 71600 Travel	7.500 2.500
	Definition of the local specific strategy for DRR and prioritization of an action plan.			X						BCPR	71300 Local Consultants 71600 Travel	7.500 2.500

Definition of the DRR actions.									Municipalities	BCPR	71300 Local Consultants	5.000
Implementation of DRR actions which may include preparedness, emergency management, mitigation actions, preparedness for recovery, financial protection and others. Design of a process to define the beneficiaries at the community level; identifying beneficiaries and design and implementation of DRR actions. Strengthen community capacity for the monitoring and evaluation of DRM and DRR activities.										BCPR	72000 General operation expenses	200.000
										BCPR	71600 Travel 72000 General operation expenses	10.000 90.000
										BCPR	74500 Miscellaneous Expenses (Workshops/Training) 74200 Audio Visual & Print Prod. costs	25.000 5.000
<b>5. Capacity Building and UDNP Technical Assistance</b>											<b>TOTAL</b>	<b>355.555</b>
	Design an implementation of a training program for National Government, local governments, municipalities and communities to facilitate mainstreaming of identified strategies and practices .	X	X	X	X	X	X	X	STGR Min. Litoral MEF Local Governments and Municipalities	BCPR	72100 Contractual Services	50.000
	Support to simulation exercises					X	X	X		BCPR	72000 General operation expenses	20.000
	Publications, Training and Media Materials	X	X	X	X	X	X	X		BCPR	74500 Miscellaneous Expenses	50.000
	Technical assistance	X	X	X	X	X	X	X	UNDP	BCPR	61100 NOB Technical Assistance	200.000
	Project Admin and Implementation	X	X	X	X	X	X	X	UNDP	BCPR	71300 Local Consultants 75100 Facilities and Administration 72500 Supplies 71600 Travel	50.000 10.000 10.000 30.000
											<b>TOTAL</b>	<b>420.000</b>
											<b>GREAT TOTAL OF THE PROJECT FOR TWO YEARS</b>	<b>1'490.000</b>

**COMPONENT 5: RESULTS AND RESOURCES FRAMEWORK FOR PHASE 1 PERIOD 2009-2011**

<p><b>Intended Outcome as stated in the UNDP CO Results Framework:</b> The National and local governments count on prevention and mitigation plans as well as with disaster risk management capabilities</p> <p><b>UNDP Strategic Plan:</b> Basic governance functions of the state are re-established/National capacities to reduce conflict and disaster risk factors are enhanced.</p> <p><b>Partnership Strategy:</b> NEX execution with Technical Secretariat for Risk Management (STGR) and the Ministry of Finance as leading agencies, UNDP to provide technical assistance, UNDP's regulations for contracting and purchasing would be followed.</p> <p><b>Project title and number:</b> Design and Implementation of an Incentive System for Disaster Risk Reduction at Municipal Level in the Coastal Region of Ecuador</p>		
<p><b>Intended Outputs</b></p>	<p><b>Output Targets</b></p>	<p><b>Indicative Activities</b></p>
<p><b>6. Risk awareness through the analysis of the DRM context in Ecuador, understanding hazards, vulnerabilities, capacities, and risk for disaster risk reduction (DRR) at the local level, including the current economic and financial risk phase.</b></p> <p><b>Indicators</b></p> <ul style="list-style-type: none"> <li>One Report on DRM Context for Ecuador and the Base line definition</li> </ul> <p>At least the base line for Re assessment of seismic risk in Ecuador and Flooding risk for the coastal region and, at least one map for Floods for the coastal region of Ecuador</p>	<p>1.2. Municipalities and Provincial Governments count on tools, and practices to understand risks and identify its economic implications.</p>	<p>1.1.5. Identify the context for DRM in Ecuador (Legal and Institutional arrangements, resources and capabilities, as well hazards, vulnerabilities and risk studies available in the country, as well as the analysis of current economical incentives for DRR in Ecuador.</p> <p>1.1.6. Base line definition for Re-assessment of seismic risk in Ecuador and flooding risk for the coastal region of Ecuador (scale is country wide)</p>
		<p><b>Inputs</b></p> <p>USD 20.000</p> <p>USD 30.000</p> <p><b>TOTAL OUTPUT USD 50.000</b></p>

<b>Intended Outputs</b>	<b>Output Targets</b>	<b>Indicative Activities</b>	<b>Inputs</b>
<p><b>2. Capacity Building and UNDP Technical Assistance</b></p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>• One training program designed, with emphasis in gender issues.</li> <li>• One training program implemented.</li> </ul>	<p>2.1. National Government, regional and Local governments, municipalities and communities understand the benefits of the DRM and DRR and know strategies for mainstreaming it in to local context.</p> <p>2.2. UNDP Technical assistance and fund raising to complete the budgeted of the project.</p>	<p>2.1.1 Design and implementation of a training program for National Institutions, local governments, municipalities and communities on DRM and DRR strategies (Global perspective and practices)</p> <p>2.2.1 Technical assistance</p>	<p>USD 100.000</p> <p>USD 150.000 NDRA National Advisor</p> <p><b>TOTAL OUTPUT USD 250.000</b></p> <p><b>GREAT TOTAL FOR PHASE 1 USD 300.000</b></p>

**COMPONENT 5: BUDGET SHEET FOR PHASE 1 PERIOD 2009-2011**

EXPECTED OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES <i>List all activities including M&amp;E to be undertaken during the year towards stated CP outputs</i>	TIME FRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Sem1	Sem2	Sem3	Sem4		Source of Funds	Budget Description	Amount
1. Risk awareness: Analysis of the DRM context in Ecuador, Understanding hazards, vulnerabilities, capacities, and risk for disaster risk reduction (DRR) at the local level, including the current economic and financial risk phase.	Identify the context for DRM in Ecuador (Legal and institutional arrangements, resources and capabilities, as well as, hazard, vulnerabilities and risk studies available in the Country as well as the analysis of current economical incentives for DRR in Ecuador)	X	X			Technical Partners STGR Min. Litoral Local Governments and Municipalities	BCPR UNDP- C.O	71300 Local Consultants 71600 Travel	15.000 5.000
	Base line definition for Re-assessment of seismic risk in Ecuador and flooding risk for the coastal region of Ecuador. With at least one map for Floods for the coastal region of Ecuador (scale is country wide)				X	X		BCPR UNDP- C.O	72100 Contractual Services 74200 Audio Visual & Print Prod. costs
							<b>TOTAL</b>		<b>50.000</b>

EXPECTED OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES List all activities including M&E to be undertaken during the year towards stated CP outputs	TIME FRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Se m 1	Se m 2	Se m 3	Se m 4		Source of Funds	Budget Description	Amount
<b>2. Capacity Building and UDNP Technical Assistance</b>	Design an implementation of a training program for National Government, regional, and local governments, municipalities and communities on DRM and DRR strategies (global perspective, practices from elsewhere)	X	X	X	X	STGR Min. Litoral MEF Local Governments and Municipalities UNDP	BCPR UNDP- C.O	72100 Contractual Services 74500 Miscellaneous expenses (Work shops)	100,000
	Technical assistance	X	X	X	X		BCPR	61100 Technical Assistance	150,000
<b>TOTAL</b>									<b>250,000</b>
<b>GREAT TOTAL FOR PHASE 1</b>									<b>300,000</b>

**ANNUAL WORK PLAN FOR YEAR ONE, EXPECTED JULY 2009-JULY 2010**

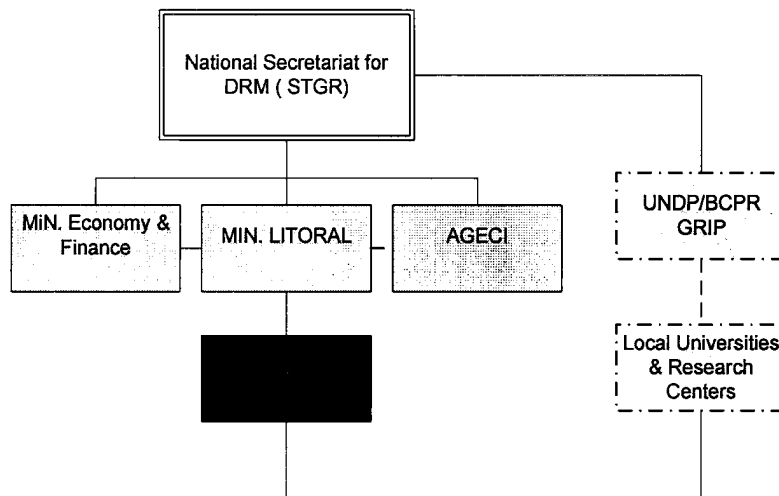
EXPECTED OUTPUTS <i>And indicators including annual targets</i>	PLANNED ACTIVITIES <i>List all activities including M&amp;E to be undertaken during the year towards stated CP outputs</i>	TIME FRAME				RESPONSIBLE PARTY	PLANNED BUDGET	
		Sem1 July 09	Sem2	Sem3 July /10	Sem4		Budget Description	Amount
<b>1. Risk awareness: Analysis of the DRM context in Ecuador, Understanding hazards, vulnerabilities, capacities, and risk for disaster risk reduction (DRR) at the local level, including the current economic and financial risk phase.</b>	Identify the context for DRM in Ecuador (Legal and institutional arrangements, resources and capabilities, as well as, hazard, vulnerabilities and risk studies available in the Country as well as the analysis of current economical incentives for DRR in Ecuador)	X	X			Technical Partners STGR Min. Litoral Local Governments and Municipalities	71300 Local Consultants  71600 Miscellaneous Expenses	15.000  5.000
		X	X			STGR Min. Litoral MEF Local Governments and Municipalities	72100 Contractual Services  74500 Miscellaneous Expenses	30.000  20.000
		X	X			BCPR UNDP- C.O	61100 Technical Assistance	100.000
		<b>TOTAL</b>					<b>TOTAL</b>	<b>150.000</b>
		<b>TOTAL</b>					<b>TOTAL</b>	<b>170.000</b>
		<b>TOTAL</b>					<b>TOTAL</b>	<b>170.000</b>



**ANNUAL WORK PLAN FOR YEAR TWO, EXPECTED JULY 2010-JULY 2011**

EXPECTED OUTPUTS <i>And indicators including annual targets</i>	PLANNED ACTIVITIES <i>List all activities including M&amp;E to be undertaken during the year towards stated CP outputs</i>	TIME FRAME				RESPONSIBLE PARTY	PLANNED BUDGET	
		Sem1 July 09	Sem2	Sem3 July /10	Sem4		Source of Funds	Budget Description  Amount
1. Risk awareness: Analysis of the DRM context in Ecuador, Understanding hazards, vulnerabilities, capacities, and risk for disaster risk reduction (DRR) at the local level, including the current economic and financial risk phase.	Base line definition for Re-assessment of seismic risk in Ecuador and flooding risk for the coastal region of Ecuador, with at least one map for Floods for the coastal region (scale is country wide).			X	X	Technical Partners STGR Min. Litoral Local Governments and Municipalities	BCPR UNDP- C.O	71300 Local Consultants 22000 71600 Miscellaneous and Travel Expenses 8000
		<b>TOTAL</b>						
2. Capacity Building and UDNP Technical Assistance	Design an implementation of a training program for National Government, regional, and local governments, municipalities and communities on DRM and DRR strategies (global perspective, practices from elsewhere)  Technical assistance and fund raising to complete the budget of the project.			X	X	STGR Min. Litoral MEF Local Governments and Municipalities	BCPR UNDP- C.O	72100 Contractual Services 30.000 74500 Miscellaneous Expenses 20.000
		<b>TOTAL</b>						
<b>GREAT TOTAL PHASE ONE OF THE PROJECT -YEAR 2</b>							<b>TOTAL</b>	<b>100.000</b> <b>130.000</b>

## COMPONENT 6: MANAGEMENT ARRANGEMENTS



This project will be implemented following the National Execution Modality (NEX), with the National Secretariat for DRM (STGR) acting as the main coordinating and implementing agency. UNDP will be the responsible party and other national organizations will also have leading roles to accomplish specific results, among them the Ministry of Economy and Finance, MEF, the Ministry of the Coastal Region (Min. Litoral), the National Agency

for International Cooperation (AGECI), Selected Municipalities where pilot applications will be undertaken and Local Universities and Research Centers.

Complexities in the implementation phase have been identified due to the number and different partners from the national, regional (coastal region), local level (municipalities), and the scientific organizations that have been engaged. Nevertheless, National Execution, NIM modality, under the Harmonized Approach to Cash Transfer (**HACT**), will be applied. Under this arrangement, UNDP will be the responsible for the fund administration and expenditure, therefore UNDP norms and standards will be used.

Further, STGR and UNDP will sign a Letter of Agreement for the Provision of the Support Services required. UNDP will be in charge of the payments for the provision of goods, services and specialized consultancy required for the implementation of the project. Project administration will be carried following standard procedures provided by specific guidelines and in strict application of the budget reflected in the Annual Work Plan (AWP), which will be uploaded in the ATLAS or global administration system used by UNDP.

With a new constitution just approved in the country, it is expected that legal and institutional frameworks will be revised and re-designed at all levels, this will certainly contribute to significantly introduce new uncertainties in the structural reform that will be undertaken during the second half of 2009. This adds to a more conservative way of administration of the resources where UNDP can play a significant role to avoid the observed risks.

The universities and research centers based in the coastal region are key partners in the project. They will provide all the technical support for the risk assessment, development of tools and methodologies for the appropriate implementation of the project, through technical knowledge, data bases and the use of specialized equipment.

UNDP will also provide technical assistance on Disaster Risk Reduction and Management Strategies through the NDRA and will count on the full support of the GRIP Team and the BCPR regional team based in Panama.

## Risk Analysis

RISKS IDENTIFIED	MITIGATION MEASURES
<p><b>Institutional:</b></p> <p>The country is undergoing the implementation of a constitutional reform, which will bring about deep changes at the policy and institutional level. This might affect government's response and ownership over this project.</p>	<p>Local structures (community based organizations, volunteer networks and municipalities) are stable and will provide sustainability to the process.</p>
<p><b>Political:</b></p> <p>The country will go through political elections during year 2009. This will influence local and national agendas.</p>	<p>Activities will be programmed taking in consideration major political events.</p>

The feasibility of the project is contingent on several key factors in order to ensure its achievement:

- Willingness to collaborate among all key stakeholders.
- Adequate institutional capacity to manage decentralised and participatory processes.
- Expansion of the budgetary allocation commitment of all partners to ensure the implementation of the policies.
- Appropriate planned and timely simultaneous funding to contribute to multi-sectoral interventions that assure the overall impact and progress against the established indicators.

### **Gender Perspective**

Adequate gender sensitive approach will be provided to the program, from its design to implementation and especially through its pilot applications. This approach will be based on SGP's Gender Mainstreaming Manual for Community Based Environmental Projects and on the UNDP's Eight-Point Agenda for Women's Empowerment and Gender Equality in Crisis Prevention and Recovery will be incorporated with emphasis in two major elements:

#### **To promote gender equality in disaster risk reduction.**

- Incorporate gender analysis in the assessment of disaster risks, impacts and needs.
- Address women's unique needs and value women's knowledge in disaster reduction and recovery policies, plans and programs.
- Strengthen women's networks and organizations to facilitate women's active engagement.

#### **To ensure Gender-Responsive Recovery.**

- Infuse gender analysis into all post-disaster planning tools and processes.
- Ensure recovery efforts provide equal economic opportunities for women including access to assets, such as land and credit.
- Promote social protection and sustainable livelihoods.
- Prioritize women's needs in key sectors such as transportation, shelter and health care.

## **COMPONENT 7: MONITORING AND EVALUATION**

The UNDP Manager of the Area of Governance will be in charge of overall program oversight who will work in close collaboration with the NDRA, in consultation with the national counterparts through regular meetings to discuss the program implementation and assess its progress. The Management Unit will ensure monitoring and evaluation of the Programme, in accordance with UNDP's NEX and Results Management Guidelines. Implementing partners will be responsible for the direct monitoring of the respective program components.

An independent external evaluation will be conducted at the end of the Program. This will include the participation of UN agencies involved and key strategic counterparts in order to assess the achievement of expected outputs and alignment with appropriate outcomes.

Permanent monitoring will be included into the implementation process in order to take immediate corrective actions if necessary. A monitoring team will be established at the beginning of the project which will set up regular meetings for progress review and identification of issues.

Monitoring of project implementation and monitoring and evaluation of key outputs and outcomes will be ensured through the following activities:

- Field visits undertaken jointly by the Government and UN.
- Preparation of progress reports for review at the annual review meetings.
- Surveys and evaluations to obtain baseline data and to measure progress against baselines undertaken jointly with the Government and partners.
- Community consultations in the areas of intervention. Every effort will be made to involve beneficiaries in the monitoring of activities.

Towards the end of each calendar year, the Government, UNDP and other key technical and institutional partners will conduct an annual review to assess progress in the project implementation, as well as progress against the indicators outlined in the UNDAF.

### **Monitoring & Evaluation Framework**

#### Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

## Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

### **COMPONENT 8: LEGAL CONTEXT**

This document together with the CPAP signed by the Government of the Republic of Ecuador and UNDP on 19 January 2005, and published in the Official Bulletin No. 526 of 17 February 2005, which is incorporated by reference and constitute together a Project Document as referred to in the SBAA [or other appropriate governing agreement] and all CPAP provisions apply to this document. CPAP was signed between the Government of the Republic of Ecuador and the UNDP on 14 April 2004 for the cooperation period of 2004-2008.

The new UNDAF and related CPAP are currently being negotiated with the Government for the period 2010-2014, meanwhile the former arrangements are still in place for programming purposes.

### **COMPONENT 9: COST RECOVERY**

General Management Services - GMS- both percentage and modality will be advised by BCPR once the nature of the fund has been identified. Implementation support services –ISS- will be charged according to standard regulations within the CO

authorities leading their interest to identifying practical tools, methods and procedures for effective risk reduction and the promotion of a real strengthening of local governments reducing their dependence on donors and the national level. Therefore, there is an important political interest and leadership to promote DRR in the coastal region of Ecuador. Also, prepared technical cadres to promote the real implementation of the project are available within this Ministry. Local municipalities are in weaker situation, and therefore, they will require a lot of support from the project, at least until they become familiar with the tools and other means that will be developed by the project.

To make the appropriate linkages to the national level, which is key to act in accordance to national strategies and policies and in order to have access to national resources assuring sustainability, it would be paramount to gain the buying of the STGR (Technical Secretariat for DRM), and the Ecuadorian Agency for International Cooperation (AGECI)

The area of Democratic Governance at UNDP incorporates Disaster Risk Management among its portfolio of programs. Major focus has been given to the strengthening of local capabilities for a comprehensive disaster risk reduction and management. A key element represents the incorporation of risk sensitive planning perspective into development and land use plans as an option for pre-event mitigation and vulnerability reduction. The development of appropriate communication and information technologies and early warning systems to keep local stakeholders aware is a second line of interest. In addition, UNDP plays an active role for emergency situations within the UN System through the inter-agency group called UNETE. This has broadened our perspective to engage in this type of situations particularly related to early recovery and planning for long term recovery, looking mostly at livelihoods recovery.

## **COMPONENT 3: STRATEGY**

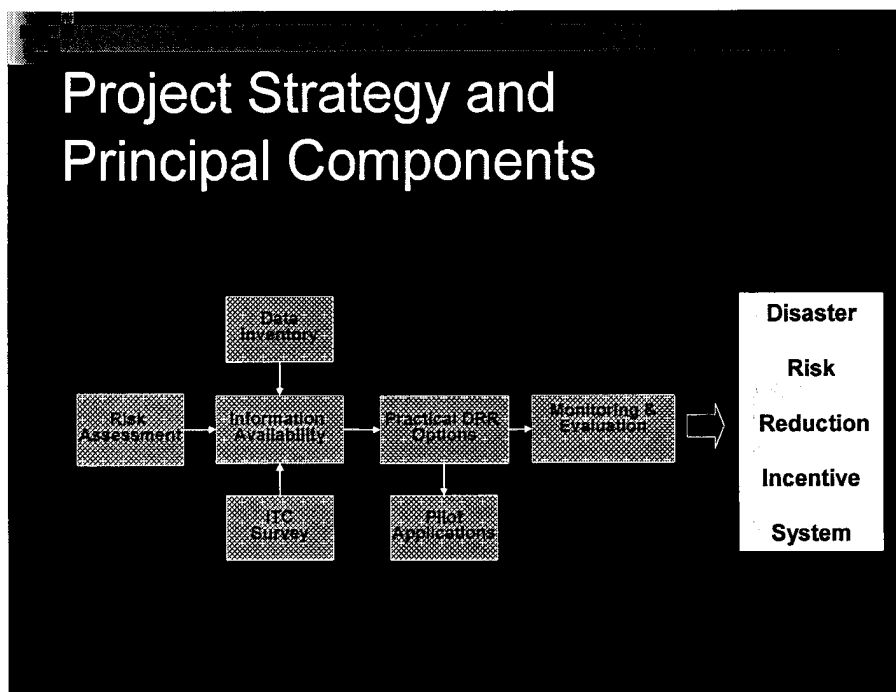
### **3.1 Project Strategy**

The local level is where effective risk reduction takes place. Many local authorities are interested in reducing the impact of natural hazards in their territory, nevertheless, either they think that it would imply a lot of resources, investment that competes with other pressing issues such as provision of basic amenities to the population, or reducing crime and violence, or simply they don't know how to go about it, because there are no local specific tailored patterns to guide local governments for cost-effective risk reduction investments.

The strategy for motivating the implementation of DRR actions at the local level consists of the following key steps:

1. Risk Identification or assessment for awareness rising. As mentioned earlier, hazards are rather well known in the country, but vulnerability and capabilities (resilience) have been only broadly incorporated in the analysis.
2. Development of a role model to assess the economic and financial risk of Ecuador due to high vulnerability and exposure to natural hazards and the possible losses associated with disasters.
3. Bringing this information down to be useful at the local level (appropriate scales and resolution), and making it accessible to the local planners, emergency managers and decision makers. Data inventories and ITC capabilities will be factored in the project not to duplicate and make use of what is already available.

4. Making tools, methodologies, sound practices and other instruments for DRR available to municipal staff and policy makers for its implementation.
5. Making use of both, the defined strategies for cost effective investments for DRR and the incentive system for risk reduction and management.
6. Monitoring and evaluating for improving base line.
7. Pilot testing and application in selected municipalities.
8. Building capacity at all levels of intervention, including the community.



### 3.2 Country Office DRM Strategy

Since 2002 BCPR has provided \$ 2.58 million from which US \$ 155,000 have been in support to natural disasters immediate response projects. The Assistance for recovery of affected areas due to flooding in Los Rios and volcanic eruption in Tungurahua, both with visible results. BCPR technical support and funds have served to lay a solid foundation for UNDP to position itself as the main partner and interlocutor with the Ecuador Government, especially with the Secretary for Internal and External Security responsible for the coordination of ministries in crisis situations, Secretary of National Planning (Senplades), Civil Defense and the Escuela Politécnica Nacional's Geophysics Institute and local governments and municipalities, Ministry of Economy, Ministry of Litoral and Local Governments.

This DRR programmatic strategy also builds on the important experience gained through the preparatory assistance supported by BCPR on the period 2006-2007, carried out for nine municipalities located around Mt. Tungurahua affected by volcanic eruption: "Recovery of the affected zones by the eruption of Mt. Tungurahua" (USD 60.000), and the construction of the so called "Recovery Agendas" for four municipalities in Los Rios Province dealing with early recovery after a flooding episode through the project "Assistance for the recovery and transition to development of the zones affected by the flooding episode in Los Rios" (USD 100.000). In 2008 BCPR continued support to floods caused by el Niño with the Project for the Rehabilitation of Livelihoods and economic recovery (USD 110,000) and the Project for strengthening national and local capacities for

disaster risk reduction and management (US 327,000). These later projects are still being executed in its final stages for project completion.

This project takes stock of the programme built in the past from recurrent natural disasters, and takes it a step further in having the Ministry of Finance and the local governments on board to be part of a larger DRM strategy that the CO has put in place in response to the risk background in Ecuador.

An action plan aimed at assisting the National Government of Ecuador building its strategy for disaster risk reduction and management has been formulated, it includes five key areas of intervention were identified: 1) Development of Public Policy for disaster risk reduction and management, 2) Development of a bundle of projects to support national and local capabilities with the technical advice of UNDP, 3) Interagency collaboration within the UN system, and inter-area collaboration within the UNDP office, 4) Knowledge Management for DRR and DRM, and 5) mobilization of resources and funding from different sources.

The attached table shows a summary of the DRM portfolio of projects that will be complementary to the activities that will be undertaken under the project combined with the GRIP Initiative.

The completion of these projects in the upcoming years will provide a very good understanding of hazards, vulnerabilities and risk in the country, plus the identification of an agreed upon DRM Strategy and the improvement of Information and Communication Processes for both DRM and Emergency Management.

**DRM portfolio for Ecuador implemented by UNDP  
Year 2009-2011**

<b>Name of the Project</b>	<b>Amount</b>	<b>Sources of Funding</b>	<b>Implementing Partners</b>
Implementation of a Collaborative Climate, Seismic and Volcanic Information System for Decision Making at the Municipal Level in Ecuador	Euros 400.000	ECHO DIPECHO	IG-EPPN-CIIFEN – INAMHI Approved, Implementation will start on July 2009
Urban Risk Reduction Program for Quito	USD 981.000	WB	City of Quito Implementation initiated March 2009
Strengthening voluntarism for DRR and DRM in Ecuador	USD 300.000	AECID through UNV	Several Volunteering Organizations in Ecuador Approved, Implementation will start on July 2009
<b>TOTAL</b>	<b>USD 1'881.000</b>		



## COMPONENT 4: RESULTS AND RESOURCES FRAMEWORK FOR THE WHOLE PROGRAM

<b>Intended Outcome as stated in the UNDP CO Results Framework:</b> The National and local governments count on prevention and mitigation plans as well as with disaster risk management capabilities		
<b>UNDP Strategic Plan:</b> Basic governance functions of the state are re-established/National capacities to reduce conflict and disaster risk factors are enhanced.		
<b>Partnership Strategy:</b> NEX execution with Technical Secretariat for Risk Management (STGR) and the Ministry of Finance as leading agencies, UNDP to provide technical assistance, UNDP's regulations for contracting and purchasing would be followed.		
<b>Project title and number:</b> Design and Implementation of an Incentive System for Disaster Risk Reduction at Municipal Level in the Coastal Region of Ecuador		
<b>Intended Outputs</b>	<b>Output Targets</b>	<b>Indicative Activities</b>
<p>1. Risk awareness</p> <p>Understanding hazards, vulnerabilities, capacities, and risk for disaster risk reduction (DRR) at the local level, including the economic and financial risk phase.</p> <p>Indicators</p> <ul style="list-style-type: none"> <li>One Report on DRM Context for the Coastal Region of Ecuador</li> </ul> <p>At least the following maps for each province:</p> <ul style="list-style-type: none"> <li>One map for each type of natural hazard (Floods, Landslide, earthquake)</li> <li>One vulnerability map for each province.</li> <li>One Risk map for each province.</li> <li>One Economic losses map (according to risk assessment) for each province.</li> <li>One National Strategic Plan for DRR</li> </ul>	<p>1.1. Municipalities and Provincial Governments count on tools, methodologies and practices to understand risks and its economic implications.</p>	<p>1.1.1. Identify the context for DRM and DRR within the coastal region of Ecuador (legal and institutional arrangements, resources and capabilities, fiscal policies, financial framework), assessing the current local risk reduction investments and its effectiveness.</p> <p>1.1.2. Re-assessment of comprehensive risk in the coastal region of Ecuador including Climate Change (Bringing down the scales from the national to the local levels)</p> <p>1.1.3. Provision of practical information/tools to understand risk and its economic implications, and to support the actual implementation of DRR into municipal and provincial policies (Maps, GIS and Web Based for easy access to promote Risk Sensitive Land Use and Planning, use of norms and standards), includes data analysis and identification of ITCs capabilities.</p> <p>1.1.4. Definition of a Regional Strategy for DRR and an action plan including responsible actors/organizations, resources and time frame. This includes sector specific analysis, to identify disaster prone areas to prioritise communities for implementing DRR activities.</p>
		<b>Inputs</b>
		USD 10.000
		USD 200.000
		USD 100.000
		USD 50.000
		<b>TOTAL OUTPUT USD 360.000</b>

<p><b>2. To develop a proposal to guide and promote cost-effective risk reduction strategies for local governments</b></p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>• One multi-sector plan for DRM and DRR</li> <li>• Set of sound practices for DRR and DRM exchanged in LAC.</li> <li>• One Guide to promote portfolios of local DRM and DRR within each province. At least one of the projects will explicitly incorporate women head of families in a leading role.</li> <li>• One proposal to develop an adequate framework for DRR and DRM</li> </ul>	<p>2.1. Cost-effective actions are mainstreamed into local governments and municipalities' regular business.</p>	<p>2.1.1 Develop a multi-sectoral package for DRM and DRR.</p> <p>2.1.2 Support the exchange of sound practices for DRM and DRR within the country and in the LAC region.</p> <p>2.1.3 Develop a portfolio of local DRM and DRR initiatives to be implemented by local governments and municipalities.</p> <p>2.1.4 Local governments have appropriate policies to develop an adequate framework to DRR and DRM. (legal, normative, technical).</p>	<p>USD 50.000</p> <p>USD 100.000</p> <p>USD 50.000</p> <p>USD 20.000</p> <p><b>TOTAL OUTPUT USD 220.000</b></p>
<p><b>3. Design of a financial incentive system for DRR for local governments through fiscal policy implemented by the secretary of economy and finance.</b></p> <p><b>Indicators:</b></p> <p>One indicators system designed and implemented for each province</p> <p>One proposal to incorporate risk reduction into budgetary allocation for local governments.</p>	<p>3.1 The Secretary of Economy and Finance counts on the legal framework and suitable technical resources to implement financial incentives for DRR at the local level and initiates its implementation.</p>	<p>3.1.1 Identify the context for financial incentives in Ecuador.</p> <p>3.1.2 Design of a fiscal instrument to incorporate risk reduction into budgetary allocation for local governments and municipalities, and implement it within the MEF.</p> <p>3.1.3 Design of an indicators system to measure progress in DRM and DRR at the local and municipal levels, linked to the incentive's system, in the short, intermediate, and long run.</p> <p>3.1.4 Implement a regional observatory to monitor key social, political, institutional and risk indicators to measure DRM and DRR in the coastal region of Ecuador</p> <p>3.1.5 Formulate a proposal of a regulatory framework (laws and regulations) to be submitted to the National Assembly for discussion and approval.</p>	<p>USD 10.000</p> <p>USD 25.000</p> <p>USD 25.000</p> <p>USD 50.000</p> <p>USD 25.000</p> <p><b>TOTAL OUTPUT USD 135.000</b></p>

<p><b>4. Pilot application in selected municipalities</b></p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>• One document with the specific strategy for DRR for selected municipalities</li> <li>• One action Plan for each selected municipality</li> <li>• One process designed for selection of beneficiaries.</li> <li>• Group of beneficiaries are selected in each province.</li> </ul>	<p>4.1 A full process is applied to at least 6 municipalities having different hazards (Earthquake, flooding and landslides), additional criteria for the selection will include population size, strategic infrastructure for the country and political will.</p> <p>4.2 Participatory small projects implemented to engage communities in disaster risk &amp; vulnerability reduction and emergency preparedness</p>	<p>4.1.1 Identification of the pilot sites for application of the methodology.</p> <p>4.1.2 Definition of the local specific strategy for DRR and prioritization of an action plan.</p> <p>4.1.3 Definition of the DRR actions.</p> <p>4.1.4 Implementation of DRR actions which may include preparedness, emergency management, mitigation actions, preparedness for recovery, financial protection and others. At least one project will incorporate women heads of families.</p> <p>4.2.1 Identification of the beneficiaries at the community level, design and implementation of DRR actions.</p> <p>4.2.2 Strengthen community capacity for the monitoring and evaluation of DRM and DRR activities.</p>	<p>USD 10.000</p> <p>USD 10.000</p> <p>USD 5.000</p> <p>USD 200.000</p> <p>USD 100.000</p> <p>USD 30.000</p> <p><b>TOTAL OUTPUT USD 355.000</b></p>
<p><b>5. Capacity Building and UNDP Technical Assistance</b></p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>• One training program designed, with emphasis in gender issues.</li> <li>• One training program implemented.</li> </ul>	<p>5.1 National Government, Local governments, municipalities and communities understand the benefits of the DRR incentives system and make use of it.</p> <p>5.2 UNDP Technical assistance and Project Administration</p>	<p>5.1.1 Design and implementation of a training program for National Institutions, local governments, municipalities and communities to facilitate mainstreaming of identified strategies and practices</p> <p>5.1.2 Support to simulation exercises</p> <p>5.1.3 Publications, Training and Media Materials</p> <p>5.2.1 Technical assistance</p> <p>5.2.2 Project Admin and Implementation</p>	<p>USD 50.000</p> <p>USD 20.000</p> <p>USD 50.000</p> <p>USD 200.000 NDRA National Advisor</p> <p>USD 100.000 Project Manager/Mobilization</p> <p><b>TOTAL OUTPUT USD 420.000</b></p> <p><b>GREAT TOTAL OF THE PROJECT FOR TWO YEARS USD 1'490.000</b></p>

**COMPONENT 5: BUDGET SHEET FOR THE WHOLE PROGRAM**

EXPECTED OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES <i>List all activities including M&amp;E to be undertaken during the year towards stated CP outputs</i>	TIME FRAME				RESPONSIBLE PARTY	Source of Funds	PLANNED BUDGET	
		Se m 1	Se m 2	Se m 3	Se m 4			Budget Description	Amount
1. Risk awareness: Understanding hazards, vulnerabilities, capacities, and risk for disaster risk reduction (DRR) at the local level, including the economic and financial risk phase.	Identify the context for DRM within the coastal region of Ecuador (legal and institutional arrangements, resources and capabilities)	X				Technical Partners STGR Min. Litoral Local Governments and Municipalities	BCPR	71300 Local Consultants	7.500
								71600 Travel	2.500
	Re-assessment of comprehensive risk in the coastal region of Ecuador including Climate Change (Bringing down the scales from the national to the local levels)	X	X				BCPR	72100 Contractual Services	180.000
								74200 Audio Visual & Print Prod. costs	20.000
		X	X					72100 Contractual Services 71600 Travel	70.000 5.000
Provision of practical information/tools to understand risks and its economic implications and support the actual implementation of DRR into municipal and provincial policies.	X	X					72800 Information Technology Equipment 74200 Audio Visual & Print Prod. costs	20.000 5.000	
Definition of a Regional Strategy for DRR and an action plan including responsible actors/organizations, resources and time frame. This includes sector specific analysis, to identify disaster prone areas to prioritise communities for implementing DRR activities.	X	X				BCPR	74500 Miscellaneous Expenses (workshops)	15.000	
							74200 Audio Visual & Print Prod. costs 71600 Travel 71300 Local Consultants	5.000 10.000 20000	
							<b>TOTAL</b>	<b>360.000</b>	
2. To develop a proposal to guide and promote cost-	Develop a multi-sector package for DRM and DRR.	X	X			Technical Partners	BCPR	72100 Contractual Services	50.000

<b>effective risk reduction strategies for local governments</b>	Support the exchange of sound practices for DRM and DRR within the country and in the LAC region.									BCPR	74500 Miscellaneous Expenses (workshops) 71600 Travel	50.000 40.000
	Develop a portfolio of local DRM and DRR initiatives to be implemented by local governments and municipalities.		X							BCPR	74200 Audio Visual & Print Prod. costs 72100 Contractual Services	10.000 40.000
	Design appropriate policies to develop for an adequate framework for DRR and DRM. (legal, normative, technical).			X						BCPR	74500 Miscellaneous Expenses (Consultation) 71600 Travel	5.000 5.000
<b>3. Design of a financial incentive system for DRR for local governments through fiscal policy implemented by the secretary of economy and finance.</b>	Identify the context for financial incentives in Ecuador.	X								BCPR	71300 Local Consultants	<b>220.000</b> 10.000
	Design of a fiscal instrument to incorporate risk reduction into budgetary allocation for local governments and municipalities, and implement it within the MEF.	X								BCPR	71400 Consultant Services-Individuals 74200 Audio Visual & Print Prod. costs	20.000 5.000
	Design of an indicators system to measure progress in DRM and DRR at the local and municipal levels, linked to the incentive's system, in the long, intermediate, and long run.		X							BCPR	72100 Contractual Services 74200 Audio Visual & Print Prod. costs	20.000 5.000
	Implement a regional observatory to monitor key social, political, institutional and risk indicators to measure DRM and DRR in the coastal region of Ecuador; monitoring pilot application in selected municipalities.									BCPR	72100 Contractual Services 72800 Information Technology Equipment	40.000 10.000
	Formulate a proposal of a regulatory framework (laws and regulations) to be submitted to the National Assembly for discussion and approval.			X						BCPR	72100 Contractual Services	25.000
	<b>TOTAL</b>										<b>TOTAL</b>	<b>135.000</b>
<b>4. Pilot application in selected municipalities</b>	Design of technical criteria for selection of municipalities for pilot application, identification of the pilot sites and DRR report.		X							BCPR	71300 Local Consultants 71600 Travel	7.500 2.500
	Definition of the local specific strategy for DRR and prioritization of an action plan.			X						BCPR	71300 Local Consultants 71600 Travel	7.500 2.500



**COMPONENT 5: RESULTS AND RESOURCES FRAMEWORK FOR PHASE 1 PERIOD 2009-2011**

<p><b>Intended Outcome as stated in the UNDP CO Results Framework:</b> The National and local governments count on prevention and mitigation plans as well as with disaster risk management capabilities</p> <p><b>UNDP Strategic Plan:</b> Basic governance functions of the state are re-established/National capacities to reduce conflict and disaster risk factors are enhanced.</p> <p><b>Partnership Strategy:</b> NEX execution with Technical Secretariat for Risk Management (STGR) and the Ministry of Finance as leading agencies, UNDP to provide technical assistance, UNDP's regulations for contracting and purchasing would be followed.</p> <p><b>Project title and number:</b> Design and Implementation of an Incentive System for Disaster Risk Reduction at Municipal Level in the Coastal Region of Ecuador</p>		
<p><b>Intended Outputs</b></p>	<p><b>Output Targets</b></p>	<p><b>Indicative Activities</b></p>
<p><b>6. Risk awareness through the analysis of the DRM context in Ecuador, understanding hazards, vulnerabilities, capacities, and risk for disaster risk reduction (DRR) at the local level, including the current economic and financial risk phase.</b></p> <p><b>Indicators</b></p> <ul style="list-style-type: none"> <li>One Report on DRM Context for Ecuador and the Base line definition</li> </ul> <p>At least the base line for Re assessment of seismic risk in Ecuador and Flooding risk for the coastal region and, at least one map for Floods for the coastal region of Ecuador</p>	<p>1.2. Municipalities and Provincial Governments count on tools, and practices to understand risks and identify its economic implications.</p>	<p>1.1.5. Identify the context for DRM in Ecuador (Legal and Institutional arrangements, resources and capabilities, as well hazards, vulnerabilities and risk studies available in the country, as well as the analysis of current economical incentives for DRR in Ecuador.</p> <p>1.1.6. Base line definition for Re-assessment of seismic risk in Ecuador and flooding risk for the coastal region of Ecuador (scale is country wide)</p>
		<p><b>Inputs</b></p> <p>USD 20.000</p> <p>USD 30.000</p> <p><b>TOTAL OUTPUT USD 50.000</b></p>

<b>Intended Outputs</b>	<b>Output Targets</b>	<b>Indicative Activities</b>	<b>Inputs</b>
<p><b>2. Capacity Building and UNDP Technical Assistance</b></p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>• One training program designed, with emphasis in gender issues.</li> <li>• One training program implemented.</li> </ul>	<p>2.1. National Government, regional and Local governments, municipalities and communities understand the benefits of the DRM and DRR and know strategies for mainstreaming it in to local context.</p> <p>2.2. UNDP Technical assistance and fund raising to complete the budgeted of the project.</p>	<p>2.1.1 Design and implementation of a training program for National Institutions, local governments, municipalities and communities on DRM and DRR strategies (Global perspective and practices)</p> <p>2.2.1 Technical assistance</p>	<p>USD 100.000</p> <p>USD 150.000 NDRA National Advisor</p> <p><b>TOTAL OUTPUT USD 250.000</b></p>
			<p><b>GREAT TOTAL FOR PHASE 1 USD 300.000</b></p>



**COMPONENT 5: BUDGET SHEET FOR PHASE 1 PERIOD 2009-2011**

EXPECTED OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES <i>List all activities including M&amp;E to be undertaken during the year towards stated CP outputs</i>	TIME FRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Sem1	Sem2	Sem3	Sem4		Source of Funds	Budget Description	Amount
1. Risk awareness: Analysis of the DRM context in Ecuador, Understanding hazards, vulnerabilities, capacities, and risk for disaster risk reduction (DRR) at the local level, including the current economic and financial risk phase.	Identify the context for DRM in Ecuador (Legal and institutional arrangements, resources and capabilities, as well as, hazard, vulnerabilities and risk studies available in the Country as well as the analysis of current economical incentives for DRR in Ecuador)	X	X			Technical Partners STGR Min. Litoral Local Governments and Municipalities	BCPR UNDP- C.O	71300 Local Consultants 71600 Travel	15.000 5.000
				X	X		BCPR UNDP- C.O	72100 Contractual Services 74200 Audio Visual & Print Prod. costs	22000 8000
							<b>TOTAL</b>		<b>50.000</b>

EXPECTED OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES List all activities including M&E to be undertaken during the year towards stated CP outputs	TIME FRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Se m 1	Se m 2	Se m 3	Se m 4		Source of Funds	Budget Description	Amount
<b>2. Capacity Building and UDNP Technical Assistance</b>	Design an implementation of a training program for National Government, regional, and local governments, municipalities and communities on DRM and DRR strategies (global perspective, practices from elsewhere)	X	X	X	X	STGR Min. Litoral MEF Local Governments and Municipalities UNDP	BCPR UNDP- C.O	72100 Contractual Services 74500 Miscellaneous expenses (Work shops)	100,000
	Technical assistance	X	X	X	X		BCPR	61100 Technical Assistance	150,000
<b>TOTAL</b>									<b>250,000</b>
<b>GREAT TOTAL FOR PHASE 1</b>									<b>300,000</b>

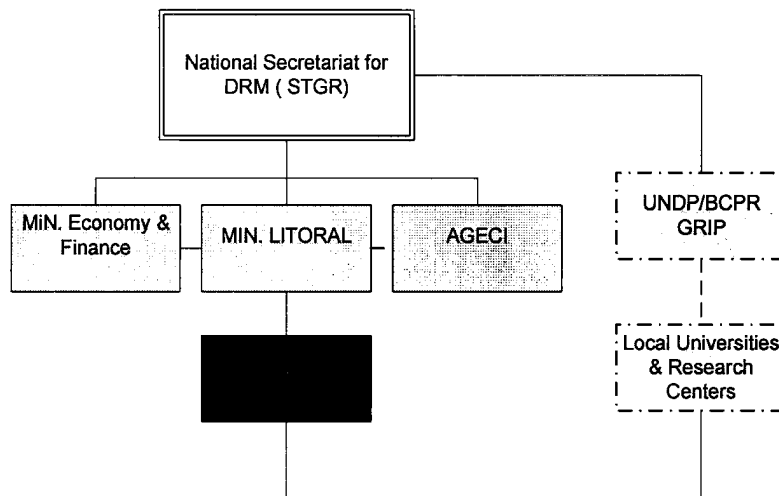
**ANNUAL WORK PLAN FOR YEAR ONE, EXPECTED JULY 2009-JULY 2010**

EXPECTED OUTPUTS <i>And indicators including annual targets</i>	PLANNED ACTIVITIES <i>List all activities including M&amp;E to be undertaken during the year towards stated CP outputs</i>	TIME FRAME				RESPONSIBLE PARTY	PLANNED BUDGET	
		Sem1 July 09	Sem2	Sem3 July /10	Sem4		Budget Description	Amount
<b>1. Risk awareness: Analysis of the DRM context in Ecuador, Understanding hazards, vulnerabilities, capacities, and risk for disaster risk reduction (DRR) at the local level, including the current economic and financial risk phase.</b>	Identify the context for DRM in Ecuador (Legal and institutional arrangements, resources and capabilities, as well as, hazard, vulnerabilities and risk studies available in the Country as well as the analysis of current economical incentives for DRR in Ecuador)	X	X			Technical Partners STGR Min. Litoral Local Governments and Municipalities	71300 Local Consultants  71600 Miscellaneous Expenses	15.000  5.000
		X	X			STGR Min. Litoral MEF Local Governments and Municipalities	72100 Contractual Services  74500 Miscellaneous Expenses	30.000  20.000
		X	X			BCPR UNDP- C.O	61100 Technical Assistance	100.000
		<b>TOTAL</b>					<b>TOTAL</b>	<b>150.000</b>
		<b>TOTAL</b>					<b>TOTAL</b>	<b>170.000</b>
		<b>TOTAL</b>					<b>TOTAL</b>	<b>170.000</b>

**ANNUAL WORK PLAN FOR YEAR TWO, EXPECTED JULY 2010-JULY 2011**

EXPECTED OUTPUTS <i>And indicators including annual targets</i>	PLANNED ACTIVITIES <i>List all activities including M&amp;E to be undertaken during the year towards stated CP outputs</i>	TIME FRAME				RESPONSIBLE PARTY	PLANNED BUDGET	
		Sem1 July 09	Sem2	Sem3 July /10	Sem4		Source of Funds	Budget Description  Amount
1. Risk awareness: Analysis of the DRM context in Ecuador, Understanding hazards, vulnerabilities, capacities, and risk for disaster risk reduction (DRR) at the local level, including the current economic and financial risk phase.	Base line definition for Re-assessment of seismic risk in Ecuador and flooding risk for the coastal region of Ecuador, with at least one map for Floods for the coastal region (scale is country wide).			X	X	Technical Partners STGR Min. Litoral Local Governments and Municipalities	BCPR UNDP- C.O	71300 Local Consultants 22000 71600 Miscellaneous and Travel Expenses 8000
		<b>TOTAL</b>						
2. Capacity Building and UDNP Technical Assistance	Design an implementation of a training program for National Government, regional, and local governments, municipalities and communities on DRM and DRR strategies (global perspective, practices from elsewhere)  Technical assistance and fund raising to complete the budget of the project.			X	X	STGR Min. Litoral MEF Local Governments and Municipalities	BCPR UNDP- C.O	72100 Contractual Services 30.000 74500 Miscellaneous Expenses 20.000
		<b>TOTAL</b>						
<b>GREAT TOTAL PHASE ONE OF THE PROJECT -YEAR 2</b>							<b>TOTAL</b>	<b>100.000</b> <b>130.000</b>

## COMPONENT 6: MANAGEMENT ARRANGEMENTS



This project will be implemented following the National Execution Modality (NEX), with the National Secretariat for DRM (STGR) acting as the main coordinating and implementing agency. UNDP will be the responsible party and other national organizations will also have leading roles to accomplish specific results, among them the Ministry of Economy and Finance, MEF, the Ministry of the Coastal Region (Min. Litoral), the National Agency

for International Cooperation (AGECI), Selected Municipalities where pilot applications will be undertaken and Local Universities and Research Centers.

Complexities in the implementation phase have been identified due to the number and different partners from the national, regional (coastal region), local level (municipalities), and the scientific organizations that have been engaged. Nevertheless, National Execution, NIM modality, under the Harmonized Approach to Cash Transfer (**HACT**), will be applied. Under this arrangement, UNDP will be the responsible for the fund administration and expenditure, therefore UNDP norms and standards will be used.

Further, STGR and UNDP will sign a Letter of Agreement for the Provision of the Support Services required. UNDP will be in charge of the payments for the provision of goods, services and specialized consultancy required for the implementation of the project. Project administration will be carried following standard procedures provided by specific guidelines and in strict application of the budget reflected in the Annual Work Plan (AWP), which will be uploaded in the ATLAS or global administration system used by UNDP.

With a new constitution just approved in the country, it is expected that legal and institutional frameworks will be revised and re-designed at all levels, this will certainly contribute to significantly introduce new uncertainties in the structural reform that will be undertaken during the second half of 2009. This adds to a more conservative way of administration of the resources where UNDP can play a significant role to avoid the observed risks.

The universities and research centers based in the coastal region are key partners in the project. They will provide all the technical support for the risk assessment, development of tools and methodologies for the appropriate implementation of the project, through technical knowledge, data bases and the use of specialized equipment.

UNDP will also provide technical assistance on Disaster Risk Reduction and Management Strategies through the NDRA and will count on the full support of the GRIP Team and the BCPR regional team based in Panama.

## Risk Analysis

RISKS IDENTIFIED	MITIGATION MEASURES
<p><b>Institutional:</b></p> <p>The country is undergoing the implementation of a constitutional reform, which will bring about deep changes at the policy and institutional level. This might affect government's response and ownership over this project.</p>	<p>Local structures (community based organizations, volunteer networks and municipalities) are stable and will provide sustainability to the process.</p>
<p><b>Political:</b></p> <p>The country will go through political elections during year 2009. This will influence local and national agendas.</p>	<p>Activities will be programmed taking in consideration major political events.</p>

The feasibility of the project is contingent on several key factors in order to ensure its achievement:

- Willingness to collaborate among all key stakeholders.
- Adequate institutional capacity to manage decentralised and participatory processes.
- Expansion of the budgetary allocation commitment of all partners to ensure the implementation of the policies.
- Appropriate planned and timely simultaneous funding to contribute to multi-sectoral interventions that assure the overall impact and progress against the established indicators.

### **Gender Perspective**

Adequate gender sensitive approach will be provided to the program, from its design to implementation and especially through its pilot applications. This approach will be based on SGP's Gender Mainstreaming Manual for Community Based Environmental Projects and on the UNDP's Eight-Point Agenda for Women's Empowerment and Gender Equality in Crisis Prevention and Recovery will be incorporated with emphasis in two major elements:

#### **To promote gender equality in disaster risk reduction.**

- Incorporate gender analysis in the assessment of disaster risks, impacts and needs.
- Address women's unique needs and value women's knowledge in disaster reduction and recovery policies, plans and programs.
- Strengthen women's networks and organizations to facilitate women's active engagement.

#### **To ensure Gender-Responsive Recovery.**

- Infuse gender analysis into all post-disaster planning tools and processes.
- Ensure recovery efforts provide equal economic opportunities for women including access to assets, such as land and credit.
- Promote social protection and sustainable livelihoods.
- Prioritize women's needs in key sectors such as transportation, shelter and health care.

## **COMPONENT 7: MONITORING AND EVALUATION**

The UNDP Manager of the Area of Governance will be in charge of overall program oversight who will work in close collaboration with the NDRA, in consultation with the national counterparts through regular meetings to discuss the program implementation and assess its progress. The Management Unit will ensure monitoring and evaluation of the Programme, in accordance with UNDP's NEX and Results Management Guidelines. Implementing partners will be responsible for the direct monitoring of the respective program components.

An independent external evaluation will be conducted at the end of the Program. This will include the participation of UN agencies involved and key strategic counterparts in order to assess the achievement of expected outputs and alignment with appropriate outcomes.

Permanent monitoring will be included into the implementation process in order to take immediate corrective actions if necessary. A monitoring team will be established at the beginning of the project which will set up regular meetings for progress review and identification of issues.

Monitoring of project implementation and monitoring and evaluation of key outputs and outcomes will be ensured through the following activities:

- Field visits undertaken jointly by the Government and UN.
- Preparation of progress reports for review at the annual review meetings.
- Surveys and evaluations to obtain baseline data and to measure progress against baselines undertaken jointly with the Government and partners.
- Community consultations in the areas of intervention. Every effort will be made to involve beneficiaries in the monitoring of activities.

Towards the end of each calendar year, the Government, UNDP and other key technical and institutional partners will conduct an annual review to assess progress in the project implementation, as well as progress against the indicators outlined in the UNDAF.

### **Monitoring & Evaluation Framework**

#### Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

## Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

### **COMPONENT 8: LEGAL CONTEXT**

This document together with the CPAP signed by the Government of the Republic of Ecuador and UNDP on 19 January 2005, and published in the Official Bulletin No. 526 of 17 February 2005, which is incorporated by reference and constitute together a Project Document as referred to in the SBAA [or other appropriate governing agreement] and all CPAP provisions apply to this document. CPAP was signed between the Government of the Republic of Ecuador and the UNDP on 14 April 2004 for the cooperation period of 2004-2008.

The new UNDAF and related CPAP are currently being negotiated with the Government for the period 2010-2014, meanwhile the former arrangements are still in place for programming purposes.

### **COMPONENT 9: COST RECOVERY**

General Management Services - GMS- both percentage and modality will be advised by BCPR once the nature of the fund has been identified. Implementation support services –ISS- will be charged according to standard regulations within the CO



## Maria Fernanda Moncayo

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**De:** John WEATHERBY [JohnW@unops.org]  
**Enviado el:** Jueves, 05 de Noviembre de 2009 9:40  
**Para:** Jeannette Fernandez  
**CC:** Claudio Providas; Carlos Villacis; Avani Dixit; Enriqueta Baquero; Maria Fernanda Moncayo; Uthira Ravikumar; Katrin LICHTENBERG; Alexandre LAMIGE  
**Asunto:** RE: GRIP para CO-Ecuador - Authorization / Requisition 217 in ECU50 for US\$ 50,000

Dear Jeannette,

Following a conversation with our financial specialist, It is better if UNOPS reissues a requisition in 2010 when you have finalized the changes etc with your counterpart and then you can issue a PO. Suggest that you get back to us when everything is ready and we will reissue a new Requisition (next year). Hope that clarifies.

Best regards, John

John Weatherby | EMO - SWOC | 11-13 Chemin des Anémones | 1219 Châtelaine / Geneva, Switzerland | Tel: 41 22 917 8426 | Fax: 41 22 917 8062



Please visit our Website <http://www.unops.org>

**From:** Jeannette Fernandez [mailto:Jeannette.Fernandez@undp.org]  
**Sent:** Thursday, November 05, 2009 2:44 PM  
**To:** John WEATHERBY  
**Cc:** Claudio Providas; Carlos Villacis; Avani Dixit; Enriqueta Baquero; Maria Fernanda Moncayo  
**Subject:** Re: GRIP para CO-Ecuador - Authorization / Requisition 217 in ECU50 for US\$ 50,000

Dear John,

Regarding the authorization to spend USD 50.000 through requisition 217, I would like to ask for a clarification:

We have not been able to initiate planned activities yet, since there have been important changes with the counterpart, therefore we would like to know if we could open a PO using this fund for year 2010.

We would really appreciate your answer at your earliest convenience.

Kind regards,

Jeannette Fernandez



**Jeannette Fernández**

Asesora Nacional de Gestión de Riesgos  
PNUD Ecuador  
(+593) 2 2460330 Ext.2111  
(+593) 98528712

**MINUTA FECHA :** 13 de marzo de 2009

**REUNION :** PAC – “*Design and Implementation of an Incentive System for Disaster Risk Reduction at the Municipal Level in Ecuador*” **LUGAR:** Quito – Ecuador, PNUD

**ASISTENTES :** Claudio Providas, Rep. Res. Adjunto PNUD **COPIA:** GRIP  
 José Augusto, Gerente Area de Gobernabilidad  
 Verónica Quintero, Gerente Area de Pobreza  
 José Vicente Troya, Gerente Area de Desarrollo Sostenible  
 Rosicler Gómez, Gerente de Operaciones  
 Jeannette Fernández, Oficial de Programa  
 Rita Cloet, Coordinadora Proyecto VIH-SIDA  
 Enriqueta Baquero, Asociada de Planificación Estratégica  
 Sandra Endara, Asociada de Programa

**Informaciones compartidas**

Iniciales de persona que informa	Información/Discusión
JF	Realizó la presentación del proyecto y sus alcances a nivel técnico.
VQ	Calificó de potente a la iniciativa. Sugiere que el documento de proyecto refleje que esta intervención permitirá incorporar en las políticas del Estado el manejo de riesgos.
JA	Explicó que el proyecto tiene relación con el diseño de un método de cómo manejar la incertidumbre, además de definir la manera de implementación.
EB	Indicó que se cobrará el GMS directamente, a través de un asiento contable interno.
RC	Sugiere incluir a AME en los actores. Sugiere manejar el concepto integral de cuencas, no solo en municipios. Sugiere además incluir a SENPLADES. Comenta que hay enunciados sobre género pero no actividades definidas.
JVT	Destaca la seriedad y amplitud de la problemática. “Es un estándar que se debería replicar”. Piensa que es un proyecto estratégico. Considera que se debe incluir a SENPLADES y a la Secretaría de Riesgos. Se debería recuperar aquí algo del “eight point agenda”. La referencia que se hace en el texto del PRODOC en relación a las observaciones de la Sra. Portaluppi deberían institucionalizarse o hacer referencia a la publicación pertinente.
CP	Califica de innovadora la participación del MEF. Se debe reflejar la naturaleza del “up-stream” y darle el enfoque de derechos.
VQ	Se debe considerar la realidad del Ecuador. Se trata de un sistema multi-riesgos. Le parece de una viabilidad compleja incorporar el tema de género en estas circunstancias. Se debe visibilizar la articulación entre lo local y lo nacional.
EB	No se refleja una estrategia de salida. Los arreglos de implementación no están claros ni la modalidad de ejecución. Tampoco está clara la recuperación de costos.
CP	Se deberá verificar bajo qué modalidad se han ejecutado otros proyectos GRIP en otros países. Preferiría que se aplique el HACT.
CP	Se debe trabajar conjuntamente los arreglos de implementación.





**Government Ecuador**

**United Nations Development Programme  
Bureau for Crisis Prevention and Recovery**

***Design and Implementation of an Incentive System for  
Disaster Risk Reduction at the Municipal Level in Ecuador***

**March, 2009**

### Narrative

After the heavy floods that impacted the coastal region of Ecuador in January and February 2008, the National Government of Ecuador has raised its interest in taking pro-active actions to reduce the possible impacts of natural hazards in its territory. Several key actions have been undertaken by the government in this regard:

- a) The mandate to incorporate disaster risk reduction and management mechanisms at every geographical and institutional level through specific (389 and 390) articles incorporated in the New Constitution of Ecuador,
- b) The establishment of a National Secretariat for Disaster Risk Reduction (Secretaría Técnica de Gestión de Riesgos-STGR) which is in charge of the overall inter-institutional coordination for Disaster Risk Reduction and Management including the reorganization of the former Civil Defence,
- c) Empowerment of the Ministry of the Coastal Region (Ministerio del Litoral) through the lessons learned from the 2008 experience which is interested in setting up a comprehensive process for preparedness, emergency management and recovery in this part of the country.

In this regard, the UNDP office of Ecuador received a formal request from the Ministry of Finance (Ministerio de Economía y Finanzas-MEF) to assist them in the formulation of an incentive system for disaster risk reduction at the municipal level through fiscal policy. The project aims at incorporating realistic DRR actions into daily municipal business, which will be periodically evaluated to make sure of the impact of the actions implemented by the municipalities.

The project comprises three main objectives:

1. To understand major hazards, vulnerabilities, capacities and risk in the coastal region of Ecuador to facilitate decision making for a disaster risk reduction (DRR) strategy at the local level.
2. To understand the risk that Government faces from natural hazard and vulnerabilities.
3. To design tools and methodologies to guide local governments for effective risk reduction investments.
4. To design an incentives system for DRR addressed to local governments through fiscal policy that will be implemented by the Ministry of Economy and Finance (MEF), which includes a monitoring process through a regional observatory for DRR and the implementation of an indicators system for disaster risk reduction and management.
5. To implement concrete DRR applications in selected municipalities so as to test and guide the implementers in the use of the indicators, monitoring system and fiscal policy, as well as the use of tools and specific mechanisms for DRR.
6. To build capacity and train key actors on the use and of the tools and methodologies produced through out the project.

The project will count with the support of the Ministry of Economy and Finance, which will be the main counterpart of the project, this will reinforce the vision of promoting DRR through public investment, while project's sustainability can also be assured through allocation in the National Budget. Appropriate linkages and coordination with the national level will be encouraged through the STGR and the National Agency for International Cooperation (Agencia Ecuatoriana de Cooperación Internacional-AGECI). Further, key research centres and universities based in the coastal region will be the ones to provide all the technical support for the risk assessment while at the same time they will assist the municipalities in the use of practical applications of the tools and other materials generated in the risk assessment phase. This arrangement will assure improved capabilities of the technical groups and direct implementation through the end users. At the end of this document, letters of support from the MEF, research centres and municipalities are attached.

UNDP will provide technical assistance and supervision through the NDRA based in Quito and the project will be part of the Global Risk Identification Program GRIP led by the Carlos Villacís and the GRIP team in Geneva. The program will also make the appropriate coordination with the BCPR Regional Office based in Panama through Angeles Arenas and her team, particularly on the phase of implementation of practical DRR initiatives.

UNDP will assure the incorporation of gender considerations and promote the active participation of men and women in the project as to enhance their capabilities and contribution to the project. On the other hand UNDP will make sure that UNET-E is abreast of the project in order to welcome contributions from UN Agencies as well as enhance their knowledge on DRM and DRR.

**COMPONENT 1: COVER PAGE**Country: **ECUADOR**

**UNDAF Outcome(s):** The national and local governments count on risk reduction and prevention plans for natural disasters

**Expected CP Outcome(s):** 4. Crisis Prevention and Recovery  
*(Those linked to the project and extracted from the CPAP)* 4.5 Natural Disaster Management

**Expected Output(s):** The National and local governments count on prevention and mitigation plans as well as with disaster risk management capabilities  
*(Those that will result from the project and extracted from the CPAP)*

**Implementing Partner:** Ministry of Economy and Finance (MEF)  
Ministry of the Coastal Region (Min. Litoral),  
National Secretary for Disaster Risk Management (STGR) , Local Governments.

**Responsible Party:** UNDP

Programme Period:	2004-2008	<b>Total Budget:</b>	<b>1'490.000</b>
Key Result Area (Strategic Plan):	4.5 Natural Disasters Management	Total resources required	
Atlas Award ID:	TBD	Total allocated resources:	
Start date:	March 2009	• <b>BCPR</b>	<b>1'490.000</b>
End Date	March 2011	• Other:	
PAC Meeting Date	_____	○ Various	_____
		○ Donor	_____
		○ Donor	_____
		○ Government	_____
		Unfunded budget:	_____
		In-kind Contributions	
		Research Institutions	

**Agreed by MEF:**

\_\_\_\_\_  
**María Elsa Viteri**  
**Ministra de Economía y Finanzas**

**Agreed by UNDP:**

\_\_\_\_\_  
**José Manuel Hermida**  
**UNDP Resident Representative**

## **COMPONENT 2: SITUATION ANALYSIS**

### **2.1 BASIC COUNTRY INFORMATION**

- Population: 13,4 million
- Geography: 256,370 square kilometers in size, the country is geographically divided into four regions (the Amazon, the Highlands, the Coast, and the Galapagos Islands) and is politically split into 22 provinces.
- HDI: Rank 83 among 177 countries; value 0,765 (HDR 2006)
- Key social and economic indicators:
  - GDP growth rate: 4.1% (2006)
  - GDP per capita (PPP): US\$ 3,050.
  - Poverty level: 38.3% (urban: 24.9%; rural: 61.5%);
  - Absolute poverty: 12.8% (urban: 4.8%; rural: 26.9%);
  - Rate of illiteracy: 9.1%
  - Maternal mortality rate: 85 per 100.000 live births
  - Infant mortality rate: 22.1 per 1.000 live births
  - Chronic malnutrition rate: 18.1% (40.1% among the indigenous people)
  - Schooling rate: primary school 73.8%, secondary school 32.6%
  - HIV/AIDS is spreading rapidly, particularly in the coastal provinces, although official information is still scarce and unreliable. Studies conducted in some areas have showed a prevalence rate of over 1%.
  - Demography: 64.3% comprises the population with 1-33 years old, followed by a 27.5% of 34-59 years old and a 8.2% with people 60 years and older.

Ecuador's income is based on the exports of petroleum, agricultural and fishery products, and the remittances of an important population that migrated to the USA, Spain and Italy after a severe banking crisis in the late 1999.

### **2.2 Political setting**

Ecuadorian democracy has suffered a severe crisis in recent years, which produced a progressive weakening of the central public institutions and the rule of law combined with acute political instability (the country has had 7 presidents in the last decade). January 15<sup>th</sup>, 2007 marked the beginning of the new administration led by President Rafael Correa – an economist influenced by the ideas of Amartya Sen and Joseph Stiglitz, who based his campaign on a far-reaching agenda that comprises de-politization of justice and control bodies, re-orientation of economic policies towards social needs, fight to corruption and defense of Ecuador's environmental and natural resources, whose cornerstone is the convening of a Constitutional Assembly to give the country a new Constitution.

His first initiative was to convene a referendum to approve the convening of the Assembly, which took place on April 15<sup>th</sup>, 2008 and resulted in a whopping 82% of favorable votes. On September 2008 the New Constitution was voted, as it was expected, it counted with a positive and strong support from the community.

This particular situation provides a unique opportunity to review current administrative structure of the country as well as its institutions and legal frameworks, including those related to the construction of a Decentralized Disaster Risk Management System and its concurrent laws and regulations.

In fact, the recently approved 2008 Constitution of Ecuador incorporates for the first time explicit references to Disaster Risk Management through articles 389 and 390. Both articles provide the framework for the design and implementation of a Decentralized DRM System which aims at preventing people and investment from the negative impact of several

natural hazards that affect the country on yearly basis. On the other hand, the National Development Plan (2007-2010) has also mainstreamed Disaster Risk Reduction into its 12 development goals.

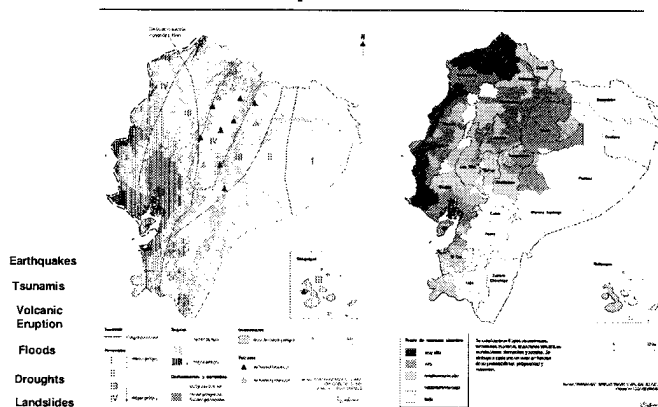
As a result of the interest of the National Government in DRM and DRR, the Civil Defense has been re-structured and a new agency to lead the construction of the Decentralized DRM System and the Emergency Management Strategy has been set up. The National Secretariat for DRM has the mandate to reorganize de Emergency Management Structure and promote the construction of the DRM System.

Current situation provides a unique opportunity to the UNS and the international community to assist the National Government of Ecuador in the construction process of the new institutional and legal framework and the strengthening of national, regional, local and sectoral capabilities for DRM,

### 2.3 Hazards, Vulnerabilities, Capacities and Risk Context

Hazards of varied types threaten Ecuador, a densely populated country with a rugged topography located in the Equatorial line and in the so-called "Fire belt" of the Pacific. Amongst them are volcanic activity, earthquakes, and a host of phenomena related to climate variability and change, such as floods, landslides, and prolonged dry seasons.

#### Multi Hazards and Risk Maps of Ecuador



Exposure of highly vulnerable communities, building stock and infrastructure, combined with weak institutions for disaster risk reduction and emergency management reinforces the notion that Ecuador is a country particularly vulnerable to natural hazards. In this setting, Climate Change and its Variability tends to increase climate related events not only in frequency but also in severity. In turn, disasters can significantly impair the

development of vulnerable countries like Ecuador, evidence suggest that the impacts of these hazards have slowed development during at least the last 20 years.

Just to mention the most catastrophic, the country was hit by El Niño Phenomena in 1983 and 1997 with extensive flooding along the Ecuadorian lowlands, bringing devastation and destruction to an already weak infrastructure. In 1987, an earthquake struck the northeastern part of the country producing severe damage to Ecuador's only oil pipeline and stopping oil exportation for several months. In 1993 a mega-landslide occurred upstream of Paute, the largest and most important hydroelectric dam in Ecuador. In 1998, a 7 Magnitude earthquake produced severe damage in houses and buildings. Non-structural damage in the modern resort of Bahía de Caráquez was huge, showing the high vulnerability of buildings. During the same period, the national gross product and other economic indicators showed either negative growth or significant reductions. More recently, volcanic activity in Mount Tungurahua has impacted a densely populated area, displacing peasants and slowing a very active local tourism industry in the city of Baños.



January and February 2008 surprised the country with an abnormally intense rainy season that flooded a huge area of the country, particularly but not limited to the lowlands of the Ecuadorian coast. Thirteen out of 24 provinces sustained heavy damage and social and economic losses, recent evaluations suggest up to 2.5% of GDP loss in this sole event, showing once again that the country is ill prepared to manage a humanitarian crisis and the consequent emergency situation.

A deep analysis of the 2008 floods in Ecuador<sup>1</sup> was carried out and consultation with different actors of the process resulted in the identification of to be the underlying causes of vulnerability in Ecuador, which can be summarized:

- **Incomplete recovery processes from past events** have weakened both the build environment and the social fabric of the country. El Niño 97/98 produced 2800 million in losses, by then, the government assigned USD 1670 for the reconstruction, only 292 actually invested.
- **Political instability**, none of the elected presidents have finished their periods since 1996.
- **Economic issues**, After the bank assets were frozen in March 1999, the dollar became the national currency (instead of "Sucre") salaries went down, unemployment went up thus leading to a high exodus of more than a million Ecuadorians.
- **Poor and aggressive urbanization processes** in major cities in Ecuador, particularly In the coast after repeated flooding
- **Huge Deforestation and Environmental Degradation** including destruction of primary woods
- **Issues with Basic Response Institutions**, they were weakened during the political processes among them the Civil Defense, Basic organizations for response such as Red Cross and Firemen
- **Little knowledge Transfer**, there is a fragile relationship from those who produce knowledge and those who should apply it
- **No Risk Reduction Vision** within sartorial implementers such as Ministries and other local organizations such as municipalities for example.
- Limited inter-institutional coordination

The recent flooding episode in the coastal region of Ecuador has raised the issue of how well prepared are our communities to face such devastating events, and the readiness of local, regional and national organizations to protect and provide humanitarian assistance in crisis situations.

The expectation goes beyond the particular phase of emergency management to the overall Disaster Risk Management perspective. The need of a switch in the paradigm of sole emergency response vis à vis the investment in prevention and mitigation as well as in the recovery planning making a better link to sustainable development is what the country urgently needs.

Therefore, current situation, after the flooding of the coastal region in January and February this year and eruption of Mt. Tungurahua late last year have raised awareness and make the community and the authorities sensible to risk reduction and recovery.

This situation clearly indicates that a complete review of the legal and institutional arrangements for a comprehensive disaster risk management is needed, including a shift of

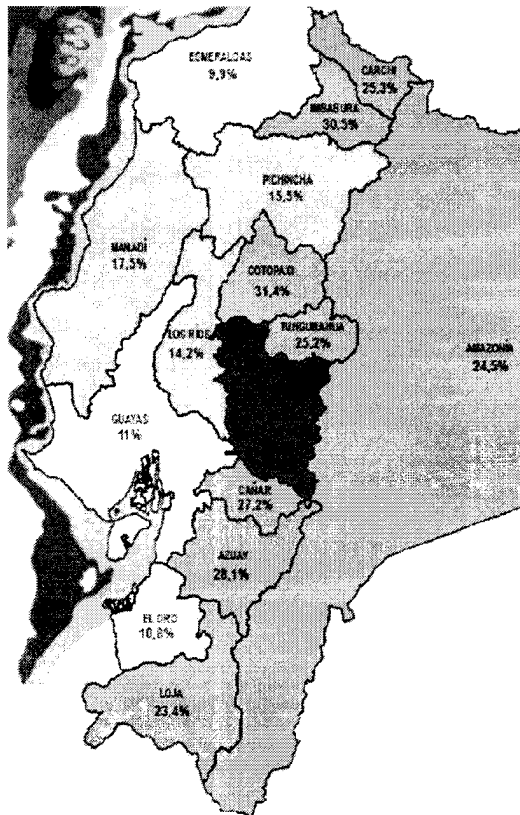
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<sup>1</sup> Ecuador 2008, La Respuesta frente a las Inundaciones en el Litoral, una publicación del Ministerio del Litoral y del Programa de Naciones Unidas para el Desarrollo, Enero 2009

paradigms and practices, from immediate response which has been traditional to prevention, mitigation and preparedness.

In this new perspective the need for a comprehensive risk assessment to guide the design and implementation of a Disaster Risk Reduction and Emergency Management Strategy (including technical, social, economic, political aspects) is seen as a unique opportunity, linked to the review of overall national administrative and territorial organization of the country promoted by the National Government of Ecuador through the New Constitution of Ecuador which will be approved at the end of September 2008.

## 2.4 Risk Analysis in the Coastal Region of Ecuador



Coastal Ecuador is divided into five provinces, four of them with coastal front. From north to south there are Esmeraldas, Manabí, Guayas and El Oro. The main socioeconomic activities respond to the climatic conditions, with the exception of petroleum exports through the Esmeraldas port in Esmeraldas Province.

The population in coastal provinces was about 5,406,045 in 2001 (2001 Population Census), excluding Los Ríos Province, which does not have a coastal front. It amounts for about 50% of Ecuador's population in 2001. Schooling is calculated as the average number of years approved by the population 10 years old and older at the different levels of instruction<sup>2</sup>. The average for the whole country is 7.1. It is important to mention that most of the artisan and industrial fisheries take place in Guayas and Manabí provinces. In Esmeraldas the population uses the services of estuaries and mangrove area only for subsistence and for crabs and oysters catches (National Fisheries Institute,

personal communication), with some aquaculture activity. El Oro province is mostly dedicated to banana farming and exports, as well as shrimp aquaculture, and the artisan fisheries are mostly for household consumption. Guayas has the most important port of Ecuador and Esmeraldas houses the only oil refinery of the country.

The fishery and agricultural sectors in the coastal region of Ecuador face several problems regarding climate impact that must be taken in account:

- 1) Changes in air temperature and precipitation patterns.
- 2) Sea level rise: because of the gentle slope of the continental platform, and immediate coastal plains a small rise in sea level would result in increase of the surge area, coastal erosion and lost of the beach side. This in turn poses the question of adaptation through different kind of measures.

<sup>2</sup> In Ecuador the elementary and high school system amount for 7 and six years respectively by 2001. Today, the system has changed, and 2 years of pre-school have been added.

- 3) Changes in water masses (temperature, salinity and oxygen properties), and hence migration of fisheries because of changes in the habitats

The impact in this region is exacerbated by the current socioeconomic conditions of the Ecuadorian population which are the result of the socio-political situation of the country in at least the last ten years plus the effects of lack of enforcement of coastal management policies regarding land use, zonation and sustainable use of ecological services as well as sanitation and provision of potable water in small settlements and rural areas.

El Niño/Southern Oscillation (ENSO) was one of the best well known climatic extremes in Ecuador. The pre-Columbian El Niño knowledge presented it as a climatic warm event, that periodically appears during the rainy season (around the end of December) in southern coastal Ecuador and northern coastal Peru. This climatic event was associated with fertility, because of the increase in rainfall associated with it. During the twenty century, the concept of ENSO evolved from a local process (local to Ecuador and Peru) to an equatorial Pacific basin-wide event with worldwide tele connections, along with positive and negative impacts. Currently, during the twenty-first century, the ENSO events have been limited to the central equatorial Pacific Ocean, with little signature and impact over coastal Ecuador and Peru. This evolution of ENSO events through the centuries implies that it is necessary to study it in relationship to longer time scales of variability, associated with multi-decadal to centennial variability in order to understand its changing behavior. However, in lieu of climate change, the scenarios posed by both the warm - El Niño-, and the cold - La Niña -, phases are still useful as climate extremes that could occur under climate change conditions under the assumption that the climatic extremes would become more frequent. There are several studies looking at the impact of ENSO upon different socioeconomic sectors, such as agriculture, fisheries, and also upon infrastructure and health.

In addition to climate related events and El Niño/La Niña, the coastal region of Ecuador can be affected by strong shaking produced by Earthquakes generated by the subduction of the Nazca Plate under the sud-american plate with historical events that show Magnitudes as big as M=8.7 in Esmeraldas in 1906, or Manabi M=8.1 in 1942, or Guayaquil M=4 to 6 plus in several years, with the possibility that offshore generated earthquakes could produce a Tsunami that may severely affect the coastal population. Vulnerability of the exposed elements is high, as already explained, poor population, weak institutions and vulnerable infrastructure due to lack of appropriate seismic standards for design and construction in both, dwellings and lifelines, such as bridges, roads, and development infrastructure.

The recurrent natural hazards combined with high physical, social and institutional vulnerabilities, along with a low coping capacity (lack of resilience) of the community, configures a high risky scenario which potential damages can be progressively reduced with a sustained work that includes the leadership of the national authorities, together with a joint effort at the local level (municipalities) and with the understanding and support of the community, scientific organizations and other key actors located in the Coastal Region of Ecuador.

## **2.5 Institutional Framework and Capabilities**

The leading national entity for the implementation of the project would be the Ministry of Economy and Finance because this is the organization in charge of implementing the government's fiscal policy and it is the one that would be best placed to promote and implement those public policies identified by the project, which will need to be incorporated through complementary laws and/or municipal ordinances. On the other hand, the Ministry of the Coastal Region (Min. Litoral) has strengthened its capabilities for emergency management and DRR. Key aspects of Disaster Risk Management and Reduction have been absorbed by these regional

authorities leading their interest to identifying practical tools, methods and procedures for effective risk reduction and the promotion of a real strengthening of local governments reducing their dependence on donors and the national level. Therefore, there is an important political interest and leadership to promote DRR in the coastal region of Ecuador. Also, prepared technical cadres to promote the real implementation of the project are available within this Ministry. Local municipalities are in weaker situation, and therefore, they will require a lot of support from the project, at least until they become familiar with the tools and other means that will be developed by the project.

To make the appropriate linkages to the national level, which is key to act in accordance to national strategies and policies and in order to have access to national resources assuring sustainability, it would be paramount to gain the buying of the STGR (Technical Secretariat for DRM), and the Ecuadorian Agency for International Cooperation (AGECI)

The area of Democratic Governance at UNDP incorporates Disaster Risk Management among its portfolio of programs. Major focus has been given to the strengthening of local capabilities for a comprehensive disaster risk reduction and management. A key element represents the incorporation of risk sensitive planning perspective into development and land use plans as an option for pre-event mitigation and vulnerability reduction. The development of appropriate communication and information technologies and early warning systems to keep local stakeholders aware is a second line of interest. In addition, UNDP plays an active role for emergency situations within the UN System through the inter-agency group called UNETE. This has broaden our perspective to engage in this type of situations particularly related to early recovery and planning for long term recovery, looking mostly at livelihoods recovery.

### **COMPONENT 3: STRATEGY**

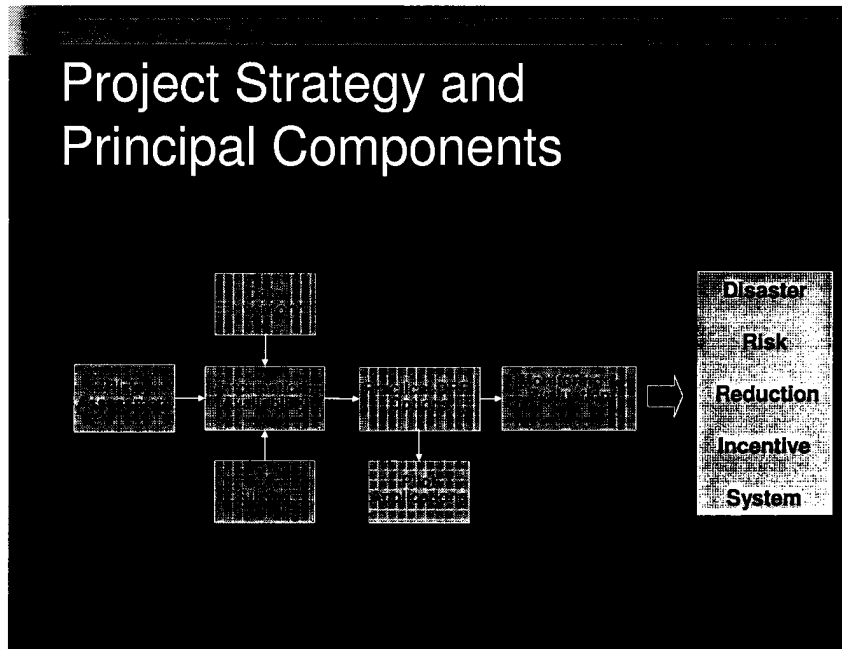
#### **3.1 Project Strategy**

The local level is where effective risk reduction takes place. Many local authorities are interested in reducing the impact of natural hazards in their territory, nevertheless, either they think that it would imply a lot of resources, investment that competes with other pressing issues such as provision of basic amenities to the population, or reducing crime and violence, or simply they don't know how to go about it, because there are no local specific tailored patterns to guide local governments for cost-effective risk reduction investments.

The strategy for motivating the implementation of DRR actions at the local level consists of the following key steps:

1. Risk Identification or assessment for awareness rising. As mentioned earlier, hazards are rather well known in the country, but vulnerability and capabilities (resilience) have been only broadly incorporated in the analysis.
2. Development of a role model to assess the economic and financial risk of Ecuador due to high vulnerability and exposure to natural hazards and the possible losses associated with disasters.
3. Bringing this information down to be useful at the local level (appropriate scales and resolution), and making it accessible to the local planners, emergency managers and decision makers. Data inventories and ITC capabilities will be factored in the project not to duplicate and make use of what is already available.

4. Making tools, methodologies, sound practices and other instruments for DRR available to municipal staff and policy makers for its implementation.
5. Making use of both, the defined strategies for cost effective investments for DRR and the incentive system for risk reduction and management.
6. Monitoring and evaluating for improving base line.
7. Pilot testing and application in selected municipalities.
8. Building capacity at all levels of intervention, including the community.



### 3.2 Country Office DRM Strategy

This project is part of a larger DRM strategy that the CO has put in place in response to the risk background in Ecuador. An action plan aimed at assisting the National Government of Ecuador building its strategy for disaster risk reduction and management has been formulated, it includes five key areas of intervention were identified: 1) Development of Public Policy for disaster risk reduction and management, 2) Development of a bundle of projects to support national and local capabilities with the technical advice of UNDP, 3) Interagency collaboration within the UN system, and inter-area collaboration within the UNDP office, 4) Knowledge Management for DRR and DRM, and 5) mobilization of resources and funding from different sources.

The attached table shows a summary of the DRM portfolio of projects that will be complementary to the activities that will be undertaken under the GRIP Initiative. The completion of these projects in the upcoming years will provide a very good understanding of hazards, vulnerabilities and risk in the country, plus the identification of an agreed upon DRM Strategy and the improvement of Information and Communication Processes for both DRM and Emergency Management.

**DRM portfolio for Ecuador implemented by UNDP  
Year 2009-2011**

<b>Name of the Project</b>	<b>Amount</b>	<b>Sources of Funding</b>	<b>Implementing Partners</b>
Implementation of a Collaborative Climate, Seismic and Volcanic Information System for Decision Making at the Municipal Level in Ecuador	USD 400.000	ECHO DIPECHO	IG-EPPN-CIIFEN – INAMHI Hard pipeline
Urban Risk Reduction Program for Quito	USD 981.000	WB	City of Quito Implementation initiated March 2009
Strengthening voluntarism for DRR and DRM in Ecuador	USD 300.000	AECID through UNV	Several Volunteering Organizations in Ecuador Approved, Implementation will start on April 2009
<b>TOTAL</b>	<b>USD 1'681.000</b>		

## COMPONENT 4: RESULTS AND RESOURCES FRAMEWORK

**Intended Outcome as stated in the UNDP CO Results Framework:**

**UNDP Strategic Plan:**

**Partnership Strategy:**

**Project title and number: Design and Implementation of an Incentive System for Disaster Risk Reduction at Municipal Level in the Coastal Region of Ecuador**

<b>Intended Outputs</b>	<b>Output Targets</b>	<b>Indicative Activities</b>	<b>Inputs</b>
<p><b>1. Risk awareness</b>                      Understanding hazards, vulnerabilities, capacities, and risk for disaster risk reduction (DRR) at the local level, including the economic and financial risk phase.</p> <p><b>Indicators</b></p> <ul style="list-style-type: none"> <li>• One Report on DRM Context for the Coastal Region of Ecuador</li> </ul> <p>At least the following maps for each province:</p> <ul style="list-style-type: none"> <li>• One map for each type of natural hazard (Floods, Landslide, earthquake)</li> <li>• One vulnerability map for each province.</li> <li>• One Risk map for each province.</li> <li>• One Economic losses map (according to risk assessment) for each province.</li> <li>• One National Strategic Plan for DRR</li> </ul>	<p>1.1. Municipalities and Provincial Governments count on tools, methodologies and practices to understand risks and its economic implications.</p>	<p>1.1.1.1. Identify the context for DRM and DRR within the coastal region of Ecuador (legal and institutional arrangements, resources and capabilities, fiscal policies, financial framework), assessing the current local risk reduction investments and its effectiveness.</p> <p>1.1.2. Re-assessment of comprehensive risk in the coastal region of Ecuador including Climate Change (Bringing down the scales from the national to the local levels)</p> <p>1.1.3. Provision of practical information/tools to understand risk and its economic implications, and to support the actual implementation of DRR into municipal and provincial policies (Maps, GIS and Web Based for easy access to promote Risk Sensitive Land Use and Planning, use of norms and standards), includes data analysis and identification of ITCs capabilities.</p> <p>1.1.4. Definition of a Regional Strategy for DRR and an action plan including responsible actors/organizations, resources and time frame. This includes sector specific analysis, to identify disaster prone areas to prioritise communities for implementing DRR activities.</p>	<p>USD 10.000</p> <p>USD 200.000</p> <p>USD 100.000</p> <p>USD 50.000</p> <p><b>TOTAL OUTPUT USD 360.000</b></p>

<p><b>2. To develop a proposal to guide and promote cost-effective risk reduction strategies for local governments</b></p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>• One multi-sector plan for DRM and DRR</li> <li>• Set of sound practices for DRR and DRM exchanged in LAC.</li> <li>• One Guide to promote portfolios of local DRM and DRR within each province. At least one of the projects will explicitly incorporate women head of families in a leading role.</li> <li>• One proposal to develop an adequate framework for DRR and DRM</li> </ul>	<p>2.1. Cost-effective actions are mainstreamed into local governments and municipalities' regular business.</p>	<p>2.1.1 Develop a multi-sectoral package for DRM and DRR.</p> <p>2.1.2 Support the exchange of sound practices for DRM and DRR within the country and in the LAC region.</p> <p>2.1.3 Develop a portfolio of local DRM and DRR initiatives to be implemented by local governments and municipalities.</p> <p>2.1.4 Local governments have appropriate policies to develop an adequate framework to DRR and DRM. (legal, normative, technical).</p>	<p>USD 50.000</p> <p>USD 100.000</p> <p>USD 50.000</p> <p>USD 20.000</p> <p><b>TOTAL OUTPUT USD 220.000</b></p>
<p><b>3. Design of a financial incentive system for DRR for local governments through fiscal policy implemented by the secretary of economy and finance.</b></p> <p><b>Indicators:</b></p> <p>One indicators system designed and implemented for each province</p> <p>One proposal to incorporate risk reduction into budgetary allocation for local governments.</p>	<p>3.1 The Secretary of Economy and Finance counts on the legal framework and suitable technical resources to implement financial incentives for DRR at the local level and initiates its implementation.</p>	<p>3.1.1 Identify the context for financial incentives in Ecuador.</p> <p>3.1.2 Design of a fiscal instrument to incorporate risk reduction into budgetary allocation for local governments and municipalities, and implement it within the MEF.</p> <p>3.1.3 Design of an indicators system to measure progress in DRM and DRR at the local and municipal levels, linked to the incentive's system, in the short, intermediate, and long run.</p> <p>3.1.4 Implement a regional observatory to monitor key social, political, institutional and risk indicators to measure DRM and DRR in the coastal region of Ecuador</p> <p>3.1.5 Formulate a proposal of a regulatory framework (laws and regulations) to be submitted to the National Assembly for discussion and approval.</p>	<p>USD 10.000</p> <p>USD 25.000</p> <p>USD 25.000</p> <p>USD 50.000</p> <p>USD 25.000</p> <p><b>TOTAL OUTPUT USD 135.000</b></p>



<p><b>4. Pilot application in selected municipalities</b></p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>• One document with the specific strategy for DRR for selected municipalities</li> <li>• One action Plan for each selected municipality</li> <li>• One process designed for selection of beneficiaries.</li> <li>• Group of beneficiaries are selected in each province.</li> </ul>	<p>4.1 A full process is applied to at least 6 municipalities having different hazards (Earthquake, flooding and landslides), additional criteria for the selection will include population size, strategic infrastructure for the country and political will.</p> <p>4.2 Participatory small projects implemented to engage communities in disaster risk &amp; vulnerability reduction and emergency preparedness</p>	<p>4.1.1 Identification of the pilot sites for application of the methodology.</p> <p>4.1.2 Definition of the local specific strategy for DRR and prioritization of an action plan.</p> <p>4.1.3 Definition of the DRR actions.</p> <p>4.1.4 Implementation of DRR actions which may include preparedness, emergency management, mitigation actions, preparedness for recovery, financial protection and others. At least one project will incorporate women heads of families.</p> <p>4.2.1 Identification of the beneficiaries at the community level, design and implementation of DRR actions.</p> <p>4.2.2 Strengthen community capacity for the monitoring and evaluation of DRM and DRR activities.</p>	<p>USD 10.000</p> <p>USD 10.000</p> <p>USD 5.000</p> <p>USD 200.000</p> <p>USD 100.000</p> <p>USD 30.000</p> <p><b>TOTAL OUTPUT USD 355.000</b></p>
<p><b>5. Capacity Building and UNDP Technical Assistance</b></p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>• One training program designed, with emphasis in gender issues.</li> <li>• One training program implemented.</li> </ul>	<p>5.1 National Government, Local governments, municipalities and communities understand the benefits of the DRR incentives system and make use of it.</p> <p>5.2 UNDP Technical assistance and Project Administration</p>	<p>5.1.1 Design and implementation of a training program for National Institutions, local governments, municipalities and communities to facilitate mainstreaming of identified strategies and practices</p> <p>5.1.2 Support to simulation exercises</p> <p>5.1.3 Publications, Training and Media Materials</p> <p>5.2.1 Technical assistance</p> <p>5.2.2 Project Admin and Implementation</p>	<p>USD 50.000</p> <p>USD 20.000</p> <p>USD 50.000</p> <p>USD 200.000 NDRA National Advisor</p> <p>USD 100.000 Project Manager/Mobilization</p> <p><b>TOTAL OUTPUT USD 420.000</b></p> <p><b>GREAT TOTAL OF THE PROJECT FOR TWO YEARS USD 1'490.000</b></p>

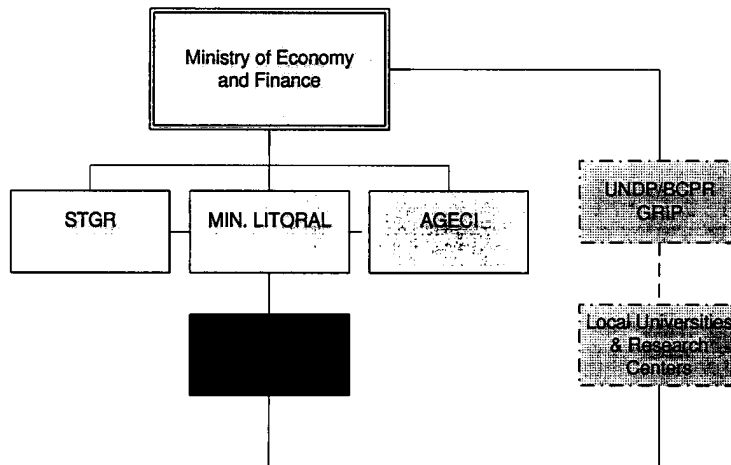
**COMPONENT 5: ANNUAL WORK PLAN BUDGET SHEET**

EXPECTED OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES <i>List all activities including M&amp;E to be undertaken during the year towards stated CP outputs</i>	TIME FRAME				RESPONSIBLE PARTY	Source of Funds	PLANNED BUDGET		
		Se m 1	Se m 2	Se m 3	Se m 4			Budget Description	Amount	
<b>1. Risk awareness: Understanding hazards, vulnerabilities, capacities, and risk for disaster risk reduction (DRR) at the local level, including the economic and financial risk phase.</b>	Identify the context for DRM within the coastal region of Ecuador (legal and institutional arrangements, resources and capabilities)	X				Technical Partners STGR Min. Litoral Local Governments and Municipalities	BCPR	71300 Local Consultants 71600 Travel	7.500 2.500	
	Re-assessment of comprehensive risk in the coastal region of Ecuador including Climate Change (Bringing down the scales from the national to the local levels)	X	X				BCPR	72100 Contractual Services 74200 Audio Visual & Print Prod. costs	180.000 20.000	
	Provision of practical information/tools to understand risks and its economic implications and support the actual implementation of DRR into municipal and provincial policies.	X	X				BCPR	72100 Contractual Services 71600 Travel 72800 Information Technology Equipment 74200 Audio Visual & Print Prod. costs	70.000 5.000 20.000 5.000	
	Definition of a Regional Strategy for DRR and an action plan including responsible actors/organizations, resources and time frame. This includes sector specific analysis, to identify disaster prone areas to prioritise communities for implementing DRR activities.		X				BCPR	74500 Miscellaneous Expenses (workshops) 74200 Audio Visual & Print Prod. costs 71600 Travel 71300 Local Consultants	15.000 5.000 10.000 20000	
	<b>TOTAL</b>									<b>360.000</b>
	<b>2. To develop a proposal to guide and promote cost-</b>	Develop a multi-sector package for DRM and DRR.	X	X			Technical Partners	BCPR	72100 Contractual Services	50.000

<b>effective risk reduction strategies for local governments</b>	Support the exchange of sound practices for DRM and DRR within the country and in the LAC region.				X	X	STGR Min. Litoral Sectoral	BCPR	74500 Miscellaneous Expenses (workshops) 71600 Travel	50.000 40.000
	Develop a portfolio of local DRM and DRR initiatives to be implemented by local governments and municipalities.		X			X	Secretaries Local	BCPR	74200 Audio Visual & Print Prod. costs	10.000
	Design appropriate policies to develop for an adequate framework for DRR and DRM. (legal, normative, technical).					X	Governments and Municipalities	BCPR	72100 Contractual Services 74500 Miscellaneous Expenses (Consultation) 71600 Travel	40.000 5.000 5.000
<b>3. Design of a financial incentive system for DRR for local governments through fiscal policy implemented by the secretary of economy and finance.</b>									71400 Contractual Services-Individuals	20.000
	Identify the context for financial incentives in Ecuador.	X					MEF STGR Local	BCPR	<b>TOTAL</b>	<b>220.000</b>
	Design of a fiscal instrument to incorporate risk reduction into budgetary allocation for local governments and municipalities, and implement it within the MEF.	X	X				Governments and Municipalities	BCPR	71300 Local Consultants	10.000
	Design of an indicators system to measure progress in DRM and DRR at the local and municipal levels, linked to the incentive's system, in the long, intermediate, and long run.		X					BCPR	71400 Consultant Services-Individuals 74200 Audio Visual & Print Prod. costs	20.000 5.000
	Implement a regional observatory to monitor key social, political, institutional and risk indicators to measure DRM and DRR in the coastal region of Ecuador; monitoring pilot application in selected municipalities.					X		BCPR	72100 Contractual Services 74200 Audio Visual & Print Prod. costs	20.000 5.000
<b>4. Pilot application in selected municipalities</b>	Formulate a proposal of a regulatory framework (laws and regulations) to be submitted to the National Assembly for discussion and approval.		X					BCPR	72100 Contractual Services	25.000
	Design of technical criteria for selection of municipalities for pilot application. Identification of the pilot sites and DRR report.					X	STGR Min. Litoral MEF	BCPR	<b>TOTAL</b>	<b>135.000</b>
	Definition of the local specific strategy for DRR and prioritization of an action plan.					X	Local Governments and	BCPR	71300 Local Consultants 71600 Travel	7.500 2.500
								71300 Local Consultants 71600 Travel	7.500 2.500	



## COMPONENT 6: MANAGEMENT ARRANGEMENTS



This project will be implemented following the National Execution Modality (NEX), with the Ministry of Economy and Finance (MEF) acting as the main coordinating and implementing agency. MEF will be in charge of the overall coordination with the national entities, particularly the Ministry of the Coastal Region (Min. Litoral), the National Agency for International Cooperation (AGECI) and the National Secretary for Disaster Risk Management (STGR).

Given the complexities for the execution of this project, where a number different partners belonging to the national level, others from the regional (coastal region), local level (municipalities), and scientific organizations are engaged, Direct Implementation DIM modality, under the Harmonized Approach to Cash Transfer (**HACT**), will be applied. Under this arrangement, UNDP will be the responsible for the fund administration and expenditure, therefore UNDP norms and standards will be used.

Further, MEF and UNDP will sign a Letter of Agreement for the Provision of the Support Services required. UNDP will be in charge of the payments for the provision of goods, services and specialized consultancy required for the implementation of the project. Project administration will be carried following standard procedures provided by specific guidelines and in strict application of the budget reflected in the Annual Work Plan (AWP), which will be uploaded in the ATLAS or global administration system used by UNDP.

With a new constitution just approved in the country, it is expected that legal and institutional frameworks will be revised and re-designed at all levels, this will certainly contribute to significantly introduce new uncertainties in the structural reform that will be undertaken during the second half of 2009. This adds to a more conservative way of administration of the resources where UNDP can play a significant role to avoid the observed risks. The other two GRIP projects which are underway in Mozambique have followed similar arrangements, a DEX modality in the first case and NEX with CO support in Armenia.

The universities and research centers based in the coastal region are key partners in the project. They will provide all the technical support for the risk assessment, development of tools and methodologies for the appropriate implementation of the project, through technical knowledge, data bases and the use of specialized equipment.

UNDP will also provide technical assistance on Disaster Risk Reduction and Management Strategies through the NDRA and will count on the full support of the GRIP Team and the BCPR regional team based in Panama.

## Risk Analysis

RISKS IDENTIFIED	MITIGATION MEASURES
<p><b>Institutional:</b></p> <p>The country is undergoing the implementation of a constitutional reform, which will bring about deep changes at the policy and institutional level. This might affect government's response and ownership over this project.</p>	<p>Local structures (community based organizations, volunteer networks and municipalities) are stable and will provide sustainability to the process.</p>
<p><b>Political:</b></p> <p>The country will go through political elections during year 2009. This will influence local and national agendas.</p>	<p>Activities will be programmed taking in consideration major political events.</p>

The feasibility of the project is contingent on several key factors in order to ensure its achievement:

- Willingness to collaborate among all key stakeholders.
- Adequate institutional capacity to manage decentralised and participatory processes.
- Expansion of the budgetary allocation commitment of all partners to ensure the implementation of the policies.
- Appropriate planned and timely simultaneous funding to contribute to multi-sectoral interventions that assure the overall impact and progress against the established indicators.

### **Gender Perspective**

Adequate gender sensitive approach will be provided to the program, from its design to implementation and especially through its pilot applications. This approach will be based on SGP's Gender Mainstreaming Manual for Community Based Environmental Projects and on the UNDP's Eight-Point Agenda for Women's Empowerment and Gender Equality in Crisis Prevention and Recovery will be incorporated with emphasis in two major elements:

#### **To promote gender equality in disaster risk reduction.**

- Incorporate gender analysis in the assessment of disaster risks, impacts and needs.
- Address women's unique needs and value women's knowledge in disaster reduction and recovery policies, plans and programs.
- Strengthen women's networks and organizations to facilitate women's active engagement.

#### **To ensure Gender-Responsive Recovery.**

- Infuse gender analysis into all post-disaster planning tools and processes.
- Ensure recovery efforts provide equal economic opportunities for women including access to assets, such as land and credit.
- Promote social protection and sustainable livelihoods.
- Prioritize women's needs in key sectors such as transportation, shelter and health care.

## **COMPONENT 7: MONITORING AND EVALUATION**

The UNDP Manager of the Area of Governance will be in charge of overall program oversight who will work in close collaboration with the NDRA, in consultation with the national counterparts through regular meetings to discuss the program implementation and assess its progress. The Management Unit will ensure monitoring and evaluation of the Programme, in accordance with UNDP's NEX and Results Management Guidelines. Implementing partners will be responsible for the direct monitoring of the respective program components.

An independent external evaluation will be conducted at the end of the Program. This will include the participation of UN agencies involved and key strategic counterparts in order to assess the achievement of expected outputs and alignment with appropriate outcomes.

Permanent monitoring will be included into the implementation process in order to take immediate corrective actions if necessary. A monitoring team will be established at the beginning of the project which will set up regular meetings for progress review and identification of issues.

Monitoring of project implementation and monitoring and evaluation of key outputs and outcomes will be ensured through the following activities:

- Field visits undertaken jointly by the Government and UN.
- Preparation of progress reports for review at the annual review meetings.
- Surveys and evaluations to obtain baseline data and to measure progress against baselines undertaken jointly with the Government and partners.
- Community consultations in the areas of intervention. Every effort will be made to involve beneficiaries in the monitoring of activities.

Towards the end of each calendar year, the Government, UNDP and other key technical and institutional partners will conduct an annual review to assess progress in the project implementation, as well as progress against the indicators outlined in the UNDAF.

### **Monitoring & Evaluation Framework**

#### Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

### Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

### **COMPONENT 8: LEGAL CONTEXT**

This document together with the CPAP signed by the Government of the Republic of Ecuador and UNDP on 19 January 2005, and published in the Official Bulletin No. 526 of 17 February 2005, which is incorporated by reference and constitute together a Project Document as referred to in the SBAA [or other appropriate governing agreement] and all CPAP provisions apply to this document. CPAP was signed between the Government of the Republic of Ecuador and the UNDP on 14 April 2004 for the cooperation period of 2004-2008.

The new UNDAF and related CPAP are currently being negotiated with the Government for the period 2010-2014, meanwhile the former arrangements are still in place for programming purposes.

### **COMPONENT 9: COST RECOVERY**

General Management Services - GMS- both percentage and modality will be advised by BCPR once the nature of the fund has been identified. Implementation support services –ISS- will be charged according to standard regulations within the CO





*Jose Manuel*  
Dear Mr. Hermida,

19 August 2009

I am pleased to inform you that the BCPR Project Appraisal Committee (BPAC) approved the allocation of a total amount of USD250,000 in support of the project entitled "Design and Implementation of an Incentive System for Disaster Risk Reduction at the Municipal Level in Ecuador". Funding will be made available from the Disaster window of the Thematic Trust Fund for Crisis Prevention and Recovery (Atlas Fund code 26931; Donor code 00187).

We would like to thank you for submitting a signed project document. In accordance with our resource management guidelines, you are kindly requested to submit the Annual Work Plan (AWP) within the next ninety (90) days; BCPR will then establish the authorized spending limit (ASL) in Atlas accordingly. Please ensure that electronic copies of the signed project document, as well as quarterly progress reports, are uploaded into Atlas.

Please don't hesitate to contact your BCPR regional team ([bcpr.lamerica@undp.org](mailto:bcpr.lamerica@undp.org)), led by Mr. Pablo Ruis, for any additional support you might require. We look forward to working with you and your team in supporting your office on crisis prevention and recovery.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jordan Ryan', is written over the typed name.

Jordan Ryan  
Assistant Administrator and Director  
Bureau for Crisis Prevention and Recovery

Mr. Jose Manuel Hermida-Viallet  
UN Resident Coordinator  
UNDP Resident Representative  
Ecuador

cc: Mr. Niky Fabianic, Deputy Director, Regional Bureau for Latin America and the Caribbean  
Ms. Sudha Srivastava, Chief, BCPR Programme and Operations Support Cluster  
BCPR Latin America and the Caribbean Regional Team

Switzerland Operations Centre / UNOPS  
11-13, chemin des Anémones, 1219 Châtelaine - Genève  
Postal Address: Palais des Nations, CH-1211 Genève  
Tel: (41 22) 917 83 84, Fax:(41 22) 917 80 62

**EXPENDITURES AUTHORIZATION**

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To: Claudio PROVIDAS  
UNDP Deputy Res.  
Representative -- Programm &  
Operations  
Quito, Ecuador

Date: 29 September, 2009  
File:

Fax #: -  
Pages: 5, including this cover page

From: Katrin Lichtenberg, OIC  
Switzerland Operations Centre  
UNOPS, Geneva

Atlas ref: Req # 217 in ECU50  
Project: 00055395 UNDP/BCPR - GRIP

Subject: Authorization for Disaster Risk Reduction project in Ecuador

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You are hereby authorized to incur expenditures up to a total amount of US\$ 50,000 to cover the costs for the design and implementation of an incentive system for disaster risk reduction at the municipal level in Ecuador, as per the attached document.

Unless otherwise instructed, UNDP Financial Regulations and Rules will apply with accountability for compliance determined according to relevant UN Staff Regulations and Rules. Requisition ID 000000217 was raised by John Weatherby and dated 29 September 2009 to make funds available for the activities described. The Requisition is in the approved and budget checked status.

You are kindly requested to raise Purchase Orders as appropriate for each of the selected vendors in the same UNOPS Atlas business unit as the Requisition ECU50. Please ensure to copy the Requisition line(s) provided above, into the Purchase Order(s).

Kindly include and record the cost recovery reimbursement amount against the Chart Fields provided in the Requisition, in accordance with the agreed Universal Price List for reimbursement of services, listed in the MOU on UNDP cost recovery for services at the program country level.

Best regards,

*full execution*

cc. Jeannette Fernandez

## GRIP PROJECT DEVELOPMENT GUIDELINES

These guidelines are designed to help GRIP Project Investigators prepare GRIP projects. Please provide in brief the requested information.

### 1. Project title.

Design and Implementation of an Incentive System for Disaster Risk Reduction at the Municipal Level in Ecuador

2. Time line of activities and budget (from #10 and 15 below). The project is expected to be completed in three years, this proposal relates to those activities that will be undertaken during the first year. Total budget for year one would be USD 270.000 out of that USD 50.000 are requested to GRIP. Budget for the whole project is reflected in the chart bellow.

<b>Total Budget:</b>	<b>1'490.000</b>
Total resources required	
Total allocated resources:	
• <b>BCPR**</b>	<b>250.000</b>
• Other:	
o GRIP /CO Ecuador	<b>50.000</b>
o ECHO/DIPECHO*	<b>50.000</b>
o WORLD BANK*	<b>20.000</b>
o Government	
Unfunded budget:	<b>1'120.000</b>

\*Partial results from these projects, being executed by UNDP-Ecuador, will contribute to overall objective of this PRODOC.

\*\* BCPR's contribution would be USD 150.000 for the first year and USD 100.000 for the second year.

### 3. Key personnel (among all partner institutions) responsible for defining and implementing the project.

Secretaría Técnica de Gestión de Riesgo Lorena Cajas, policy issues  
 Ministry of Finance, Carolina Portaluppi, technical and policy issues  
 UNDP Jeannette Fernandez, National Advisor for DRM, technical aspects

Specific personal assignee to the project would be defined later once TORs and selection processes are put in place.

### 4. Where the required funds will be raised for this project.

BCPR will contribute partially, in addition the CO-Ecuador is discussing other options with other donors such as AECID (Spanish Cooperation) and the World Bank. See item No. 2

### 5. Lead institution which is responsible for implementation of the project and all other institutions involved, along with respective roles.

The implementing partner for this project would be Secretaría Técnica de Gestión de Riesgos (Technical Secretariat for Risk Management), in addition, the Ministry of Economy and Finance (MEF) for the direct implementation of the proposal and selected municipalities where pilot applications will be carried out. UNPD will provide technical assistance and provision of support services via NIM execution.

6. Area or areas of the GRIP to which the outputs of the project will contribute.

- **Risk information improvement**

through the project, national and local institutions will be engaged to improve current knowledge related to seismic, volcanic and flooding hazards, along with vulnerabilities and capacities in order to get risk information at the national, regional and local level, which in turn would be used to define incentive mechanisms and public policy for risk reduction. This will contribute to risk information system and the design of a national risk reduction strategy.

7. The problem the project will address and its relevance to the GRIP.

The local level is where effective risk reduction takes place. Many local authorities are interested in reducing the impact of natural hazards in their territory, nevertheless, either they think that it would imply a lot of resources, investment that competes with other pressing issues such as provision of basic amenities to the population, or reducing crime and violence, or simply they don't know how to go about it, because there are no local specific tailored patterns to guide local governments for cost-effective risk reduction investments.

The strategy for motivating the implementation of DRR actions at the local level consists of the following key steps:

1. Risk Identification or assessment for awareness rising. As mentioned earlier, hazards are rather well known in the country, but vulnerability and capabilities (resilience) have been only broadly incorporated in the analysis.
2. Development of a role model to assess the economic and financial risk of Ecuador due to high vulnerability and exposure to natural hazards and the possible losses associated with disasters.
3. Bringing this information down to be useful at the local level (appropriate scales and resolution), and making it accessible to the local planners, emergency managers and decision makers. Data inventories and ITC capabilities will be factored in the project not to duplicate and make use of what is already available.
4. Making tools, methodologies, sound practices and other instruments for DRR available to municipal staff and policy makers for its implementation.
5. Making use of both, the defined strategies for cost effective investments for DRR and the incentive system for risk reduction and management.
6. Monitoring and evaluating for improving base line.
7. Pilot testing and application in selected municipalities.
8. Building capacity at all levels of intervention, including the community.

The project will be undertaken in phases, the initial one which will be funded by BCPR and GRIP Program through the CO, will be focused on the identification of a baseline and institutional strengthening of national, regional and local institutions, and the design of the incentive system (a model).

8. Goal and objectives.

The Secretary of Economy and Finance counts on the legal framework and suitable technical resources to implement financial incentives for DRR at the local level and initiates its implementation.

9. Inputs.

Inputs include expertise (disciplinary training, skill in utilizing a certain modeling technique, sectoral expertise, etc.), people (scientists, partner personnel, consultants, advisors.), equipment (computers, vehicles, etc.), supplies and communications (fax, paper, phones, email, etc.), and travel. The costs of the inputs of a project make up the *project budget*.

Local Consultants
International Consultants
Printing materials
Travel

10. Activities required to achieve each objective. For each activity, indicate the time requirement (and whether they relate to other activities in a sequential or overlapping manner) and geographic focus (if applicable). Indicate kind of expertise required to undertake these activities.

1. Identify the context for financial incentives in Ecuador.
2. Design of a fiscal instrument to incorporate risk reduction into budgetary allocation for local governments and municipalities, and implement it within the MEF.
3. Design of an indicators system to measure progress in DRM and DRR at the local and municipal levels, linked to the incentive's system, in the short, intermediate, and long run.
4. Formulate a proposal of a regulatory framework (laws and regulations) to be submitted to the National Assembly for discussion and approval.

11. Concrete deliverables that will be generated by each of the activities (i.e. decision tools, methodology, software, report, data set, training module, specific information product, scientific paper, etc.).

Design of a financial incentive system for DRR for local governments through fiscal policy implemented by the Ministry of Economy and Finance.

12. Who are likely to utilize the project outputs and/or benefit from their use? (for example, other researchers, projects in the region, specific vulnerable societal groups, etc.)

Local Municipalities

13. Indicators and targets: Provide between 1 to 3 measures by which you will demonstrate the extent to which each of the objectives is being achieved.

- One indicators system designed and implemented for each province
- One proposal to incorporate risk reduction into budgetary allocation for local governments.

14. Critical factors outside the control of the project that would prevent the objectives from being achieved (for example, inability to engage key partner, inability to access critical data sets, adverse geopolitical events, etc.)

RISKS IDENTIFIED	MITIGATION MEASURES
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<p><b>Political:</b></p> <p>The country will go through political elections during year 2009. This will influence local and national agendas.</p>	<p>Activities will be programmed taking in consideration major political events.</p>

15. Exit strategy: All projects should come to an end, although sometimes there will be a need for additional, follow-up research. Issues to consider include under what circumstances the project should be discontinued; what would happen to the inputs (people, equipment,...) if it did; under what circumstances the project should be continued by partners without project inputs, and how this could be ensured.

16. Utilize the following format in presenting a detailed budget, both for internally funded projects, as well as for projects submitted to donors.

<u>Summary Project Budget Format</u>	
Year one of the Project Only	
Budget from GRIP funding only	
I.	<p><b>Personnel</b> (lead institution and partners, consultants) 35.000</p>
II.	<p><b>Travel</b> (international, national, per diem) 10.000</p>
III.	<p><b>Supplies and Services</b> (office supplies, research stations costs, communications) 5.000</p>
IV.	<p><b>Equipment</b> (computers, software, vehicles)</p>
V.	<p><b>Evaluation/Impact Assessment</b> (salary, travel, supplies, separately costed)</p>
VI.	<p><b>In-Kind Contributions</b> (from lead institution and partners) 20,000</p>
VII.	<p><b>Indirect Costs</b></p>
VIII.	<p><b>Inflation</b> (charge on second and subsequent years)</p>