

---

LOAN NUMBER 9885-EC

# Loan Agreement

(Ecuador Disaster Risk Management Development Policy Financing  
with a Catastrophe Deferred Drawdown Option)

between

REPUBLIC OF ECUADOR

and

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

---

## LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between the REPUBLIC OF ECUADOR ("Borrower") and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Bank has decided to provide this financing, without a direct link to specific expenditures or investments, on the basis, *inter alia*, of (i) the actions which the Borrower has already taken under the Program and which are described in Section 1.A of Schedule 1 to this Agreement; and (ii) the Borrower's maintenance of an adequate macroeconomic policy framework. The Borrower and the Bank therefore hereby agree as follows:

### ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

### ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of two hundred million Dollars (USD 200,000,000), as such amount may be converted from time to time through a Currency Conversion ("Loan").
- 2.02. The Front-end Fee is one half of one percent (0.50%) of the Loan amount.
- 2.03. If the Closing Date is extended pursuant to Section 2.09 below, the fee payable by the Borrower for each extension of the Closing Date shall be one quarter of one percent (0.25%) of the Loan amount available for withdrawal upon such extension. The Borrower elects to pay the fee from its own resources, the Borrower shall pay such fee not later than sixty (60) days after the date of the notice given by the Bank to the Borrower confirming the extension of the Closing Date.
- 2.04. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.05. The Borrower elects to apply the Automatic Rate Fixing Conversion to the Loan. Accordingly, without limitation upon the provisions of Article IV of the General Conditions and unless otherwise notified by the Borrower to the Bank in accordance with the provisions of the Conversion Guidelines, the interest rate basis applicable to the aggregate principal amount of the Loan withdrawn during each Interest Period shall be converted from the initial Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread for the full maturity of such amount in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

- 2.06. The Payment Dates are January 1 and July 1 in each year.
- 2.07. (a) Except as otherwise provided in paragraph (b) of this Section, the principal amount of the Loan shall be repaid in accordance with Section 3.03 of the General Conditions and Schedule 2 to this Agreement.
- (b) The Borrower may at the time of requesting a Withdrawal also request repayment provisions different from those set out in Schedule 2 to this Agreement for such Withdrawal, provided that: (i) the average maturity of such Withdrawal does not exceed 20 years from the Withdrawal Date and the final maturity of such Withdrawal does not exceed 35 years from the Withdrawal Date (or such other average maturity and/or final maturity as may be generally applicable to loans made by the Bank to the Borrower at the time of such agreement); and (ii) such repayment provisions have been agreed between the Borrower and the Bank prior to the Withdrawal Date of such Withdrawal.
- 2.08. At any time prior to the Closing Date, the Borrower may, by notice to the Bank, refund any amount of the Withdrawn Loan Balance for the purpose of re-crediting such amount to the Loan Account for further withdrawals. Upon such refund, the repayment schedule shall be adjusted on a *pro rata* basis, on terms and conditions acceptable to the Bank.
- 2.09. If, prior to the Closing Date, the Borrower requests an extension of the Closing Date, the Bank may provide such extension on such terms and conditions as agreed by the Bank.
- 2.10. Without limitation upon the provisions of Section 5.05 of the General Conditions, the Borrower shall promptly furnish to the Bank such information relating to the provisions of this Article II as the Bank may, from time to time, reasonably request.

### ARTICLE III — PROGRAM

- 3.01. The Borrower declares its commitment to the Program and its implementation. To this end, and further to Section 5.05 of the General Conditions:
- (a) the Borrower and the Bank shall from time to time, at the request of either party, exchange views on the Borrower's macroeconomic policy framework and the progress achieved in carrying out the Program;
- (b) prior to each such exchange of views, the Borrower shall furnish to the Bank for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Bank shall reasonably request; and
- (c) without limitation upon paragraph (a) and (b) of this Section, the Borrower shall promptly inform the Bank of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I of Schedule 1 to this Agreement.

#### ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Events of Suspension consists of the following, namely that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.
- 4.02. The Additional Events of Acceleration consists of the following, namely that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Bank to the Borrower.

#### ARTICLE V— EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following, namely that the Bank is satisfied with the progress achieved by the Borrower in carrying out the Program and with the adequacy of the Borrower's macroeconomic policy framework.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

#### ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative is its Ministry of Economy and Finance.
- 6.02. For purposes of Section 10.01 of the General Conditions:

(a) The Borrower's address is:

Ministry of Economy and Finance  
Av. Amazonas y Pereira, Plataforma Financiera  
Quito, Ecuador; and

(b) The Borrower's Electronic Address is:

E-mail: [documentosmef@finanzas.gob.ec](mailto:documentosmef@finanzas.gob.ec)

- 6.03. For purposes of Section 10.01 of the General Conditions:

(a) the Bank's address is:

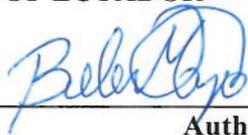
International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America; and

(b) the Bank's Electronic Address is:

Facsimile: 1-202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF ECUADOR

By   
Authorized Representative

Name: Saraiva Moya

Title: Ministra de Economía y Finanzas

Date: 12 marzo 2026.

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By   
Authorized Representative

Name: Susana Cordero Quina

Title: Regional Vice President

Date: March 12, 2026

## SCHEDULE 1

### Program Actions; Availability of Loan Proceeds

#### Section I. Actions under the Program

A. Actions Taken Under the Program. The actions taken by the Borrower under the Program include the following:

#### Pillar 1: **Enhancing Institutional Capacity for Resilience and Climate Adaptation**

1. To strengthen institutional capacity for resilience and climate adaptation, the Borrower has mandated: (i) the decentralization and integration of DRM at the local government level; and (ii) the SNGR to support local governments in the formulation and implementation of comprehensive risk management plans with gender-differentiated measures, as evidenced by the Borrower's Organic Law No. 488 published in the Official Gazette on January 30, 2024 and the Borrower's Regulation No. 394 dated September 18, 2024, published in the Official Gazette on September 18, 2024 (*Quinto Suplemento N° 646*).
2. To strengthen national health risk management capacity, the Borrower has adopted technical standards for SIVE mandating MSP to enhance the Borrower's epidemic surveillance system, as evidenced by the Borrower's Ministerial Agreement No. 00001-2025 dated August 19, 2025, published in the Official Gazette on August 21, 2025 (*Tercer Suplemento N° 107*).
3. To strengthen the Borrower's local governments' capacity for risk-informed territorial planning, the Borrower has: (i) adopted technical standards mandating the integration of climate and disaster risk considerations into local governments' updated PDOTs, as evidenced by the Borrower's Resolution No. 018-CTUGS-2024 dated November 12, 2024 and published in the Official Gazette on June 20, 2025 (*Tercer Suplemento N° 64*); and (ii) strengthened the complementarity and coordination between DRM and CCA within technical and public management instruments, as evidenced by the Borrower's Inter-Ministerial Agreement No. MAATE-SNGR-2025-001, dated June 26, 2025, published in the Official Gazette on July 21, 2025 (*Tercer Suplemento N° 85*).

#### Pillar 2: **Mainstreaming Resilience and Climate Adaptation in Selected Sectors**

4. To strengthen resilience in the energy sector, the Borrower has mandated MAE to prioritize the diversification of the energy matrix, promote renewable energy, and incentivize private sector participation in energy generation to achieve a sustainable and resilient energy transition, as evidenced by the Borrower's Organic Law (*Ley Orgánica para Impulsar la Iniciativa Privada en la Generación de Energías Calificada como Urgente en Materia Económica*) dated October 27, 2024, published in the Official Gazette on October 28, 2024 (*Octavo Suplemento N° 673*).
5. To enhance the climate resilience of the Amazon region the Borrower has: (i) adopted the management model for BCA, which strengthens the conservation and sustainable management of the Amazon region and mandates MAE to operationalize its

implementation; and (ii) formalized the Red APA, coordinating efforts to manage risks, including climate-related hazards, as evidenced by the Borrower's Ministerial Agreement No. MAATE-MAATE-2024-0069-A dated November 4, 2024, published in the Official Gazette on June 24, 2025 (*Suplemento N° 66*), and the Borrower's Ministerial Agreement No. MAATE-MAATE-2024-0068-A dated November 4, 2024, published in the Official Gazette on December 31, 2024 (*Cuarto Suplemento N° 714*).

**Section II. Availability of Loan Proceeds**

- A. **General.** The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of this Section and such additional instructions as the Bank may specify by notice to the Borrower.
- B. **Allocation of Loan Amounts.** The Loan is allocated in a single withdrawal tranche, from which the Borrower may make withdrawals of the Loan proceeds. The allocation of the amounts of the Loan to this end is set out in the table below:

Allocations	Amount of the Loan Allocated (expressed in USD)
(1) Single Withdrawal Tranche	100%
<b>TOTAL AMOUNT</b>	<b>200,000,000</b>

- C. **Payment of Fee Pursuant to Section 2.03 of Agreement.** If the Closing Date is extended pursuant to Section 2.09 of this Agreement and the Borrower elects to finance from its own resources the fee set forth in Section 2.03 of this Agreement, no withdrawal shall be made from the Loan Account until the Bank has received payment in full of such fee.
- D. **Withdrawal of Loan Proceeds.**
1. No withdrawal shall be made of the Single Withdrawal Tranche unless the Bank is satisfied, based on evidence satisfactory to it, that a Declaration of Disaster has been issued to respond to an imminent, progressive or occurring Disaster or Catastrophe.
  2. Notwithstanding the foregoing, if, at any time prior to the receipt by the Bank of a request for withdrawal of an amount of the Loan, the Bank determines that a review of the Borrower's progress in carrying out the Program is warranted, the Bank shall give notice to the Borrower to that effect. Upon the giving of such notice, no withdrawals shall be made of the Unwithdrawn Loan Balance unless and until the Bank has notified the Borrower of its satisfaction, after an exchange of views as described in paragraphs (a) and (b) of Section 3.01 of Article III of this Agreement, with the progress achieved by the Borrower in carrying out the Program.
  3. No withdrawal shall be made of the Single Withdrawal Tranche unless the Bank is satisfied, based on evidence satisfactory to it, that the situation described in paragraph (c) of Section 3.01 of Article III of this Agreement has been resolved.

**E. Deposit of Loan Amounts.**

1. The Borrower, within thirty (30) days after the withdrawal of the Loan from the Loan Account, shall report to the Bank: (a) the exact sum received into the account referred to in Section 2.03 (a) of the General Conditions; (b) the details of the account to which the Loan proceeds will be credited; (c) the record that an equivalent amount has been accounted for in the Borrower's budget management systems; and (d) the statement of receipts and disbursement of the account referred to in Section 2.03 (a) of the General Conditions.

**F. Closing Date.** The Closing Date is December 31, 2028.

## SCHEDULE 2

### Disbursement-Linked Amortization Repayment Schedule – Level Repayment

1. Subject to the provisions of Section 2.08 of this Agreement, the Borrower shall repay each Disbursed Amount in semiannual installments payable on each January 1 and July 1, the first installment to be payable on the twenty-first (21<sup>st</sup>) Payment Date following the Maturity Fixing Date for the Disbursed Amount and the last installment to be payable on the fifty-eighth (58<sup>th</sup>) Payment Date following the Maturity Fixing Date for the Disbursed Amount. Each installment except for the last one shall be equal to one-thirty-eighth ( $1/38$ ) of the Disbursed Amount. The last installment shall be equal to the remaining outstanding amount of the Disbursed Amount.
2. The Bank shall notify the Loan Parties of the amortization schedule for each Disbursed Amount promptly after the Maturity Fixing Date for the Disbursed Amount.

## APPENDIX

### Section I. Definitions

1. "BCA" means *Biocorredor Amazónico*, the Borrower's Amazonian Biocorredor, as established and operating under the Borrower's Executive Decree dated September 5, 2023, published in the Official Gazette on September 12, 2023 (*Tercer Suplemento N° 394*).
2. "CCA" means Climate Change Adaptation.
3. "Declaration of Disaster" means *Declaratoria de Desastre o Catástrofe dada por el nivel nacional* as defined in Article 65 paragraphs 2 and 4 of the Borrower's Organic Law for the Comprehensive Disaster Risk Management as published in the Borrower's Official Gazette (*Registro Oficial*) No. 488 dated January 30, 2024, and related regulations and manuals, as declared by the National Secretary for Risk Management (*Secretario Nacional de Gestión de Riesgos*) and published in the Official Gazette (*Registro Oficial*) through a Resolution of said Secretariat for Risk Management, or any governing body thereto acceptable to the Bank.
4. "Disaster or Catastrophe" means an imminent, progressive or occurring shock caused by one or more adverse natural or public health related events, including: (a) disasters of natural origin caused by geological phenomena (such as earthquakes, volcanic eruptions, tsunamis, and landslides) or hydrometeorological phenomena (such as floods, droughts, forest fires, tropical cyclones, landslides, and other events related to the El Niño or La Niña phenomena); and (b) public health emergencies, such as those caused by epidemics or pandemics, excluding any event that is political, technological, military, fiscal or security-related.
5. "DRM" means Disaster Risk Management.
6. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for IBRD Financing, Development Policy Financing", dated December 14, 2018 (Last revised on July 1, 2025), with the modifications set forth in Section II of this Appendix.
7. "MAE" means *Ministerio de Ambiente y Energía*, the Borrower's Ministry of Environment and Energy, or any successor thereto acceptable to the Bank.
8. "MSP" means *Ministerio de Salud Pública*, the Borrower's Ministry of Public Health, or any successor thereto acceptable to the Bank.
9. "Official Gazette" means the *Registro Oficial, órgano de la República de Ecuador*, the official gazette of the Republic of Ecuador.
10. "PDOTs" means *Planes de Desarrollo y Ordenamiento Territorial*, the development and land use plans for the Borrower's local governments as established and operating under the Borrower's Organic Law (*Ley Orgánica de Ordenamiento Territorial, Uso y Gestión de*

*Suelo*) dated June 28, 2016, and published in the Borrower's Official Gazette on July 5, 2016.

11. "Program" means: the program of objectives, policies, and actions designed by the Borrower and set forth or referred to in the letter dated October 22, 2025 from the Borrower to the Bank declaring the Borrower's commitment to the execution of the Program, and requesting assistance from the Bank in support of the Program during its execution and comprising actions taken, including those set forth in Section I of Schedule 1 to this Agreement; and actions to be taken consistent with the Program's objectives.
12. "Red APA" means the Borrower's Amazonian Protected Areas Network, as established and operating under the Borrower's Ministerial Agreement No. MAATE-MAATE-2024-0069-A dated November 4, 2024, published in the Official Gazette on June 24, 2025 (*Suplemento N° 66*), and the Borrower's Ministerial Agreement No. MAATE-MAATE-2024-0068-A dated November 4, 2024, published in the Official Gazette on December 31, 2024 (*Cuarto Suplemento N° 714*).
13. "Signature Date" means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to "the date of the Loan Agreement" in the General Conditions.
14. "Single Withdrawal Tranche" means the amount of the Loan allocated to the category entitled "Single Withdrawal Tranche" in the table set forth in Part B of Section II of Schedule I to this Agreement.
15. "SIVE" means *Sistema Integral de Vigilancia Epidemiológica*, the Borrower's Comprehensive National Epidemiological Surveillance System, as established and operating under the Borrower's Technical Norm issued by MSP on December 11, 2012.
16. "SNGR" means *Secretaría Nacional de Gestión de Riesgos*, the Borrower's National Secretariat for Risk Management, under the Borrower's President of the Republic, as established and operating under the Borrower's Executive Decree No. 103 dated October 20, 2009, published in the Official Gazette (No. 58) on October 30, 2009.

## **Section II. Modifications to the General Conditions**

The General Conditions are hereby modified as follows:

1. In the paragraph numbered 100 of the Appendix, the term "Variable Spread", is modified to read as follows:  
  
"100. "Variable Spread" means, for each Withdrawal and each Interest Period: (a) (1) the Bank's standard lending spread for Loan established by the Bank in accordance with its policies in effect at 12:01 a.m. Washington, D.C. time, on the Withdrawal Date (including the maturity premium, if applicable); (2) plus or minus the weighted average margin to the Reference Rate for the relevant Interest Period, in respect of the Bank's outstanding borrowings or portions thereof allocated by it to fund loans that carry interest at a rate based on the Variable Spread; as reasonably determined by the Bank, expressed

as a percentage per annum and as periodically published by the Bank; and (b) in case of Conversions, the variable spread, as applicable, as determined by the Bank in accordance with Conversion Guidelines and notified to the Borrower pursuant to Section 4.01 (c). In the case of a Loan denominated in more than one Currency, "Variable Spread" applies separately to each of such Currencies."

2. The following definitions of the terms "Withdrawal" and "Withdrawal Date" are inserted as new paragraphs 101 and 102, respectively, and the remaining definitions and paragraphs (as the case may be) renumbered accordingly:

"101. "Withdrawal" means each amount of the Loan withdrawn by the Borrower from the Loan Account pursuant to Section 2.01."

"102. "Withdrawal Date" means, for each Withdrawal, the date on which the Bank pays the Withdrawal."