



Luxembourg, 14 August 2020  
Environment & Sustainable Territorial  
Development Department  
Urban Development Division  
Operation no.: 2013-0528

# PROJECT COMPLETION REPORT

## Administrative & urban infrastructure

(Ecuador)

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## Scope

### a. Project description



The project located in Quito, capital of Ecuador, comprised the rationalisation of public administration into two so-called thematic platforms, the “Social Services” and the “Strategic and Public Enterprises” platforms, and the construction of the associated buildings and infrastructure.

The objective of the project was twofold.

- Firstly, the provision of well-equipped and smart infrastructure was foreseen to improve the provision of public services. This was one of the goals put forward in the 2013-2017 Development Strategic Plan (Plan del Buen Vivir).
- The second objective was to fight against extreme poverty by improving territorial balance regarding economic and social opportunities.

To achieve these objectives, the Project consisted of the construction of buildings that would host, in the “Social Services” platform, all ministries and services related to the provision of social services and, in the “Strategic Sector” platform, ministries dealing with Ecuador’s strategic sectors and the headquarters of the majority of strategic public enterprises.

The “Social Services” platform would be located in the low socioeconomic district of Quitumbe, south of Quito. It would contribute to the regeneration of the area. The “Strategic Sectors and Public Enterprises” platform is situated close to the business area. The construction of these buildings in Quito, together with the metro also co-financed by the Bank, was foreseen to transform the city. The implementation of both platforms was consistent with the Quito urban development strategy that envisaged a city with a balanced provision of public services in all areas.

### b. Implementation and operation

Due to the earthquake that hit Ecuador in April 2016, the government changed its priorities and only the “Social Services” platform was built.

General information on the project

<b>Land area:</b>	54 149.64 m <sup>2</sup>
<b>Construction area:</b>	74 035.11 m <sup>2</sup>
<b>Ground floor area:</b>	9 617 m <sup>2</sup>

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<b>External areas + (squares and access):</b>	33 274.7 m <sup>2</sup> + (10 135.24 m <sup>2</sup> )
<b>No. of entities</b>	13
<b>No. of floors:</b>	Two basement floors, ground floor, six floors, terrace
<b>No. of car parking spaces:</b>	416

Additional areas:

- Information centre
- Infocentre
- Auditorium
- Squares with space for exhibitions and cultural events
- Restaurant courtyard and service areas

This platform has been operational since 4 May 2018.

Name of the promoter: INMOBILIAR (Servicio de Gestión Inmobiliaria del Sector Público)

Website: <https://www.inmobiliar.gob.ec>

Contracting entity for works and inspections: Servicio de Contratación de Obras - SECOB

## Cost and Schedule

### a. Investment cost

USD millions	Expected at appraisal	Realised at PCR
Strategic sectors/Public Enterprises platform	199.74	Not realised
Social Services platform	120.27	98.75
<b>TOTAL</b>	<b>319.91</b>	<b>98.75</b>
Contingencies and interest during construction	64.00	Not applicable
VAT	- 34.26	17.35
<b>TOTAL</b>	<b>349.65</b>	<b>116.10</b>
<i>EIB</i>	<i>135.95 (39%)</i>	<i>34.43 (30%)</i>
<i>IADB</i>	<i>202.69 (58%)</i>	<i>64.32 (55%)</i>
<i>Government</i>	<i>11.00 (3%)</i>	<i>17.35 (15%)</i>

NB: Of the USD 77 million in IDB loans, USD 64.32 million is for the works and USD 12.68 million is being used for work processes, goods and consultancy, to complement the work of the Governmental Social Development Platform.

The value of the Government contribution includes the VAT amount (12% and 14%) – although the EIB does not consider VAT to be a project cost as it is paid to the State itself – and the inspection contract. Excluding VAT, the share financed by the EIB is 35%.

EUR millions	Expected at appraisal	Realised at PCR
Strategic sectors/Public Enterprises platform	146.89	Not realised
Social Services platform	88.37	80.30
<b>TOTAL</b>	<b>235.26</b>	<b>80.30</b>
Contingencies and interest during construction	47.07	Not applicable
VAT	- 25.20	14.11
<b>TOTAL</b>	<b>257.13</b>	<b>94.41</b>
<i>EIB</i>	<i>99.98 (39%)</i>	<i>28.00 (30%)</i>
<i>IADB</i>	<i>149.06 (58%)</i>	<i>52.30 (55%)</i>
<i>Government</i>	<i>8.09 (3%)</i>	<i>14.11 (15%)</i>

Exchange rate in appraisal: EUR 1 = USD 1.36.

Exchange rate in PCR: EUR 1 = USD 1.1005.

Due to the earthquake that struck Ecuador in April 2016, the Government changed its priorities and only the Social Services platform was built.

b. Schedule

The works were planned initially to take place from 01/08/14 to 31/12/16. They were implemented from 21/09/15 to 26/02/18. This delay is explained by the optimisation of the project design following a technical study upstream of implementation.

**Performance**

a. Market aspects

The “Social services” platform gathers 13 public entities with 2987 civil servants, fulfilling the objective of this part of the project.

INSTITUTIONS THAT ARE PART OF THE PLATFORM:

No.	ENTITY	No. of CIVIL SERVANTS
1	MINISTRY OF ECONOMIC AND SOCIAL INCLUSION	739
2	MINISTRY OF FOREIGN AFFAIRS AND HUMAN MOBILITY (VICE-CZ9)	52
3	MINISTRY OF URBAN DEVELOPMENT AND HOUSING	300
4	EP CASA PARA TODOS	50
5	TECHNICAL YOUTH SECRETARIAT	77
6	MINISTRY OF PUBLIC HEALTH	1 361
7	NATIONAL INSTITUTE FOR THE SOCIAL AND SOLIDARITY ECONOMY	123
8	CIVIL REGISTRY	50
9	HEALTH DISTRICT 17	54
10	CORPORACION NACIONAL DE TELECOMUNICACION	2
11	EP ECUADRO ESTRATEGICO	158
12	NATIONAL HEALTH COUNCIL – CONASA	12
13	PLATFORM ADMINISTRATION – INMOBILIAR	9
	<b>TOTAL</b>	<b>2 987</b>





b. Financial and economic aspects

The platform delivers savings through cost rationalisation, better service provision and lower operating costs.

Economic benefits are multiple: (i) better public services to the population; (ii) due to the latter and the location of the new platform close to a national transport hub and public transportation, savings of time and money for people to access the services; (iii) more carbon and energy efficient building (LED lighting, optimised thermal regulation, access through bicycle paths and public transport including metro); and (iv) urban regeneration of the neighbourhood, including through new green spaces and new urban infrastructure (university, school, etc.).

c. Project results

The project has provided better working conditions to civil servants in the social sector in order to deliver better social services to the population. Therefore, the operation contributed to the development of economic infrastructure, providing more efficient and balanced provision of services. The concentration of activities has improved the efficiency of the public sector and increased its effectiveness for citizens and companies.

Furthermore, it has also generated urban regeneration: new green areas (33 275 m<sup>2</sup>), school, university, commercial mall, etc. Therefore, it has upgraded the intervention areas (the southern district of Quito) by improving quality of life and fostering the settlement of private activities.

Thus, the project has promoted the general objective of creating more sustainable cities and communities and supports EIB's external mandate by promoting the development of social and economic infrastructure, essential as a basis for sustainable socioeconomic development.

Finally, the project must be seen within a more ambitious plan that aims to provide public sector services to the entire population of Ecuador in an equitable way and at reasonable cost.

d. Environmental and social risks and mitigants

The promoter has implemented an Environmental and Social Action Management Plan with monitoring reports during implementation.

Since the project was implemented in an urban context, no major environmental and social risks were noted.

## EIB Involvement

### a. Environmental and social conditions and undertakings

The Environmental and Social Action Management Plan was reviewed jointly with the IADB for the first disbursement, for which the promoter had to provide the final Environmental License and the construction permits issued by the municipality of Quito.

The Promoter had to (i) provide an adequate traffic plan for the construction phases before the beginning of implementation and updates of the mobility plans in the intervention areas; (ii) provide updates on the city's strategy for sustainable mobility, including updates of the Master Plan, when they were available; (iii) verify that contractors appropriately applied the health and safety measures for the workers and resident population.

An average of 600 people per day worked on the construction of the project, including professionals and a qualified labour force, covered by occupational health and safety standards and with a three-working-day working schedule. Most of the workers were from the south of the city.



### b. Bank involvement

EIB intervention brought its technical expertise to the project mainly by ensuring that the Bank's environmental, social and procurement guidelines were met and that an adequate structure for the operation had been established. This contribution benefited also from IADB co-financing.

In coordination with IADB, the EIB provided on 14/07/15 the non-objection letter for the construction contract award, and has reviewed the Project Progress Reports (PPRs) and the Project Completion Report (PCR).

### c. Sources of information for the PCR

The main source of information for the PCR is the promoter.

## **ESCS**

The Environmental and Social Completion Sheet (ESCS) has been published separately.

### **Promoter's Optional Final Comment**

As part of its State modernisation process, the Ecuadorian Government decided to pool its services by sectors in the Government Platforms. These are hubs for administrative management and public services, strategically positioned in key locations.

The project's main goal is to strengthen the new urban centres by constructing buildings bringing together the different central government entities by sector, thereby optimising the use of public resources by creating high quality, friendly spaces, while also strengthening Quito's status as capital and seat of the Government of the Republic of Ecuador.

These Public Administrative Management Platforms will bring together, in one location, the ministries, secretariats, institutes, etc. with similar functions and complementary relationships to improve their administrative efficiency and thus provide high quality, friendly services to the population, in decent administrative spaces and in common areas such as squares, civic centres and green areas. These projects will also contribute to the mobility of the city and public administrative management, avoiding unnecessary travel.

The project improved territorial and social equality and stimulated the sector's economy by creating public spaces in an urban void in the middle of residential areas. By including public spaces (square and platform) as well as improving public transport (metro, trolley-bus, eco-roads), economic activities were diversified, improving the self-esteem and quality of life of local residents.