

April 3, 2020

His Excellency
Mr. Richard Martínez Alvarado
Minister of Economy and Finance
Ministry of Economy and Finance
Quito, Ecuador

Re: ECUADOR: Risk Mitigation and Emergency Recovery Project - IBRD Loan 8591-EC
Additional Instructions: AMENDED Disbursement Letter

Excellency,

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (the “Bank”) and the Republic of Ecuador (the “Borrower”) for the above-referenced project, dated April 22, 2016. The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 8591-EC (“Loan”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

This letter is the Second Amendment of the Disbursement Letter dated April 22, 2016 and amended on March 16, 2017 for the above referenced Project. This letter reinstates Section III, paragraph (i), to: (a) update the *Three-month forecast of Expenditures* required when requesting Advances to the Designated Account; and (b) include a *Customized Report* to document the cash transfers financed under Category 2. All other provisions and attachments of the Disbursement Letter dated April 22, 2016, except as amended, shall remain in force and effect.

The *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006, (“Disbursement Guidelines”), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Loan is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

(i) *Disbursement Methods (section 2).* The following Disbursement Methods may be used under the Loan:

- Reimbursement
- Advances
- Direct Payments

(ii) *Disbursement Deadline Date (subsection 3.7).* The Disbursement Deadline Date is four (4) months after the Closing Date specified in the Loan Agreement. Any changes to this date will be notified by the Bank.

(iii) *Disbursement Conditions (subsection 3.8).* Please refer to the Disbursement Condition(s) specified in of the Loan Agreement.

II. Withdrawal of Loan Proceeds

(i) Authorized Signatures (subsection 3.1). A letter should be furnished to the Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank
1818 H Street, NW
Washington D.C., 20433, USA
Attention: Mrs. Marianne Fay, Country Director

(ii) Applications (subsections 3.2 - 3.3). Please provide completed Applications for withdrawal, together with supporting documents, through the World Bank's Client Connection, web-based portal, following the instructions for electronic delivery. In the case the Borrower does not have internet access, the World Bank may permit the delivery of Applications for withdrawal, together with supporting documents, in accordance with subsection 3.3, to the following address:

Banco Mundial
SCN, Quadra 02, Lote A
Edifício Corporate Financial Center
7º andar
70712-900 Brasília, D.F., Brazil
Attention: Loan Operations

(iii) Electronic Delivery (subsection 3.4). The Bank may permit the Borrower to electronically deliver to the Bank Applications (with supporting documents) through the Bank's Client Connection, web-based portal. The option to deliver Applications to the Bank by electronic means may be effected if: (a) the Borrower has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification credentials ("SIDC") from the Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Borrower have registered as users of Client Connection. If the Bank agrees, the Bank will provide the Borrower with SIDC for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (<https://clientconnection.worldbank.org>). The Borrower may continue to exercise the option of preparing and delivering Applications in paper form. The Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower.

(iv) Terms and Conditions of Use of SIDC to Process Applications. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Borrower confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation ("Terms and Conditions of Use of Secure Identification Credentials"); and (b) to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications is US\$ 500,000 for Direct Payments and Reimbursements.

(vi) Advances (sections 5 and 6) to Ministry of Finance - MoF

- **Type of Designated Account (subsection 5.3):** Segregated

- ***Currency of Designated Account (subsection 5.4):*** United States Dollars (USD)
- ***Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):***
Central Bank of Ecuador
- ***Ceiling (subsection 6.1):*** Variable ceiling, based on a three-month forecast of expenditures

III. Reporting on Use of Loan Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each application for withdrawal as set out below:

- ***For requests for Reimbursement, Advances and for reporting eligible expenditures paid from the Designated Account:***
 - Three-month forecast in the format provided in Attachment 1, applicable when requesting an advance;
 - Customized Report in the format provided in Attachment 2, for cash transfers financed under Category 2;
 - Statement of Expenditures for all expenditures; and
 - A reconciliation of the Designated Account with a copy of the bank statement, applicable only when reporting eligible expenditures paid from the Designated Account.
- ***For requests for Direct Payment:*** Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices).

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): Quarterly or more often as required.

IV. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank's website (<http://www.worldbank.org/>) and "Client Connection". The Bank recommends that you register as a user of "Client Connection". From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, or if you have any queries in relation to the above, please contact the World Bank by email at AskLoans@WorldBank.org using the above reference.

Sincerely,

Virginia Hormazabal

Maria Virginia Hormazabal
Finance Officer
World Bank Loan Operations

Attachments

1. Three-month forecast of Expenditures
2. Customized Report for Cash Transfers

Attachment 1

PROYECTO MITIGACION DEL RIESGO Y RESPUESTA ANTE EMERGENCIAS (BIRF 8591)
PROYECCION DE GASTOS
(En U.S Dolares)

COMPONENTES	CATEG. DE DESEMBOLSO	Mes 1	Mes 2	Mes 3	PROYECCIÓN DEL TRIMESTRE
		BM	BM	BM	
Componente 1					
Bienes					0.00
Obras					0.00
Consultoría - Fiscalización					0.00
Servicios de no-consultoría					0.00
Talleres					0.00
Subtotal		0.00	0.00	0.00	0.00
Componente 2					
Gastos para la emergencia					0.00
Transferencias					0.00
Subtotal		0.00	0.00	0.00	0.00
Componente 3					
Bienes					0.00
Consultorías					0.00
Servicios de no-consultoría					0.00
Talleres					0.00
Subtotal		0.00	0.00	0.00	0.00
TOTAL		0.00	0.00	0.00	0.00
(-) Programación de pagos a través de Pagos Directos (financ. Préstamo)					0.00
PROGRAMACION DE PAGOS A TRAVES DE AVANCES A LA CUENTA DESIGNADA					0.00
(A) (-) Saldo de Efectivo Disponible en Cuenta Designada a la fecha del requerimiento					0.00
Desembolso requerido para el próximo período					0.00

NOTAS Y RECOMENDACIONES:

(A) Corresponde al saldo de efectivo disponible en la Cuenta Designada. Incluir la conciliación de Avances a la Cuenta Designada y el Estado Bancario respectivo.

(B) Recuerde que la proyección de gastos, debe incluir los requerimiento de efectivo, es decir pagos efectivos previstos. Además debe corresponder a contratos adjudicados y en ejecución.

(C) Esta información debe tomar en cuenta el Plan Operativo del Proyecto (POA) y el Plan de Adquisiciones

Attachment 2

PROYECTO MITIGACION DEL RIESGO Y RESPUESTA ANTE EMERGENCIAS (BIRF 8591)
REPORTE MENSUAL PARA DOCUMENTAR TRANSFERENCIAS A BENEFICIARIOS DEL BONO COVID
(En U.S Dolares)

Préstamo No.

Transferencias efectuadas durante ó periodo de:

Categoría No:

CONCENTRADOR	C1	C2	C3	C4
	NUMERO DE USUARIOS- BENEFICIARIOS	MONTO DE BONO	MONTO DE COMISIÓN MÁS IVA	MONTO TOTAL
		\$60.00	\$0.39	
		C1*C2	C1*C3	C2+C3
Pacifico		0.00	0.00	0.00
Banco Desarrollo de los Pueblo S.A.		0.00	0.00	0.00
BANRED		0.00	0.00	0.00
Representaciones Ordoñez y Negrete REPORNE S.A.		0.00	0.00	0.00
Exsersa		0.00	0.00	0.00
Financoop		0.00	0.00	0.00
Red Transaccional Cooperativa S.A		0.00	0.00	0.00
TOTAL DE USUARIOS	0	TOTAL DE DESEM BOLSO		0.00

Nota: A este reporte se adjuntarán los reportes diarios de pagos a usuarios de las transferencias monetarias preparado por MIES.