



Cuenca, Ecuador

City Development Strategy Report

November 2001



Prepared By:
UMP Regional Office for Latin America and the Caribbean

City Development Strategy Study

Cuenca, Ecuador

A. Basic City Information

City, Country:	Cuenca, ECUADOR				
City Population:	YEAR	TOTAL	FEMALE	MALE	SOURCE
	1990	331,028	175,023 52.9%	156,005 47.1%	(1990 Census, SIISE)
	2000	433,315	228,790 52.8%	204,525 47.2%	(Municipality of Cuenca)
	City population estimates for 2000 are 433.315. 52.8% of the population is female; close to 68.7% live in the city itself and 31.3% live in the rural sector.				
Country Population:	YEAR	TOTAL	FEMALE	MALE	SOURCE
	1990	9,648,149	4,851,777 50.3%	4,796,372 49.7%	(1990 Census, SIISE)
	1998	12.2	6.1 50%	6.1 50%	(millions, Istanbul+5)
	Recent information shows that the percentage of women as opposed to men in the population between 10 and 60 years old as 87.77% in the countryside and 86.10% in the city (INFOPLAN, 1999). This shows that women constitute the majority of the population in the Cantón of Cuenca. In 1995, the percentage of female headed households was 28% for the urban area and 18% for the rural area of the Cantón of Cuenca (SIISE, 1999). Other sources reveal that in the neighbouring municipalities and rural parishes of Cuenca the percentage of households lead by women may vary from 35% to 58% (SENDAS-AVINA, 2000). Included in this group are a growing number of households of single mothers.				
City Growth Rate:	1982-1990 = 2.3%				
City's Main Function:	The City's main economic activities are based on administrative functions, commercial activities, production of handicrafts, manufacturing (mainly of traditional hats and jewellery) and tourism from Peru and Europe.				
City Economic and Poverty Profile:					
PEA (SIISE, 1999)	59.6% male, 41.4% female				
Unemployment rate (INEC, 1998)	5.5% male, 8.2% female				
Underemployment rate (INEC, 1998)	39.2% male, 48% female				
% households/ population below poverty line	80.5% population below poverty line in the rural area (PNUD, 1999) 32.0% population below poverty line in the urban area 34.4% population in extreme poverty in the rural area 6.9% population in extreme poverty in the urban area				
Housing:	In 1998, Cuenca had approximately 61,061 homes in its urban area, out of which 25% had women as heads of the family, due to the permanent processes of male migration. There is a housing deficit of approximately 15.000 units. In 1990, 58% of the housing units contained 3 to 5 people in one room; at the end of the decade, the percentage housing without overcrowding was 82.5% in the countryside and 91.5% in the city. (INFOPLAN 1999).				

Households with access to basic services	Official data based on the 1990 census and the Living Conditions Survey of 1995 revealed that the percentage of houses with basic services (water, sewage, waste collection) was 44.5% in the countryside and 75.3% in the city (INFOPLAN, 1999). Municipal information for the year 2000 shows coverage of 97.6% for potable water, 92.6 % for sewage and 85% for waste collection in the urban area.
% working in informal sector	There are no statistics on the percentage of people working in the informal sector, but regional estimates show that 84 of every 100 jobs were generated by this sector. In Cuenca the informal sector is made up of numerous social segments that include farmers, small landlords in the urban periphery, small entrepreneurs, etc. The group is heterogeneous and is constituted in a high degree by women heads of households due to high rates of male migration. The main characteristics of this sector is its precariousness, the lack of mechanisms for its promotion and articulation and its functioning in subsistence levels.
Adult literacy	93.2% female; 97.5% male
% population with a higher education	18.3% female; 32.6 male (in 1990 of population over 24 years, 1990 Census, SIISE)
Child mortality rate	17.71 girls; 24.2 boys (under 5 years per 1000)
Administrative structure:	The mayor and the city council members are elected by the people every 4 years in democratic elections. The mayor has executive functions while the City Council has legislative functions.
CDS Activities in Cuenca	
Focus of the CDS:	Poverty and Role of the Municipality as an Agent of Promotion in Local Development.
CDS Start Date:	September, 2000
CDS Completion Date:	August 2001
Key Stakeholders Involved:	Municipality of Cuenca, Sucre y Benigno Malo; Fax: (593 7) 834 359; Tel: (593 7) 823 026 / 845 499 Agencia Cuencana de Desarrollo e Integración Regional (ACUDIR); Edificio "Camara de Industrias de Cuenca", Oficina 907; Fax: (593 7) 843 852; Tel: (593 7) 838 598

	<p>PUBLIC SECTOR</p> <p>Ministries</p> <ul style="list-style-type: none"> • Tourism <p>Municipal Authorities</p> <ul style="list-style-type: none"> • Councillors • Mayor • Municipal Officers <p>Public Enterprises</p> <ul style="list-style-type: none"> • EMTET • ETAPA • EMUCE • EMAC <p>Municipal Administration</p> <ul style="list-style-type: none"> • General Secretariat of Planning • Social Development Department (Gender unit and House of Women) • Financial Department • Department of Human Resources • Markets Unit • Department of Cadastre • Environmental Management Commission <p>Public-Private Institutions</p> <ul style="list-style-type: none"> • ACUDIR • Empresa Zona Franca y Parque Industrial 	<p>PRIVATE SECTOR</p> <p>Camaras de la Produccion</p> <ul style="list-style-type: none"> • Chamber of Industry • Chamber of Tourism • CDC <p>Microenterprises</p> <ul style="list-style-type: none"> • Cooperativa Jardín Azuayo Centro de Bordados de Cuenca • Centro Agrícola • Pastoral Social - Proyectos de Turismo <p>Banks</p> <ul style="list-style-type: none"> • Banco del Pichincha • Banco Central • Banco Continental • Mutualista Azuay 	<p>Civil Society</p> <p>Social Movements</p> <ul style="list-style-type: none"> • Coordinadora de Movimientos Sociales • Pastoral Social - Migrantes • Red de Jóvenes • Escuela de Ciudadanía • Corporación de Desarrollo Comunitario de Cuenca • Grupo Promotor del Plan de Igualdad de Oportunidades de Cuenca <p>NGOs</p> <ul style="list-style-type: none"> • SENDAS • Proyecto HOPE • Habiterra • Fundación UMACPA • Care • Fundación Mujer a Mujer <p>Universities</p> <ul style="list-style-type: none"> • University of Cuenca • Postgrado de Género - ACORDES • Población y Desarrollo Local Sustentable <p>Church</p> <ul style="list-style-type: none"> • Pastoral Social
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B. Narrative of the City Situation: Cuenca in the National Context

In the 1960s, Ecuador adopted a highly centralized development model based on petroleum income and agricultural products, such as coffee and banana. This system was characterised by a weak productive system, the bi-polarity of Quito (as the administrative centre) and Guayaquil (as the economic pole) and a large and inefficient State. This model has propagated highly heterogeneous development within the country that has increased the gaps between the rural and urban sectors and among cities. The crisis of this model, which began during the 1980s and increased during the 1990s, has resulted in a period of severe political instability and led to the collapse of the private financial system and the adoption of successive measures of economical adjustment with severe impacts on the poor.

In accordance with its impact on the local economies, the change of currency and the decentralization process are two of the more important policy decisions adopted by the national government during recent years. The currency change is now completely in effect while the decentralisation process is still under discussion. The decision to move from the Sucre to the USD came about between January-December 2000, as a consequence of the accelerated devaluation of the local currency and an attempt to increase Ecuador's level of competitiveness. The phase out of the Sucre created widespread confusion, as well as leading to price increases of up to 77% during the transition to the new currency. This was, of course, an expected result of the policy. However, there were variations of the impacts at the local level, as will be discussed. In addition, Ecuador's financial sector suffered a massive crisis provoked by high levels of speculation on interest rates, bankrupting the entire sector.

With regard to decentralisation, local governments have systematically disapproved of proposals for fiscal decentralisation in the country. The central government rationale was that decentralisation is financially disadvantageous as it brings extra responsibilities without an increase in monetary resources. In addition, the national government has old debts to the regions (USD 156 million to Cuenca), which have not been paid, leading local governments to distrust the central government. The decentralisation process may also cause problems in terms of municipal economic autonomy. In Cuenca, the average percentage of municipal income coming from the State between 1996 and 1999 was 87.8%. This clearly demonstrates the need to diminish this dependence on central resources and generate local incomes. Despite these concerns, decentralisation will eventually become a reality in Ecuador.

The most significant local manifestations of the economic crisis that have influenced the country for the past decade have been the shattering of local financial systems and the increase in migration. Both issues have had impacts on the composition of the local economies, and in particular on social structures.

In Cuenca, the increase in migration to other countries constitutes one of the main concerns for the local government and civil society because of its large socio-economic implications. From a social perspective, migration has resulted in severe changes in family structure. The migrants, mostly illegal, are usually fathers of families with low levels of education and female heads of families looking to increase their incomes. These people remain abroad for long periods of time, from one to five or more years, while the

rest of the family, normally the youngest members of the family, continue living alone in the country.

Although this situation has caused increases in alcoholism and drug addiction among young people and has resulted in lifestyle changes due to new and higher incomes, the incomes that these migrants send to their families in Cuenca are considerable. It is believed that these remittances have, along with tourism sector revenues, been driving the economy of Cuenca over the last five years. Estimated to be USD 500 million per year, these remittances are equivalent to fifty times the investment budget of the Municipality for the year 2000. Migrant families spend this money mainly on goods of consumption, housing and education of their children, injecting an extraordinary flow of monetary resources into the economy.

The housing index volume in Cuenca has increased 8% on average per year while it has fallen 3% in the country as a whole (1% in Quito) and it seems that a significant amount of these resources are being invested in the education of the migrants' children, who attend private schools (private schools are more expensive than public schools). Cuenca has a population of 25,000 students.

As a result, these flows have led to a higher local demand for goods and services and have pushed up the general level of prices. During the last five years, the annual average rate of prices in Cuenca was 51% (close to 80% during 2000) while the national index registered 47% during the same period. Obviously, these are symptoms of greater economic activity compared to other areas of the country. Logically, part of the monetary flow is saved, however where it is being stored is not clear. As it does not appear to be saved in banks, it seems that migrants prefer to entrust their savings to co-operatives, such as the Migrants Co-operative. The financial crisis in the country is partially a cause of this, as it resulted in massive distrust in the traditional financial system. However, these traditional institutions have money to lend, though clients are elusive.

As general information for Cuenca, and according to the report of Human Development published with information for 1999, by the UNDP provided the following data:

Cuenca		
	Urban (%)	Rural (%)
Educational Development	75.0	45.8
Health	77.4	38.9
Housing	71.6	45.4
Poverty Occurrence	32.0	80.5
Poverty Gap	10.1	35.1
Social Development	74.8	43.0

These statistics point to a notable difference in the degree of development and of coverage of basic services between the urban area and the rural area of Cuenca. At this moment, the urban area of Cuenca has high rates of service coverage for potable water, sewers and telephones. However, the coverage in rural and outlying areas is drastically lower. This is a cause of concern locally and is expressed in the formulation and the execution of Master Plans for the area.

The difference in the quality of pre-, primary, and secondary schools in urban and rural areas is notorious. This situation increases the disparities of opportunity for youth of the two areas and it is one of the causes of the increase in rural migration to the city or

abroad. Nevertheless, the city of Cuenca is known as the “Atenas del Ecuador,” because of its historical participation in culture, arts, and national politics, as well as the influence of the University.

In terms of poverty, Cuenca has not escaped the economic crisis that has affected the country. The lack of employment and income generation opportunities has increased the migratory flow of the population abroad, especially among men of an active age. The result has been increases in the phenomenon of family disintegration and poverty, and the reduction of workers in productive activities in the local and regional levels.

In Cuenca, there are more than 200 medium sized industries (up to 50 employees) and 500 small industries (up to 10 employees) involved in the production of food and beverages, textiles, wooden products, furs, ceramics, metallic items, home appliances, and presswork and stationery products. There are few large industries (more than 50 employees), but they are efficient and competitive. They produce items such as ceramics, home appliances, carton and paper, and tires for national consumption and exportation. There is an industrial area of 70 hectares, which includes an important number of industries.

More than 4,000 shops of micro-entrepreneurs take part in handicraft activities and make items of gold and silver jewellery, wood, fur, fabrics and embroideries, which are geared towards the national and foreign tourist market. The farming and agriculture livestock industries include industrial business, micro-enterprises and family enterprises, which produce food and beverages for local and national consumption and marginally for exportation. Commerce is a very important activity, with a high number of informal employees, and more than 10,000 stores in Cuenca.

The producers are grouped into chambers of industry and commerce and the federation of craftsmen. These organizations protect their interests, perform promotional and training activities and also promote mutual support and collaboration between the public and private sectors.

In addition, a free market zone is functioning in Cuenca. The first international textile maquila has been installed, hiring 100% low qualified women. In addition, women form the majority of people requesting credit, however the typical credit system is not gender sensitive, which therefore increases the need for women to search for informal credit systems.

It could be said that, despite the influence of national problems, Cuenca’s socio-economic dynamic is such that it can promote its own development on the basis of human capital, a high economic situation compared to the rest of the country, unusual levels of public-private co-operation and a capacity to identify investment alternatives. Cuenca has been consolidated as the main point of development of the central southern region that includes the provinces of Azuay, Cañar and Morona Santiago. In addition, from a larger perspective, Cuenca is central in consolidating a new region that connects the south of Ecuador and the north of Peru. Nevertheless, the government has insufficient resources for investment (US\$ 10 million) in development projects, the local private sector in general is reluctant to take risks (the demand for loans is very low) and there is no certainty involving migrants’ financial investment in the local economy.

DEVELOPMENTAL ATTITUDES AND BELIEFS

According to the national law of the municipal regime, Municipalities of Ecuador are required to produce a local development plan to guarantee the destinations of transfers coming from the State. In Cuenca there is a Local Government Operative Plan and a Basic Proposal for the Comprehensive Development of the city.

Human development is considered the objective of the development project, a necessary condition of which are further opportunities for the people in terms of economic development. The key policies are participation and public-private co-operation:

En el marco de la coordinación y participación pública, privada y comunitaria, para la Municipalidad de Cuenca, ha sido una preocupación permanente la apertura de oportunidades en los ámbitos productivo y del desarrollo económico como una condición imprescindible para avanzar hacia el Desarrollo Humano de manera sustentable¹.

The local government has promoted the formation of several development agencies whose main objectives are coordination and partnership with the private sector and the community, including: Agencia Cuencana para el Desarrollo y la Integración Regional (ACUDIR) and Asociación de Parroquias Rurales de Cuenca.

Institutional reforms have been developed, giving a central role to development planning, the strengthening of information for development and urban control, the reinforcement of social policy and the decentralization of functions through the formation of different Committees for Tourism, Environment, Health and Childhood Protection.

C. Description of the CDS process

Pursuant to the objectives and strategies of the Cities Alliance Programme, the Strategic Investment Plan for Local Development is a proposal to develop participatory processes in cities. These processes facilitate and result in the identification, formulation and implementation of one or several priority strategic local economic development programs and projects that require investment of resources, whether through the reallocation of funds already available, or with new funds that can be added to those currently existing at the local, national, regional or global level.

On the basis of the general guidelines of the Urban Management Programme and the Cities Alliance, the Strategic Investment Plan (SIP) was able to influence the social and economic development of Cuenca through initiatives that have an impact on the eradication of poverty, and contribute to the development and strengthening of the Municipality and of participation levels in order to:

- develop participatory and democratic governance;
- generate public policies;
- contribute to solving gender inequities;
- foster integration and synergy among projects.

¹ Municipalidad de Cuenca (2000). “Expediente de presentación del Programa de Asistencia Técnica para la formulación de Planes Estratégicos de inversión para el desarrollo local de la Ciudad de Cuenca”.

These initiatives are long-term proposals which take into account the fact that globalisation brings new opportunities, and that it is possible to identify international niches in order to turn small groups into producers with international markets.

It was suggested that the proposals of the SIP-Cuenca should have clear social and economic impacts. They should attract partners and mobilize resources, be connected with other economic circuits in order to foster the local economy and enable sustainability and generate jobs and income, especially for young people and women. They should also ensure institutional strengthening of the municipality with the goal of making municipal enterprises more efficient and useful as a mechanism to generate and redistribute income in a more equitable way. Parallel quality economies should be developed, with the understanding that not all of them are connected with huge economic circuits, and finally, they should generate participatory processes.

Preliminary working hypotheses included:

- the SIP must serve to strengthen the capabilities of the city and the region;
- the SIP must promote citizen involvement;
- the SIP can be developed with speedy and intensive interventions in the city;
- the monitoring, follow-up and capitalization of the SIP can be done simultaneously.

On the basis of these hypotheses, the Strategic Investment Plan for the City of Cuenca proposed the following goals:

- To foster a participatory process involving all stakeholders in the definition of priority issues for the formulation of the strategic plan.
- To collate accumulated experiences, capabilities, motivations, initiatives and proposals from all social actors in order to develop a vision of local capabilities and the viability of projects
- To collate strategic planning experiences and small and medium-scale production initiatives developed in the city, so as to connect them with the Plan.
- To document and systematize acquired experiences in order to draw out lessons that enhance participatory planning processes and the collective generation of knowledge.
- To strengthen the substantial role of the Municipality of Cuenca and of the Agency for the Development and Regional Integration of Cuenca (ACUDIR), as guiding and operating structures respectively, in order to foster local economic development and ensure the continuity of the proposals of the Strategic Investment Plan.

PHASES AND ACTIVITIES IN THE FORMULATION OF SIP - CUENCA

The methodology adopted for the formulation of the Strategic Investment Plan for the City of Cuenca was a joint decision between the directors of the project, the local partners and the regional consultant team. The aim of the SIP-Cuenca was to articulate the general orientations of the Cities Alliance and develop a regional proposal on participatory municipal development by UMP LAC². In this setting, the formulation of the SIP-Cuenca was organized and executed in 5 phases. In each phase, a series of activities were developed and specific tools were designed to help document and facilitate the process. Initially, the phases defined for the development of this process were:

² UMP LAC has as main working themes eradication of urban poverty, urban environmental management, urban participatory governance and gender equity; to achieve its goals it promotes City Consultations, Action Plans and Priority Action Programmes, Knowledge management, Lobbying and Anchoring.

1. consultation with local stakeholders;
2. initial draft;
3. holding of thematic workshops and field work and monitoring;
4. reformulation of projects;
5. feedback to the city and validation of projects.

The *first phase* of consultation with local stakeholders and the initial agreement included activities such as the definition of objectives, establishment of components, preparation of terms of reference, integration of the consultant team and the signature of the inter-partner agreement. These activities were realized under the direction of the Urban Management Programme, Regional Office for Latin America and the Caribbean (UMP LAC) in coordination with the Municipality of Cuenca and ACUDIR. A preliminary agreement on thematic areas of the SIP-Cuenca led to the preparation of the specific objectives for each component of the plan and established the terms of reference for the regional consultant team.

The regional consultant team was formed by fellows, thematic advisors and consultants coming from six institutions that provide UMP LAC its thematic regional anchoring. Each of these institutions assumed the responsibility of one sectoral component according to their area of specialization.³

The *second phase* began with the establishment of the regional consultant team in the city. At first activities such as informative meetings and workshops were held to widely share the basic orientations of SIP-Cuenca and to design the process approach, including follow-up. The methodology integrated and articulated the objectives and referential framework with field monitoring and knowledge production.

An important contribution to the success of the process was the creation of a Permanent Workshop. This Permanent Workshop was put together by the regional consultant team and had the occasional participation of local partners and invited stakeholders. The meetings of the Permanent Workshop took place every night during the fieldwork period (October 2000) from 19h00 to 22h00 and minutes were taken at every session. These meetings allowed issues to be discussed, progress monitored and activities followed up on a daily basis.

Fieldwork of the Regional Consultant Team

During this phase the activities developed by the regional consultant team included interviews with local authorities and municipal officers to identify actors related to each component of the plan; design of a guide and “data card” to support the work of each stakeholder; collection and documentation of proposals and actions; identification of

³ UMP-LAC Regional Anchoring Institutions are:
 Centro Operacional de Vivienda y Poblamientos, COPEVI, México D.F., México (citizenship and participation)
 Federación de Entidades de Vivienda de Colombia, FEDEVIVIENDA, Bogotá, Colombia (Municipality as promoter of economic development)
 Instituto de Promoción de la Economía Social, IPES, Lima, Perú (environmental management)
 Centro de Estudios, Articulación y Referencia sobre Asentamientos Humanos, CEARAH PERIFERIA y Agora XXI, Fortaleza, Brasil (informal sector)
 Centro de Investigaciones CIUDAD, Quito, Ecuador (formal sector)
 Centro Latinamericano de Capacitación y Desarrollo de Gobiernos Locales, CELCADEL, Quito, Ecuador (gender)

capacities and strategic areas for the development of Cuenca; design of a guide for the preparation of the project profile; and completion of a preliminary table of contents of the final document.

What follows is a more specific explanation of the field work carried out in October 2000:

1. Preparation (October 5 –6, 2000)

Representatives of the Municipality, mainly directors of Public Finance, Planning and Social Development and ACUDIR, presented project ideas they considered to be of strategic importance for local development. This was essential for the consultant team to build on as an appraisal of the vision and expectations of local development.

The proposal was discussed and adjusted according to the consultants' suggestions. The new design was presented to and approved by key stakeholders. A hierarchy of stakeholders was defined to consult and interact with the advisory of the Municipality and ACUDIR. Guidelines for these interviews were produced.

2. Base study (October 7 – 16)

While not considered as an explicit phase, the base study was an implicit activity undertaken by each consultant on specific problems affecting each component. The information used to prepare this was provided both by secondary and primary sources through interviews. Of course, formal study was critical in the selection and identification of projects. However, of note was the priority given to the professional experience of the consultants over the traditional base study – more informal collection of knowledge and less formal study. This saved time and allowed the study and selection of projects to take place more quickly.

3. Identification of initiatives in progress (October 5 – 10)

Several local investment initiatives in progress were identified, according to the criteria of giving preference to those projects into which the city was putting more effort, but with the additional condition that they be strategic. The list of initiatives in progress constituted a strong complement to the base study.

4. Elaboration of initial proposal (October 9 – 13)

The identified initiatives were then compared with the prioritisation criteria (their positive impact on the poverty reduction; their capacity to strengthen a participatory governance and democratic options; their feasibility; their capacity to mobilize resources not currently being taken advantage of, and; their ability to attract international resources). The result was a list of projects that could have an impact on strategic development.

5. Mobilization of stakeholders and stakeholder consultation (October 9 – 18)

The city government was very interested from the outset. Specific functionaries were assigned to the different components of the consultation and offered permanent contact with the working team. However, it was very difficult maintain this contact throughout the process because of their daily responsibilities.

In addition, for no clear reason, the functionaries of the city government took some distance from the consultants in the middle of the process. It seemed to be that the majority of them were not really convinced that the consultation would have results. The work team continued working intensely on the proposals nevertheless, thanks to the active collaboration of the private sector stakeholders. As part of these activities, the permanent workshop was held to promote permanent discussion, self-critique and review of the project portfolio was initiated.

As a strategy to re-involve the city government stakeholders, the coordinators of the project kept them informed on the progress of the project and continued to invite them to the consultation workshops. Once one of them attended, the others began to participate. They were convinced about the effectiveness when they saw the progress made in the elaboration of the proposals, the intense working pace and the capacity of the work team to interpret city development through the strategic projects. Things began to work better once these meetings included the active presence of local government representatives. They finally improved the quality of their involvement and made a commitment to focusing on the projects. However, the level of commitment from the local government – from beginning to end – cannot be compared with the active participation of the private sector.

The private and business sector was present from the beginning as a key stakeholder through the Director of ACUDIR, the agency that represents the entire private and business sector. The agency emerged in a spontaneous way as a facilitator of the stakeholders involved, attending and making suggestions on activities, processes and projects in particular. The agency provided a direct channel to access and interact with other agencies (like the “Corporación para el Desarrollo Comunitario”), with banks, co-operatives and people in general engaged with the business sector. ACUDIR was as a real partner throughout the CDS process.

The private sector was motivated by the dynamics of the CDS process and methodology in relation to city development, not only because of the possibilities of private investment but also the possibility of implementing socio-economic development projects. They were particularly conscious of the need for a fund for development and the importance of information for development. Ironically, the private business sector was clear when the possibilities of the Municipality were in discussion but not so at the moment of dealing with its degree of inclination to invest.

The *third phase* included the fieldwork in the city of Cuenca for information recovery, research and analysis. During this phase:

- 72 texts were reviewed (governmental reports and plans, proposals of local actors, development plans of international organizations, reviews, specialized documents and statistical information);

- field observations were undertaken (each consultant carried out direct observations to classify the interest of citizens and evaluate capacities and projects in the city);
- interviews with local actors were carried out (55 interviews with 43 local actors coming from public sector 39%, private sector 26%, civil society 30%, mixed organizations 5%; 60% of the interviews were with men and 40% with women), and;
- working meetings were held with representatives of local authorities, stakeholders, universities and research institutes, public and private enterprises, NGOs, community based organizations and social movements.

All of these led to the preparation of a vision of local development as well as proposals, initiatives and solutions for city problems.

The *fourth phase* was one of further elaboration and preparation of project profiles. The political guidelines, project prioritisation criteria and strategic areas were identified and discussed in a collective manner by the Regional Consultant Team, along with the possible projects and proposals.

The process of identifying and formulating proposals, developed by the team of consultants together with local partners, focused on four strategic areas and two cross-sectional approaches which were defined during the initial phase of the process on the basis of consultations and interviews with the different local sectors involved.

STRATEGIC AREAS APPROACHES

CROSS-SECTIONAL

PROMOTION OF FORMAL SECTOR

STRENGTHENING OF INFORMAL SECTOR

ENVIRONMENTAL URBAN MANAGEMENT

MUNICIPALITY AS ECONOMIC PROMOTER

GENDER
EQUITY

CITIZEN'S
PARTICIPATION

Based on interviews and information coming from local stakeholders, the themes that constantly appeared were tourism, information systems, investment funds, housing, the social economy, citizen participation, migrant population, environment and gender equity.

A first draft of project profiles was prepared at the end of October 2000. This draft included 14 proposals based on local perspectives and project criteria (local development plans, stakeholder proposals, analysis of information from interviews and boundaries of strategic intervention). In addition, the project “Comprehensive Management Plan of Cajas National Park” was included in April 2001 at the request of local stakeholders as a management tool component of the urban environmental management thematic area. The results of the work completed by the team were turned into 15 proposals grouped in the following way, in relation to the strategic areas and cross-sectional approaches (see annex):

FORMAL SECTOR

- Regional tourism programme

- Small and medium-sized business empowerment system
- Mechanisms to promote the competitiveness of the City of Cuenca

INFORMAL SECTOR

- Support to community based activities
- Cooperative of services for the development of the “Jardín Azuayo” Community
- Comprehensive plan for markets and fairs

URBAN ENVIRONMENTAL MANAGEMENT

- Promotion of export crops (urban agriculture)
- Promotion of jobs in environmental services

MUNICIPALITY AS ECONOMIC PROMOTER

- Cuenca Development and Investment Trust Fund
- Comprehensive local information system
- Municipal corporation for low-cost housing

GENDER EQUITY IN ECONOMIC DEVELOPMENT

- Equity as a strategic Investment
- Institutionalisation of equity in municipal affairs

CITIZENS’ PARTICIPATION

- Strengthening citizens participation

The *fifth phase* of this process involved feedback to the city and validation of the projects with local actors. A first presentation to local partners (Municipality of Cuenca and ACUDIR, Municipal Council and key stakeholders) was carried at the end of October 2000. From November 2000 to April 2001, three versions of the final report were produced with direction from UMP LAC, each one including criteria and suggestions from local partners and members of the Regional Consultant Team (to mainstream the gender approach). Thus, there was constant feedback on the document itself as well as of the content of the proposals.

The final report (April 2001) was the basis for five sectoral workshops held in May 2001 for the presentation and discussion of proposals and for their validation with local stakeholders. Key discussions, lessons learned and general recommendations were included in the concluding section of the final report of the Strategic Investment Plan, especially the vision of local actors with regard to the proposals formulated in the SIP.

Feedback was given to the UMP LAC Regional Anchoring Institutions that participated in the Regional Consultant Team, with the presence of representatives of local partners. During this workshop, the Municipality and ACUDIR requested a final presentation of the SIP to local stakeholders, the design of a strategy for fund raising and the dissemination of the Plan itself through a publication from UMP LAC.

For a detailed look at tools and methods used during the CDS process, please see pages 24 – 31 of this report.

▪ Success Factors

Perhaps the main success factor was the methodological approach adopted. There are at least three points of note about the methodology. First, the daily thematic workshops of the Regional Consultant Team were highly successful as the process unfolded. Second, the interviews provided high quality information. Third, the permanent 'self-monitoring' of the entire process was key to its success.

- **Obstacles and difficulties**

The major obstacle was the initial resistance of the public sector stakeholders, who initially perceived the consultation as very traditional. This prejudice led to misunderstandings about the work scheme agreed upon with the Municipality. Once the main stakeholder understood this, however, it was possible to resume in a positive way. Although some time was wasted while contact was recovered, it was demonstrated to the public sector that it is possible and even better for all to work as partners in a process like this.

GENDER MAINSTREAMING

A gender approach was mainstreamed during the process through the formulation of a short study of gender inequalities in the city, the provision and use of disaggregated data, and the participation of a gender balanced group of local actors and technical team. Priority was given to all of the CDS projects dealing with women or with women's micro-enterprises. Two engendering policy proposals were produced – one that should be assumed by all CDS projects and the other to institutionalise gender equity in municipal planning and management.

The Stakeholders

Numerous local stakeholders took part in the formulation of the SIP and this reflects the current social and economic reality of the City of Cuenca and its micro-region. The identified stakeholders in the formulation of the SIP in Cuenca are:

- The local government, the Municipality of Cuenca provided human, technical and logistical resources that gave local support to the activities and promoted the execution of this initiative. Besides the high involvement of the mayor and some planning authorities, the Vice Mayor (a woman) and two councillors were very interested in the CDS process. Working with authorities and municipal technical staff, there is a need to be flexible in order to engage their time and interest. Sometimes this situation has a negative effect on their involvement. The main motivation for the Municipality to continue with their efforts was the possibility of formulating an economic plan and project profiles to be integrated into the city's development plan. In addition, the fact that it was a participatory and multisectorial planning experience lent legitimacy to the proposal. The participation of the mayor was important mainly in terms of political aspects and orientations. And, as the Mayor was also a planner, he was able to provide some technical inputs related to the base study, socio-economic trends and legal and decentralization policies.
- A public-private association, the Agency for the Development and Regional Integration of Cuenca (ACUDIR), had a key role in identifying and facilitating dialogue among local stakeholders. This organization had an important and permanent place during the whole CDS process through its sectoral representatives. Members were motivated, but there were difficulties in defining the precise area of

intervention and investment. Nevertheless, the idea was always present that private sector investment be autonomous from collective decisions and that the most deregulated framework is in its best interest. (Micro-entrepreneurs were not directly represented by the above sector. Their involvement was not as stakeholders, but as part of the poor).

- From civil society, a number of community-based organisations, non-governmental organisations, universities and academic centres, private sectors and groups of women participated. The participation of strategic, sectoral and specific local actors in the formulation of the SIP was key to the development of proposals and identification of the vision of local development, strategic areas of action and ongoing projects. The vision of the stakeholders on the city's economic needs and characteristics were obtained by interviewing their organizations and representatives. To some extent their level of participation was dictated by the plan formulation system. The present involvement of women's organizations in an Equal Opportunities Plan helped facilitate their involvement in the CDS process. It was not difficult to get social actors involved in different activities during the process. The interview was the most frequently used tool in the research phase, as well as the debate at the validation meetings. The motivation for continuing to be involved in the planning process was different for different groups. In the case of women, they wanted to ensure that any planning, but in particular that related to economic development, take into consideration their needs and ideas for local development.

D. Outcomes and Results of the CDS process

Outcomes

1. A Strategic Investment Plan composed of 15 formulated projects validated by a broad spectrum of stakeholders was the main result.
2. An input for the strategic plan that is under discussion. This is another major outcome, according the Mayor and senior officials.
3. An innovative working method by which the six main partners of UMP plus UMP coordination delivered a specialized joint input to Cuenca city. This method is not finalized yet.
4. The strengthening of ACUDIR as a mixed public-private entity in two ways: a) broadening of perspective, especially with the informal sector and regional links and b) implementation of participatory tools.
5. A draft method to develop and propose SIP for other cities
6. Four of the 15 projects already under way (Cooperative of Services for the Development of the “Jardín Azuayo” Community, Promotion of jobs in environmental services, Comprehensive Local Information System of Cuenca and Equity as a strategic investment).
7. Increased presence of the informal sector actors. They had never been so included in economic strategic planning.

The SIP as the Core Activity

The main result of the CDS was setting up a Strategic Investment Programme – SIP – linked with five strategic areas (formal sector, informal sector, urban environmental management, the Municipality as economic promoter and an opportunity economic programme for gender equity). These areas were defined during the initial phase of the process, on the basis of consultations and interviews with the different local sectors

involved. The SIP is a package of 15 proposals of a total value of US\$48 millions that can be organized under four interrelated areas:

- A Development and Investment Trust Fund
- A Portfolio of 7 investments Projects
- A set of 4 Municipal facilitating strategies
- A set of 3 Management facilitating tools

The objectives of these proposals, detailed in the full final report, are briefly summarized below.

1. CUENCA DEVELOPMENT AND INVESTMENT TRUST FUND

This proposal, valuing more than US\$30 million (out of the \$48 million of the investment package) can be considered the core of the proposal. Its objective is to establish a financial entity within the Municipality to enhance the capabilities of local investors and inter-sectoral integration initiatives in the financing of development projects and the strengthening and modernization of municipal financial management.

Initially, three alternatives were considered: a) a guarantee fund, b) an Institute for Cuenca Development and c) a mixed solution summing a) and b). The third one was selected, considering local potentialities and needs. The resources will come from four sources: Cuenca municipalities (30%), Municipal Corporations (25%), International Co-operation, 30%, (hopefully the WB or the IDB) and the private sector (which is basically the expected remittances from the migrant population).

It was evaluated that around USD 1 million per day was transferred to the Canton. It is important to remember that Cuenca has been suffering a dramatic drain of its active population (above 10% of the EAP). Remittances are generally informal or through consumer goods (fridges, TV, etc) bought in the country of origin and sent through suppliers. The main idea of the Municipality is to create a “municipal bank” offering enough guarantee and incentive to attract this impressive floating money, which, to-date, is generating inflation and speculation on land and housing. The existing municipal corporations are functioning relatively well and could put assets in such a venture. At the same time, Cuenca Municipality is enjoying a high degree of confidence with existing banks.

There is one proposal to turn the Fund into a reality. Various key questions have still to be worked out or finalised around the institutional and legal framework, especially considering the Ecuadorian regulatory framework, the financial rules and products and the management rules. The cost of these activities has been evaluated in US\$127 000 and work is underway to take this forward.

2. A PORTFOLIO OF 7 INVESTMENTS PROJECTS

Most of the projects are in a position to benefit from the Trust Fund and reach a value of more than US\$10 million. They cover the four sectors considered in the strategic Investment Plan.

Regional Tourism Programme: To promote the comprehensive development of tourist activities in the canton and the region, including new social actors and participatory forms of tourism to raise the standard of living of the residents of urban

and rural areas, while giving new value, protecting the quality of ecosystems and taking advantage of the potential offered by the inclusion of Cuenca on UNESCO's Cultural Heritage List.

Support to micro-enterprises, small firms, community businesses and cooperatives: To promote the development of the productive and business capabilities of the region of Cuenca, with the goal of raising the standard of living in traditionally marginalized areas and medium-income sectors of the population. Another goal is to achieve the consolidation, enhancement and establishment of new relationships between producers and consumers, whether with already existing medium and large firms, or with activities related to what is called the "social economy."

Support to community based activities: To improve the living conditions of the population of Cuenca, especially households working in the informal sector, linking the city with a socio-economic community network.

Cooperative of Services for the Development of the "Jardín Azuayo" Community: To promote the economic development of producers and consumers of the Southern region and of the City of Cuenca as a development core, through the establishment of a service centre that fosters local and regional economic growth, so as to develop their productive processes in a more efficient and effective way and to achieve increased profitability of their work with a swift and timely follow-up system.

Promotion of export crops: To promote and foster the mass production of export crops, such as roses, to be developed in a responsible way with environmentally-friendly methods in the peri-urban areas of the City of Cuenca.

Promotion of jobs in environmental services: To contribute to the protection of the urban environment through the implementation of a system for the delivery of basic services that prioritises the use of intensive labour and adequate technologies in those areas of the city considered viable, through the establishment of small businesses.

Municipal Corporation for low-cost housing for Cuenca: To strengthen the municipal capacity to promote, negotiate and make viable low-cost housing projects.

3. A SET OF 4 MUNICIPAL FACILITATING STRATEGIES

Mechanisms to promote competitiveness in the City of Cuenca: To determine and enhance the competitive vocation of Cuenca, focused on the provision of high value-added products and services.

Equity as a strategic investment, or overcoming inequities with the PEI – Cuenca: To include gender equity as a determining factor in local planning and in the human development index of the Canton of Cuenca.

Institutionalisation of gender equity in the Municipality of Cuenca: Towards equitable and inclusive urban management: To build an equitable and democratic development model that ensures equal opportunity for certain disadvantaged sectors, that recognises and articulates their needs, especially those of women, as an instrument of inclusion and development.

Strengthening of citizens participation: To contribute to the development of participatory governance at the local level, involving both the strengthening of democratic governmental performance and the development of active citizens, developing proactive capabilities among local stakeholders so that they can assume a shared responsibility in the decision, development, management, follow-up, assessment and social control of public policies, programmes and actions, as well as local development plans and their linkages with the globalisation processes.

4. A SET OF 3 MANAGEMENT FACILITATING TOOLS

Comprehensive Local Information System of Cuenca: To implement a Comprehensive Local Information System and indicators for local development monitoring in a display of cooperation between public and private actors, that can be linked with national and international databases, and to unify and improve information on the local economy.

Comprehensive strategic development plan for the markets and fairs of Cuenca: To improve the working situation of producers, merchants and customers of markets and fairs in Cuenca, enhancing and humanising existing trade relations.

Comprehensive Management Plan for Cajas National Park: To improve management capacities of local actors for sustainable development for Cajas National Park. To promote conservation of natural resources and environmental services in the area, in relation with the expectations and activities of involved actors, based in the comprehensive knowledge of the territory and its surroundings.

Some projects were totally validated even during the consultation workshops, in particular those related to a Social Development Credit Union (Cooperative of Services for the Development of the “Jardín Azuayo” Community); to the local information system, to the micro-enterprises on environmental services; and to the gender equity development plan. These were formulated projects on the basis of existing local process. This meant that between the time of the formulation and the restitution workshops (10 months) the projects were implemented and reformulated to some extent by local actors themselves.

The restitution workshops produced a series of suggestions to be incorporated into the final version of the CDS. This task was mainly delegated to local partners, namely the Municipal planning team and representatives of ACUDIR implying a good level of local appropriation of responsibility. UMP authorities attended the final presentation event, altogether with the technical team, giving political and technical support to the closing of the process. Some lobbying activities were agreed upon with major local partners to move forward with the implementation of the Plan. "From now onwards, the CDS is considered to have priority in giving input to the consolidation of the Local Development Plan".

E. Reflections on the CDS Process

Achieving the objectives of the CDS was a condition and a challenge that generated debate throughout the process. It proved a challenge in terms of balancing the contradictions emerging between globalisation, decentralization, competitiveness, market oriented proposals, and private benefits from investment on one hand, and poverty reduction, citizen participation in economic decision making and gender equity, on the other.

Major lessons learned during the process

1. *An international inter-institutional consulting team is a good concept.*

The existence of an international team in charge of formulating the Strategic Investment Plan, consisting of professionals from different institutional and national contexts with specific knowledge of prioritised sectors and working areas, offers several comparative advantages. The process improves the capacity to develop collective knowledge using a process and a set of tools that allows for the documentation and systematisation of experiences as they unfold. This knowledge is appropriated by the executive team as a whole and at the same time permits the creation of an instrument to promote the experience and guide future processes.

However, the regional anchoring institution consultants have are no longer involved in the process (COPEVI, FEDEVIVIENDA, CIUDAD) and there are few possibilities to maintain the contact, particularly for follow-up and evaluation. To alleviate this, there should be stronger leadership from UMP coordination team (changes of coordinator and team leaders and insufficient role of UMP Coordinator were the problems). The local counterpart should be stronger and preparation time much more intense, and time should be carefully selected (free from election, Christmas time, local celebrations, etc). And in order to save time, UMP should have had a permanent local person in Cuenca during the whole process.

2. *A strategic plan should come before a Strategic Investment Plan*

Despite promises at the planning stage, the Strategic Plan for Cuenca was not delivered before the start of the consultation. As a result, the CDS will be only an input for the SIP, which in itself is seen as highly positive by local partners. One of the obstacles that the CDS had to overcome was the lack of an inter-stakeholders vision of the future.

The lack of a common point of view among the residents of Cuenca was remarkable, and highlights the need to find inter-stakeholders agreements. This seems to be a consequence of the idiosyncrasies of the inhabitants of Cuenca, who have a political culture that seeks institutional or immediate benefits and where the sense of development of a collective future vision is lacking. Identity relies more on elements of local tradition and customs than on a dynamic process of building the future on the foundations of the present. Thus there is a need to develop a common image of the future, for instance, through the Strategic Plan.

3. *Limits of the existing public/private partnership*

The local partner, ACUDIR, as a public/private facilitating institution, has more capacity to deal with the formal and organised sectors of the economy than with non-

organized groups. The SIP/CDS highlighted the necessity to broaden the scope to these non-organized productive sectors and to establish for public/informal sector partnerships. It is a crucial condition to reach the poor, support their initiatives and channel their investment capacity and social capital towards common goals. The informal productive sector, both organised and non-organised, remained too “lost in the process”.

Alliances between the public and private sectors must be increasingly strengthened around the management of specific projects: semi-private enterprises, agreements for the regulation of prices and agreements to stop speculation with the price of land and real estate speculation in general. For this purpose, ACUDIR, acting as a mechanism of alliance and consensus between the public and the private sectors, should broaden its stakeholder base. Likewise, the alliances between the municipality and civil society should be strengthened with respect to both planning processes and the implementation of projects, and strategic alliances must be established with municipalities of similar characteristics and sizes both within the country and abroad, in order to foster local development.

4. Participatory urban observatory and indicators

As a result of the process there was a consensus on the need to build a local information system to monitor the economic and social situation of the city. Information management through networks is another key component to assist in the implementation of projects. In this sense, the information basis must not be limited to the local – cantonal – level, but should also include the various economic, cultural and territorial regions (micro-regions) of the canton.

5. Gender mainstreaming and increasing opportunities for women

The gender approach was successful and has been identified as a positive input by the local authorities (letter of satisfaction, comments, etc.). The approach was two fold. Each of the projects formulated within the SIP had to have a gender equity component that was worked out by the gender specialist. And, a specific gender equity economic plan was designed with local women’s movements that are extremely active in Cuenca, both with the government and the civil society.

6. Stakeholder satisfaction

The first step of the CDS was to undertake a set of interviews with key stakeholders representatives, and 55 interviews were carried out with 43 local actors. In addition, other less organised actors were interviewed, such as taxi drivers, streets vendors, service users and market vendors. Their initiatives and proposals were systematised and an evaluation of their installed capacity was part of the exercise as well. This “mapping of actors” – putting all of them on the same level – was considered very positive. They were consulted and appreciated that their concerns were reflected in the proposals.

Another moment that was crucial for stakeholder satisfaction was the final presentation of the proposals during the specialised workshops. As this was not “appropriated” by the local government, it was a success. It was also important because the key players from the public government were ultimately convinced that it was a good idea to present the

Plan to the key stakeholders to get their approval. It also helped them identify the real strategic immediate projects, such as the municipal fund and the information system.

Just because the stakeholders are satisfied, however, does not mean that enough was done. The process lacked institutionalisation of relationships into, for instance, specialised commissions to look for resources, turn the proposals into reality, etc. This can still be done through the identification of existing productive sectors that are more active and organised than others, with their “multi-actor culture” already developed. In a short term, the municipal Council for Tourism should be made more dynamic and involved in the process.

Recommendations for improving the process and further initiatives

As recommendation for further activities there are three main suggestions:

1. The full process from start to finish should be planned for no less than 6 months

The original “fast track” approach consisted of a concentrated effort of all consultants and local staff during one month. This timeframe was much too short and provoked some problems. A possible time table much more in line with the LAC reality could be as follows:

- Preparation: 2/3 months (Terms of Reference, selection of critical areas, selection of consultants, inter-partner agreements, contracts)
- Awareness raising at the local level: 1 month
- Fast track CDS being set up in a parallel way - all sectors together: 1 month (This would include field research, workshops and mobilization of the city).
- Putting the plan in a comprehensive form: 1 month
- Feed back to local partners, 2nd round of workshops: 1 month
- Final reporting and formal presentation to the city: 1 month

2. Potential investment sources should be identified from the outset

The main interest of the Cuenca Municipality and ACUDIR was to use UMP as a source of potential funding even if the claim to be able to channel local resources was clear. However, the integration and association of potential investors should be *built into* the whole process, especially during the awareness campaign and the workshops and meetings.

Among these “investors” or financial actors at least two major categories were insufficiently associated:

- a) The national resources, both public and private. As a result the SIP is built with less than 5% of resources of national origin
- b) The informal sector, especially the non organized informal sector, which represents a large part of the investment capacity at the local level.

3. Operational recommendations to conduct a CDS

It is recommended that staff and human resources be enhanced as follows:

- a) A full time UMP professional staff posted in the city during the whole process.
- b) A full time local counterpart dedicated to the work.
- c) Regular two-day missions from the UMP Coordinator every two weeks.

- d) A local monitoring team (2 months during the 6 months of the local process).
- e) The consultation team during one full month.

The inter-partner agreement prepared for Cuenca has been useful for general commitments but a precise definition of roles of each stakeholder was missing, in particular the mobilization of local counterparts.

The city should prepare a state of the art document prior to the beginning of the consultation, including recent study on the main areas or components of the consultation; a list of strategic projects by priority; expectations of the consulting process; a proposal or a list of local contacts or counterparts for the consultants, with time dedicated to the projects and themes.

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Annex 1: SIP proposals—strategic articulation, prioritised sectors and typology

STRATEGIC AREA	ARTICULATION WITH MUNICIPAL POLICIES	PRIORITIZED SUB-SECTOR	MUNICIPAL STRATEGY	MANAGEMENT TOOL	INVESTMENT PROJECT
FORMAL SECTOR	COMPREHENSIVE HUMAN DEVELOPMENT <ul style="list-style-type: none"> Local Development with Social Responsibility Competitiveness Strategy STATE REFORM <ul style="list-style-type: none"> Public-Private partnerships 	Formal Sector in General	Competitiveness of the city of Cuenca		
		Tourist Sector			Regional Tourism Programme
		Small and Medium-sized Business Sector			Small and medium-sized business empowerment system
INFORMAL SECTOR	COMPREHENSIVE HUMAN DEVELOPMENT <ul style="list-style-type: none"> Local Development with Social Responsibility Competitiveness Strategy Consensus on Equity STATE REFORM <ul style="list-style-type: none"> Public-Private partnerships Improvement of Public Services 	Cooperative Sector			Cooperative of Services for the Development of the “Jardín Azuayo” Community
		Solidarity Economy Sector			Support to community based activities
		Trade Sector		Comprehensive Plan for Markets and Fairs	
URBAN ENVIRONMENTAL MANAGEMENT	COMPREHENSIVE HUMAN DEVELOPMENT <ul style="list-style-type: none"> Local development with social responsibility Competitiveness strategy Municipal Urban Agriculture Project STATE REFORM <ul style="list-style-type: none"> New Management Models Public-private Partnerships Improvement of Public Services 	Public Services Sector			Employment in Environmental Services
		Export Sector			Promotion of export crops (urban agriculture)

		Tourist Sector		Comprehensive Management Plan Cajas National Park	
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STRATEGIC AREA	ARTICULATION WITH MUNICIPAL POLICIES	PRIORITIZED SUB-SECTOR	MUNICIPAL STRATEGY	MANAGEMENT TOOL	INVESTMENT PROJECT
MUNICIPALITY AS ECONOMIC PROMOTER	STATE REFORM <ul style="list-style-type: none"> • Participatory planning • Decentralization and deconcentration • New Management Models • Development of Information Systems • Public-Private partnerships 	Multi-Sectoral		Cuenca Development and Investment Trust Fund	
		Multi-Sectoral		Comprehensive Information system	
	COMPREHENSIVE HUMAN DEVELOPMENT <ul style="list-style-type: none"> • Local Development with Social Responsibility • Competitiveness Strategy 	Low-cost Housing Sector			Municipal Corporation for low-cost housing
GENDER EQUITY IN ECONOMIC DEVELOPMENT	STATE REFORM <ul style="list-style-type: none"> • Participatory planning • New management system COMPREHENSIVE HUMAN DEVELOPMENT <ul style="list-style-type: none"> • Local Development with Social Responsibility • Consensus on equity 	Local Government Sector	Institutionalisation of equity in municipal affairs		
		Multi-Sectoral	Equity as a strategic Investment		
CITIZENS' PARTICIPATION	STATE REFORM <ul style="list-style-type: none"> • Participatory planning • Decentralization and deconcentration • New management models / system 	Multi-Sectoral	Strengthening of citizen participation		

Annex Two:

Cuenca City Development Strategy (CDS) Tools and Methods

TOOLS USED IN THE CDS PROCESS:

a. City Selection

The Regional Office of UMP LAC held an open selection of cities for the execution of a Strategic Investment Plan with pre-established criteria of selection. UMP prepared a dossier, which was sent to a group of cities in the region with an invitation letter to participate of the process. Six cities responded, and four of them finally sent proposals⁴. A committee evaluated the proposals and Cuenca, in Ecuador, was selected as the first choice, while Manizales, in Colombia, was the second choice.

ACTIVITY	TIMEFRAME	TOOLS
Elaboration of a guide for the presentation of candidates for the formulation of an Strategic Investment Plan for Local Development	February 2000	Guide for the presentation of proposals
Dissemination of the guide	March 2000	List of UMP contacts, formal letters of invitation
Preliminary selection	May 2000	Pondered selection criteria table
Final selection	June 2000	Pondered selection criteria table

b. Planning for the CDS

The core activity of the *first phase* of the CDS planning was the formulation of an initial agreement for the definition of objectives and components in consultation with local stakeholders. An interpartner agreement was made between the Municipality of Cuenca, the “Agencia Cuencana de Desarrollo e Integración Regional” (ACUDIR) and UMP LAC – CNUAH (Habitat). This instrument included the objectives, commitments and responsibilities for the formulation of the Strategic Investment Plan for Local Development in Cuenca. (see annex)

A preliminary agreement of political guidelines led to the definition of the thematic areas of the SIP in Cuenca. The strategic areas were:

- The role of the Municipality as promoter and agent of local economic development
- Promotion of the formal sector of economy
- Strengthening of the informal sector of urban economy
- Equal economic opportunities for women
- Urban environmental management as component of local economic development
- Follow-up and monitoring for the capitalisation of the process

This allowed the formulation of the general objectives for the Plan and the definition of the terms of reference for the Regional Consultant Team. Responsibilities assigned to each institutional member of the Regional Consultant Team were agreed upon and reinforced during the first days of field work. The Regional Consultant Team was formed by fellows, thematic advisors and consultants from six institutions that provide

⁴ The cities that sent dossiers were: San Salvador (El Salvador); Manizales, Pereira, Cartago and Armenia (Colombia) and Cuenca (Ecuador).

thematic regional anchoring for UMP LAC. Each of these institutions assumed responsibility for one sectoral component, according to its specialisation.⁵

ACTIVITY	TIMEFRAME	TOOLS	ACTORS
Preliminary planning Cuenca	July 2000	Proposal for integrated development of Cuenca	ACUDIR, Mayor, Social Development Unit, UMP Coordination
Definition of strategic areas	August 2000	"Plan Operativo Cuenca 2000-2004" and "Propuesta Básica para el Desarrollo Integral de Cuenca"	UMP Coordination ACUDIR
Preparation of 6 terms of reference according to each strategic area	August 2000	Terms of reference	UMP
Selective dissemination of TORS to UMP Regional Anchoring Institutions; proposal of two consultants per TOR; selection of consultant; contracting.	September 2000	Contracts	UMP (this activity was too condensed and contracting period was too short so RAI had to advance money)
Preparation mission for operative work in Cuenca (logistics)	September 2000		
Signature of the interpartner agreement	September 2000	Interpartner agreement	Mayor, Procurador Síndico, ACUDIR, UMP Coordinator

c. Formulation of the Strategic Plan (draft one)

The *second phase* began with the establishment of the Regional Consultant Team in the city. At first activities such as informative meetings and workshops were realized to make known the basic orientations of SIP in Cuenca and for the design of the methodological approach to be implemented for systematisation and follow-up of the process. The methodology integrated and articulated the objectives and referential framework with the field monitoring and knowledge production.

One of the key issues of the methodology is the creation of a Permanent Workshop for analysis, systematization and knowledge production. The Permanent Workshop was put together by the Regional Consultant Team and had the occasional participation of local partners and invited stakeholders. It allowed the unification of criteria and the daily follow-up of activities realized by all members of the team. The meetings of the

⁵ UMP-LAC Regional Anchoring Institutions are:
 Centro Operacional de Vivienda y Poblamiento, COPEVI, México D.F., México (citizenship and participation)
 Federación de Entidades de Vivienda de Colombia, FEDEVIVIENDA, Bogotá, Colombia (Municipality as promoter of economic development)
 Instituto de Promoción de la Economía Social, IPES, Lima, Perú (environmental management)
 Centro de Estudios, Articulación y Referencia sobre Asentamientos Humanos, CEARAH PERIFERIA y Agora XXI, Fortaleza, Brasil (informal sector)
 Centro de Investigaciones CIUDAD, Quito, Ecuador (formal sector)
 Centro Latinoamericano de Capacitación y Desarrollo de Gobiernos Locales, CELCADEL, Quito, Ecuador (gender)

Permanent Workshop took place every night during the field work period (October 2000) from 19h00 to 22h00. Minutes were taken at every session.

The first activities of the Permanent Workshop included informational meetings make known the basic orientations of the SIP in Cuenca and for the design of the methodological approach to be implemented in systematisation and follow-up of the process. The methodology integrated and articulated the objectives and referential framework with the field monitoring and knowledge production. A timeline was agreed upon the team. In further meetings these workshops aided in the definition of specific objectives and the prioritisation of criteria for the selection of project profiles.

During this phase the activities developed by the Regional Consultant Team included:

- interviews with local authorities and municipal officers to identify stakeholders related to each component of the plan;
- design of a guide and a data card to characterise actors, recover proposals and actions;
- identification of capacities and strategic areas for the development of Cuenca;
- design of a guide for the formulation of the project profile; and
- formulation of a preliminary table of contents of the final document.

One of the problems identified was that some members of civil society that do not have a direct relationship with the Municipality or ACUDIR were not integrated to the process. The lack of a communication plan was also a problem for a wide dissemination of activities and the potential achievement of greater participation from civil society.

The *third phase* included the field work in the city of Cuenca for information recovery, research and analysis for the recovery of the vision of local development as well as proposals, initiatives and solutions for city problems, as concrete experiences with existing capacities.

The State of City Report was based on information coming from the dossier, the city profile prepared by the local urban observatory towards Istanbul+5, texts and documents revised by the Regional Consultant Team and the activities carried out by each consultant on the specific problems affecting each component, using information provided both by secondary as primary sources (by means of interviews).

The base study was not really included or considered as an explicit phase, but it was an implicit activity realised by each consultant. Of course, formal study was critical in the selection and identification of projects. However, the remarkable point in this respect the priority given to the professional experience of the consultants over the traditional base study: more informal collection of knowledge and less formal study. This variant saved time and the study and selection of projects to take place more quickly.

Several local investment initiatives in progress were identified according to the giving preference to those projects into which the city was putting more effort, but with the additional condition that they be strategic. The list of initiatives in progress constituted a strong complement to the (implicit) diagnostic phase.

The collection of the vision of local development, as well as proposals, initiatives and operating solutions for city problems, as concrete experiences with capacity was carried out through information collection, research and analysis of:

- 72 texts of different sorts were revised (governmental reports and plans, proposals of local actors, development plans of international organisations, reviews, specialised documents and statistical information),
- field observations were realised (each consultant carried out direct observations to recognise the interests of citizens and installed capacities and projects in the city),
- interviews with local actors were carried out (55 interviews with 43 local actors coming from public sector 39%, private sector 26%, civil society 30%, mixed organisations 5%; 60% of the interviews were with men and 40% with women)
- working meetings with representatives of local authorities, stakeholders, universities and research institutes, public and private enterprises, NGOs, community based organisations and social movements.

The *fourth phase* was one of methodological elaboration and formulation of project profiles. The political guidelines, project prioritisation criteria and strategic areas were identified and discussed in a collective manner by the Regional Consultant Team along with the possible projects and proposals.

The vision for the city and the ongoing initiatives, discussed with local partners, mainly the Municipality and ACUDIR, were combined with the prioritisation criteria to obtain a list of strategic areas: Tourism, Information systems, Investment fund, Housing, Social Economy, Citizen participation, Migrant populations, Environment and Gender equity.

From an exercise of successive approximations, a first draft of project profiles was elaborated by the consultants during the fourth week of October of 2000; this draft included 14 proposals based on local perspectives and the criteria for project definition (local development plans, stakeholders proposals, analysis of information from interviews and delimitation of strategic areas). Additionally, the project “Comprehensive Management Plan of Cajas National Park” was included in April 2001 at the request of local stakeholders as a management tool component of the urban environmental management thematic area.

The results of the work completed by the team were turned into 15 proposals, in relation with the strategic areas and with Municipal policies, grouped into 7 investment projects, 4 municipal strategies and 4 management tools.

ACTIVITY	TIMEFRAME	TOOLS	ACTORS
Preparation and method design	October 5-6, 2000	Methodological design for follow-up and systematisation Record for knowing the actors Guide for the formulation of project profiles Guide for the structure of the final document	Consultants, UMP.
Base study and field research	October 7-16, 2000	Documents and statistics Interviews Meetings	Consultants, UMP, ACUDIR, Municipality, local actors
Identification of initiatives in progress, the vision for the city and strategic proposals	October 5-10, 2000	Interviews Meetings Thematical workshops with local actors	Consultants, UMP, ACUDIR, Municipality, local actors
Prioritisation and selection of draft	October 4 th week, 2000	Political Guidelines Criteria for project selection	Consultants, UMP, ACUDIR, Municipality

proposals		Strategic areas Permanent Workshop "Propuesta Básica para el Desarrollo Integral de Cuenca"	
Formulation of the initial project profiles	October 9-27, 2000	Guide for the formulation of project profiles Permanent Workshop	Consultants

d. Presentation of proposals - action plans (1st round)

As a finalising activity of the fieldwork, a workshop was held among the Regional Consultant Team, the local partners and City Council to present a first proposal of the project profiles.

During November and December the draft versions of project profiles were compiled and organised in a comprehensive way in order to produce the first version of the final report. This version was sent to the Municipality and ACUDIR for their comments and advice.

ACTIVITY	TIMEFRAME	TOOLS	ACTORS
Presentation of proposals to the city authorities		Workshop	Mayor, senior officials, ACUDIR, few councillors, UMP, Consultants
Draft 1 of final report of the SIP process and proposals	Nov.-Dec. 2000 Jan.-Feb. 2001	Final Report of the SIP/CDS	UMP, Municipality, ACUDIR
Draft 2	March 2001		UMP Coordination
Draft 3	April 2001		UMP Coordination

e. Feedback to local actors (2nd round)

Once all comments and suggestions made by the local counterparts were included in a third version of the final SIP report, UMP promoted the realisation of feedback and validation workshops with local actors although at first local authorities were not clearly convinced of their pertinence. These workshops were carried out by a consultant of ACUDIR and involved stakeholders that participated at the initial stage as well as other actors identified in further activities.

ACTIVITY	TIMEFRAME	TOOLS	ACTORS
Identification and contracting of consultant for the execution of validation workshops	April-May 2001	Terms of reference for consultant	UMP, Municipality, ACUDIR
Validation of project profiles with local actors	End of May 2001	5 sectoral workshops of presentation and discussion of results Round table Report on process	Consultant, ACUDIR, Municipality, UMP

f. Evaluation of PEI process and outcomes

During the meeting of UMP Regional Anchoring institutions a 1-day workshop was realised in order to present the third draft of the SIP report to representatives of these

institutions. A round table was held to discuss the results, outcomes and perspectives of the CDS in Cuenca and to hear expectations from local counterparts. Three requests were done from the Municipality and ACUDIR:

- Realisation of a formal presentation of SIP results to local authorities and stakeholders
- Help of UMP for fund raising
- Dissemination of SIP results to the city

ACTIVITY	TIMEFRAME	TOOLS	ACTORS
Presentation of draft 3, results and process, Round table along with RAI representatives and report on process	End of May 2001	1 day workshop resolutions	UMP, Regional Anchoring Institutions, Municipality, ACUDIR, Consultants

g. Final version of plans and projects

The results validation workshops for the presentation and discussion of projects to the inclusion of the vision and recommendations of stakeholders to the SIP proposals in the 4th version of the final report.

ACTIVITY	TIMEFRAME	TOOLS	ACTORS
Draft 4 of SIP	July 2001	Previous versions of SIP Memoirs of validation workshops	UMP Consultant (for chapter 6)

h. Formal presentation

As agreed in the evaluation meeting of the SIP process, a restitution workshop was realised as a final activity of the SIP formulation. During this workshop three consultants were invited to present their proposals (gender, municipality as economic promoter agent, urban environmental management) and the consultant on the informal sector was committed to visit the city in a further opportunity for identifying potential funding. UMP Coordinator attended the meeting and gave political support to the proposals.

ACTIVITY	TIMEFRAME	TOOLS	ACTORS
Formal presentation of draft 4 of SIP	June 2001	Minutes of presentation workshops	UMP, Consultants, Municipality, ACUDIR

i. Implementation and Funding

The formulation of the Strategic Investment Plan in Cuenca has just concluded, and some of the formulated projects have already been partially implemented and reformulated to some extent, by local actors themselves during the time between the formulation and the restitution workshops (10 months). Some lobbying activities were agreed upon with major local partners to move forward with the implementation of the Plan.

ACTIVITY	TIMEFRAME	TOOLS	ACTORS
First external funders consultation	June 2001		UMP Coordinator
Meeting with WB and IDB in Quito for further funding	October 2001		UMP, ACUDIR, Mayor

j. Documentation and systematisation

One of the great assets of the process was the implementation of the Permanent Workshop, which had a person in charge of constant follow-up and monitoring. This allows there to be a clear record of the meetings and the activities completed by the Regional Consultant Team.

ACTIVITY	TIMEFRAME	TOOLS	ACTORS
Systematisation of the SIP/CDS process and outcomes	September, October 2001	UMP Formats (tools and process)	UMP

k. Publication and dissemination (Planned)

As a planned activity the editing and printing of a short version of the SIP is expected for the end of 2001. ACUDIR should prepare a short version of the SIP while UMP will be in charge of the production of a working paper.

ACTIVITY	CRONOGRAM	TOOLS	ACTORS
Preparation of a short version	End 2001	Draft 4, Strategic Development Plan of Cuenca	ACUDIR
Editing and printing of a working paper	End 2001		UMP

l. Monitoring

There were two key times for the monitoring of the process, both of them corresponding to TORs designed for this purpose. The first one was during the “fast track approach” in October 2000. A monitoring system was built in from the outset. A permanent workshop for the analysis, systematisation and production of knowledge was put into place. One person and sometimes two were in charge of that component..

Everyday, all participants from the municipality and from the anchor institutions met and discussed the following items:

- i. guidelines from the city alliances: the discussion of criteria was useful to give coherence to the Plan as a whole and to the projects proposals, and it helped up to speed.
- ii. Criteria for the selection of projects: not less than 11 criteria were set up in a collective way (from a UMP LAC draft proposal) in order to select and prioritise project ideas or profiles that resulted from the process. This instrument was quite useful in avoiding too many discussions in the final decisions of what should enter in the portfolio.

- iii. The definition of the strategic lines for the Investment Plan resulted from the analysis of the 55 interviews and the systematic analysis of the 72 supporting documents.

At the same time, the person in charge of the monitoring was analysing and collating all the information produced (interviews, readings, results from collective sessions, etc) in a systematic way. This was the basis for chapter 7 on conclusions in the overall report and is a summary of a larger report. The monitoring really helped to give coherence to the proposal and harmonise criteria between very different consultants and stakeholders.

The second monitoring opportunity started during the second half of May, during the “feed back and legitimisation phase”. The person in charge of the monitoring was present in all the workshops where the Plan was discussed. He presented his conclusions to UMP, the Municipality and the anchor institutions. A final report of this is currently available in Spanish.

Annex Three:

Value of the investments and formulated projects

The proposals included in the SIP-Cuenca, divided into municipal strategies, management tools, and investment projects, face the following costs and the following potential sources of finance:

Proposals	Total amount (US\$)	Municipal investment	Private investment	Local sources	National sources	Other foreign sources
1. CUENCA DEVELOPMENT AND INVESTMENT TRUST FUND						
Institute for the Financing and Promotion of Local Development (Development and Investment Trust Fund)	127,500	38,250	19,125	31,875	38,250	
Trust Fund Capital	30,000,000	9,000,000	4,500,000	7,500,000		9,000,000
SUB-TOTAL	30,127,500	9,038,250	4,519,125	7,531,875	38,250	9,000,000
2. INVESTMENT PROJECT PORTFOLIO						
FORMAL ECONOMY						
Regional Tourism Programme	495,000	25,000	100,000	120,000		250,000
Empowerment System for Small and Medium –sized Businesses and Cooperatives	380,000	30,000		40,000	210,000	100,000
INFORMAL ECONOMY SECTOR						
Support to community based activities	3,250,000	1,660,000	110,000	1,170,000		310,000
Solidarity Development Cooperative	3,660,558	500,000		1,503,995		1,656,563
ENVIRONMENTAL MANAGEMENT AND ECONOMIC DEVELOPMENT						
Promotion of export crops	1,021,000	165,000	600,000	36,000		220,000
Promotion of jobs in environmental services	817,000	250,000			385,000	182,000
MUNICIPALITY AS PROMOTER OF ECONOMIC DEVELOPMENT						
Municipal corporation for low-cost housing	585,000	50,000			400,000	135,000
SUB-TOTAL	10,208,558	2,680,000	810,000	2,869,995	995,000	2,680,000
3. MUNICIPAL FACILITATING STRATEGIES						
FORMAL ECONOMY						
Mechanisms to foster competitiveness	6,150,500	640,500	1,377,500		1,377,500	2,755,000
GENDER EQUITY						
Equity as a strategic investment	The progressive allocation of 30% of investment to proposals promoting gender equity is proposed.					
Institutionalisation of gender equity	1,550,000	1,050,000				500,000
CITIZENS' PARTICIPATION						
Citizens as key actors in development	122,625	64,625				58,000
SUB-TOTAL	7,823,125	1,755,125	1,377,500		1,377,500	3,313,000
4. MANAGEMENT TOOLS						
MULTI-SECTORAL						
Cuenca's Comprehensive Local Information System	106,000	35,000		71,000		
INFORMAL ECONOMY						
Comprehensive Plan for Markets and Fairs	46,000	5,500			40,500	
ENVIRONMENTAL MANAGEMENT AND ECONOMIC DEVELOPMENT						
Cajas National Park Comprehensive Plan	250,000	50,000				200,000
SUB-TOTAL	402,000	90,500		71,000	40,500	200,000

<i>GRAND TOTAL</i>	48,561,183	13,563,875	6,706,625	10,472,870	2,451,250	14,866,563
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Annex Four:

Dossier for presentation of candidates for the CDS process

The dossier the candidates sent included:

- A letter of interest from the mayor or regional authority
- The application format
- A conceptual document with the proposal
- Basic information of the municipality
- A letter from the national association of municipalities indicating their interest in the execution of the program
- A letter of request from representative organisations of the private sector (formal and/or informal)
- Letters of request and commitment from local stakeholders (NGOs, Consultants, Academia)
- Letters of interest or request from social organisations, particularly those representing the excluded and the urban poor.
- Additional information considered relevant.

Annex Five:

Criteria and Indicators for the Selection of Cities

- 1. Compliance of previous commitments with the UMP**
 - Verification of compliance of previous commitments with the UMP
- 2. Political interest and commitment from the Mayor and authorities**
 - Position of the Mayor with respect to the request
 - Dynamism and leadership of the Mayor and the municipal team
 - Priority of the theme within the municipal agenda
 - Previous commitments of the Mayor with regard to the theme
- 3. Dynamism of the private sector and civil society**
 - Presence and will of the private sector to invest in the city
 - Force and dynamism of social and economic organizations, as well as the nature and representativity of said organizations
 - Level of mobilization of social and economic organizations with respect to the theme and other prioritised themes of the Program
 - Presence of NGOs and other resource centres in related themes
- 4. Quality and nature of the relationship of the municipality with the private sector and civil society**
 - Openness of the municipality to citizen participation and to working with the private sector
 - Number and quality of existing or previous participatory programs
 - Nature and quality of possible local counterparts (academic, investigative, from the private sector, from social organizations, etc.)
- 5. Availability of technical background in the city**
 - Existence of Official Plans of Urban Development
 - Existence of Participatory Strategic Plans
 - City Consultation Processes and Action Plans
 - Other management instruments that have been validated or are being applied
- 6. Availability of resources for investments**
 - Probable sources and amounts for follow-up of the Action Plans
 - National public resources
 - Private investment
 - International loans and donations
 - Local resources (human, institutional, financial) that can be mobilized to carry out the Action Plans, programs, and policies resulting from the strategic investment planning process
- 7. Expected impact on poverty elimination**
 - Vulnerable groups that would benefit
 - Increase in opportunities for the excluded
 - Structural problems that would be addressed
- 8. Local capacity for capitalization**
 - Appropriateness of the proposed methodology and instruments

- Local institutions interested in documenting the process
- Previous experience in capitalizing upon experiences
- Appropriateness of the proposed indicators for monitoring

9. Integrated character of the proposal

- Stimulus to local economic development
- Promotion of local participatory governance
- Improvement of urban environmental management
- Impact on poverty
- Reduction of inequity between men and women

10. Level of co-financing

- Relationship between local and international support
- Level of local human resources mobilized

Annex Six: Inter-partner Agreement

CONVENIO INTERINSTITUCIONAL DE COOPERACION

ENTRE EL
I. MUNICIPIO DE CUENCA, ECUADOR
LA AGENCIA CUENCANA DE DESARROLLO E INTEGRACIÓN REGIONAL, ACUDIR
Y EL
PROGRAMA DE GESTIÓN URBANA DEL CNUAH-HABITAT
PARA AMÉRICA LATINA Y EL CARIBE

El I. Municipio de Cuenca, Ecuador, representado por el Alcalde Arq. Fernando Cordero Cueva y el Procurador Síndico Municipal, Dr. Tarquino Orellana; la Agencia Cuencana para el Desarrollo y la Integración Regional, ACUDIR, representada por su Gerente, Ing. Gustavo Muñoz y el Programa de Gestión Urbana para América Latina y El Caribe, representada por su Coordinador Regional, Dr. Yves Cabannes, celebran el presente Convenio de Cooperación, contenido en las siguientes cláusulas.

CLAUSULA PRIMERA: OBJETO DEL CONVENIO

Las partes firmantes acuerdan participar en la elaboración del PLAN ESTRATEGICO DE INVERSIONES PARA EL DESARROLLO LOCAL, PEI, de la Ciudad de Cuenca, Ecuador. Dicho Plan forma parte de una iniciativa financiada por el Banco Mundial, que ejecuta el Centro de las Naciones Unidas para los Asentamientos Humanos, CNUAH HABITAT, a través del Programa de Gestión Urbana, PGU, en el contexto de un convenio que se ha denominado Cities Alliance La Alianza de las Ciudades.

CLAUSULA SEGUNDA: OBJETIVOS

Objetivo General

Los objetivos generales propuestos son:

- Elaborar un Plan de Inversiones Estratégicas (PEI) para la Ciudad
- Reforzar la existencia de ACUDIR, como estructura operativa creada para promover el desarrollo económico local, para dar continuidad a las propuestas del PEI

Objetivos Específicos

El Plan de Inversiones Estratégicas considerará los siguientes cinco elementos como ejes base:

- Inversiones y reformas para el fortalecimiento del papel del municipio como promotor del desarrollo económico local.
- Desarrollo del sector económico formal
- Fortalecimiento del sector económico informal
- Definición de un plan de igualdad de oportunidades económicas para la mujer
- Mejoramiento del Ambiente como estimulante del desarrollo económico local

En cada uno de esos componentes y con la participación de actores previamente identificados, se efectuará un análisis de la actual disponibilidad y demanda de inversiones y se formularán propuestas específicas para su desarrollo, mediante la movilización de inversiones adicionales, originadas en el contexto local, nacional e internacional, que promuevan proyectos estratégicos de interés para la ciudad, incluyendo la definición de los proyectos prioritarios, así como su valor y la identificación de las fuentes potenciales de inversión para su financiamiento.

Adicionalmente, se diseñará y realizará el seguimiento y la sistematización del proceso y sus resultados inmediatos.

CLAUSULA TERCERA: GESTION DEL PEI

Bajo la coordinación del PGU ALC, El Proyecto será elaborado por un equipo de trabajo, conformado por un pool de instituciones que actúan como anclajes del PGU en el contexto regional y poseen ámbitos temáticos específicos.

Adicionalmente, se establecen los siguientes elementos de gestión:

- La dirección general del proceso, que la proveerán, de manera conjunta y coordinada, el Alcalde de la Ciudad de Cuenca y el Coordinador Regional del PGU ALC.
- Una Unidad Técnica de Gestión, constituida para facilitar el proceso en el contexto local y conformada por el Director de la Unidad Técnica Municipal que la Alcaldía designe; el Gerente de ACUDIR y el asesor asignado por el PGU ALC para coordinar el proyecto.
- En términos operativos, se definirán formas específicas de trabajo conjunto entre el equipo del PGU, las unidades y departamentos de la municipalidad, los técnicos de ACUDIR y los otros actores involucrados.

CLAUSULA CUARTA: ACTIVIDADES

El proyecto será ejecutado en las siguientes actividades generales:

Preliminares

- Firma de convenio de cooperación entre las Instituciones participantes.
- Elaboración de Términos de Referencia, selección (PGU ALC) y aprobación (Municipio de Cuenca) del equipo de trabajo, contrataciones.
- Programación y logística de las actividades.
- Identificación de actores clave para cada uno de los componentes del proyecto.

Formulación Inicial

- Proceso de investigación y análisis de la situación existente.
- Elaboración de propuestas iniciales para cada componente.

Talleres temáticos de discusión con los actores clave de cada componente

- Discusión de las propuestas iniciales
- Identificación de propuestas adicionales
- Establecimiento de acuerdos y consensos.

Formulación definitiva

- Ajuste de las propuestas iniciales, con los resultados de los talleres temáticos efectuados.
- Inscripción del PEI en los planes de Ordenamiento Territorial y de Planificación Estratégica de la Ciudad

Seminario de Restitución a la Ciudad

- Entrega de los resultados consolidados a la ciudad, a través de la Municipalidad y ACUDIR

CLAUSULA QUINTA: RESPONSABILIDADES ESPECIFICAS DE LAS PARTES

El Alcalde de la Ciudad:

- Proveerá la orientación general del proyecto, conjuntamente con el Coordinador Regional del PGU ALC.
- Designará al Director de uno de los departamentos técnicos del Municipio para participar en la Unidad Técnica de Gestión del PEI.
- Dispondrá que todas las unidades y departamentos de la Municipalidad participen activamente en la ejecución del proyecto y dispondrá la conformación de un equipo de contraparte para ese propósito.
- Aprobará el equipo consultor propuesto por el PGU ALC.
- Promoverá y convocará a la participación a otros actores (sector público, sector privado, centros académicos, organizaciones comunitarias y sociales, ONG's, etc.) para que contribuyan con sus aportes e información, al análisis y las propuestas del Plan Estratégico de Inversión para el Desarrollo de Cuenca.
- Dispondrá que el Municipio articule las propuestas del PEI a los Planes de Ordenamiento Territorial y de Planificación Estratégica Participativa de la Municipalidad.
- Formulará la versión definitiva del PEI que será sometido a los actores
- Una vez aprobado por los actores, incorporará el PEI en el Plan de Acción General de la Municipalidad, para su aplicación.
- Contribuirá a la evaluación y difusión del PEI

El Gerente de ACUDIR:

- Participará en la gestión del proyecto participando en la Unidad Técnica de Gestión.
- Movilizará y promoverá la participación de otros actores para la elaboración del PEI.

7^a

- Participará en la formulación de la versión final del PEI, estableciendo el valor de las inversiones y encargándose de la relación con las potenciales fuentes de financiamiento.
- Incorporará el PEI como parte de su Plan de Actividades y se responsabilizará de su ejecución.
- Contribuirá a la evaluación y difusión del PEI.

El PGU ALC:

- Dirigirá el proyecto, a través del Coordinador Regional del PGU ALC
- Participará en la gestión del proyecto a través del Asesor Regional, quien formará parte de la Unidad Técnica de Gestión.
- Seleccionará, conformará y coordinará el equipo consultor encargado de la elaboración del PEI.
- Se responsabilizará de la entrega de las propuestas parciales y efectuará el control de su calidad.
- Dará orientaciones conceptuales para la elaboración de la versión final del PEI
- Difundirá los resultados en el contexto nacional, regional e internacional

CLAUSULA SEXTA: VIGENCIA

El convenio entrará en vigencia a partir de la fecha de su suscripción y tendrá una duración de seis meses, pudiendo ser renovado de común acuerdo entre las partes.

CLAUSULA SEPTIMA: DIFUSION

Las partes se comprometen en utilizar los resultados obtenidos en la forma que se expresa en el presente convenio.

Los documentos y resultados obtenidos serán divulgados con los sellos o logotipos de las entidades participantes, del Banco Mundial, de CNUAH-Habitat y del Programa "Cities Alliance"

Las partes tendrán libertad de divulgar, de manera parcial o total, los resultados obtenidos, con la condición de mencionar tanto el contexto en el cual fueron elaborados, como también el nombre de todas las instituciones participantes.

CLAUSULA OCTAVA: RESCION

Las partes renuncian al derecho a rescindir sus compromisos, obligándose al cumplimiento de todos los términos del presente convenio hasta la conclusión del proceso, pudiendo en caso contrario ser demandadas judicialmente por las partes que se consideren perjudicadas. Las controversias que pudiesen originarse por el presente Convenio y que no pudiesen ser solucionadas administrativamente entre las partes, se someterán al fuero de la justicia ordinaria local.

CLAUSULA OCTAVA: SEGUIMIENTO Y EVALUACION

Las partes se comprometen a participar en las reuniones a las que fuesen convocadas y a efectuar una evaluación final del proceso, así como también a realizar una revisión del cumplimiento de los acuerdos establecidos en el presente Convenio.

Para constancia de su aceptación a los términos del presente acuerdo, las partes lo suscriben por triplicado, en copias de igual tenor y forma, de manera conjunta, en la ciudad de Cuenca, Ecuador, el día de Septiembre del 2000.

Arq. Fernando Cordero
Alcalde de Cuenca

Dr. Tarcisio Ordoñez
Procurador Sindico Municipal

Ing. Gustavo Muñoz
Gerente de ACUDIR

Dr. Yves Cabannes
Coordinador Regional
PGU ALC / UNCRS, Habitat