Co-Financing Agreement
(Sustainable Family Farming Modernization Project)

between

SECRETARÍA DE ESTADO DE COOPERACIÓN INTERNACIONAL Y PARA IBEROAMÉRICA (SECIPI) and INSTITUTO DE CRÉDITO OFICIAL acting as the financial agent of FONDO PARA LA PROMOCIÓN DEL DESARROLLO (FONPRODE), on behalf of the GOVERNMENT OF SPAIN

and the

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated May 31, 2016
CO-FINACING AGREEMENT

AGREEMENT dated the 31 day of May 2016 between SECRETARÍA DE ESTADO DE COOPERACIÓN INTERNACIONAL Y PARA IBEROAMÉRICA (SECIPI) and INSTITUTO DE CRÉDITO OFICIAL acting as the financial agent of FONPRODE, on behalf of the Government of Spain, jointly considered (the “Co-Financier”) and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the “Bank”) (jointly referred to as “the Parties”).

Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in Annex A of this Agreement.

WHEREAS:

(A) The Republic of Ecuador (hereinafter referred to as the “Borrower”) has requested that the Bank and the Co-finanier provide financing for a project to enhance incomes of small and medium sized farm households by supporting more productive and climate-smart uses for land and water;

(B) In response to the Borrower’s request, the Bank intends to enter into a Loan Agreement with the Borrower (hereinafter referred to as the “Bank Loan Agreement”) under which the Bank shall agree to provide the Borrower, on the terms and conditions set forth or referred to therein, a loan in an amount of eighty million Dollars ($80,000,000) to finance part of the activities and costs of the project, as shall be defined in Schedule I of the Bank Loan Agreement (hereinafter referred to as the “Project”);

(C) In response to the Borrower’s request, the Co-financier intends to enter into a Credit Agreement (Convenio de Crédito) with the Borrower (hereinafter referred to as the “Co-financier Agreement”) under which the Co-financier shall agree to provide the Borrower, on the terms and conditions therein set forth or referred to therein, a credit in the amount twenty million Dollars ($20,000,000) to co-finance part of the activities and costs of Part 1 and 3 of the Project, whereby each Party finances different contracts and/or expenditures with respect to the Project;

(D) The Bank Loan Agreement and the Co-financier Agreement are hereinafter referred to collectively as the “Financing Agreements” and individually as “Financing Agreement”;

(E) The Co-financier and the Bank consider it desirable to coordinate the administration of their respective financings (collectively the “Parties’ Financings”) for the activities and costs related to the Project and advise each other of relevant matters concerning the Project, the Borrower’s performance under the Project, and other matters of common interest;
The Bank has agreed to provide services described in this Agreement, related to the contracts and/or expenditures financed by the Co-financer; and

The participation of ICO as financial agent of FONPRODE with respect to this Agreement will be limited to the obligations derived from Articles 1.01 (a) (i) and (v), 1.01 (e), 1.03, 1.04, 1.05, 4, 6, 8, 9, 10, 11, 12.01, 12.02 and 12.03 of this Agreement.

NOW THEREFORE, the Parties hereby agree as follows:

ARTICLE I

Cooperation; Consultation; Reporting and Exchange of Information

Section 1.01 Each Party shall, in conformity with and subject to its respective policies and practices with respect to access to information:

(a) keep the other Party informed of the progress of the Project and, at the request of either party, exchange views through their representatives with regard to the Project and any other matters relating to the Parties' Financings, including but not limited to:

(i) the financial condition and economy of the Borrower;

(ii) the progress achieved by the Borrower in the implementation of the Project;

(iii) fiduciary, safeguards and other relevant administration and supervision matters related to the implementation and financing of the Project;

(iv) information related to the procurement processes to be carried out in accordance with Section 3.01 of this Agreement; and

(v) information related to corruption, fraud or other misconduct as described in Article 4 of this Agreement.

(b) inform the other Party sufficiently in advance of any proposed supervision missions for the Project so as to afford a reasonable opportunity to the other party to participate in such missions. The Party conducting such mission shall inform the other Party of the main findings and results of such mission;

(c) share with each other: (i) Project documentation prepared and sent by the Borrower pursuant to the Financing Agreements, including any manuals, the procurement plan and any other document related to the procurement process, the periodic project reports and the final reports on the execution of the Project with related plans; (ii) the aide-memoire or any other document prepared after supervision missions conducted under sub-paragraph (b) above; and (iii) any other
periodic reports prepared by each Party with respect to the Project under their respective policies and procedures;

(d) exchange views with respect to the documents shared under sub-paragraph (c); and

(e) promptly inform the other Party of any of the following events:

(i) any event which a Party becomes aware of and which, in the opinion of such Party, is likely to materially interfere with, or seriously hinder or impair, the implementation of the Project, or to adversely and materially interfere with the performance by the Borrower of its obligations under the respective Party’s Financing Agreement;

(ii) a determination by such Party that any disbursement of the financing provided pursuant to its Financing Agreement: (A) was made in respect of any expenditure or any amount not eligible for financing under such Financing Agreement; or (B) was not justified by the evidence furnished pursuant to such Financing Agreement; and

(iii) any notice given by the Borrower to prepay the whole or any part of the financing disbursed pursuant to the Financing Agreement to which such Party is a party and any amount thereof actually prepaid.

Section 1.02 The Parties shall meet at least twice a year during Supervision missions to discuss advances in Project implementation and to exchange views with respect to the documents shared under this Section. The Parties shall prepare and sign minutes of said meetings reflecting the subjects discussed and agreements reached.

Section 1.03 The Parties shall inform each other promptly of any significant modification to their respective Financing Agreements with the Borrower and of any contractual remedy that is applied in respect thereof. Without prejudice to the independent right of decision and action of each Party under its respective Financing Agreement, and subject to each Party’s applicable policies and procedures, each Party will give notice to, and to the extent reasonably practicable consult with, the other Party before effecting any such modification or exercising any such contractual remedy. Such modifications or contractual remedies include, but are not limited to, the following:

(a) material amendment to the respective Financing Agreement with the Borrower or any action which might result in the termination of such Financing Agreement;

(b) cancellation, in whole or in part, of the proceeds of the financing provided for under the respective Financing Agreement with the Borrower;

(c) suspension or termination, in whole or in part, of the right of the Borrower to make withdrawals under the respective Financing Agreement;
(d) refund, in whole or in part, of the proceeds of the financing provided under the respective Financing Agreement;

(e) acceleration of the maturity of the financing provided under the respective Financing Agreement; or

(f) extension to the disbursement deadline (closing date) under the respective Financing Agreement.

Section 1.04. The Financing Agreements to be concluded in connection with the Project may include cross-default clauses and cross-effectiveness provisions. Each Party shall use its best efforts to expedite the timely effectiveness of their respective Financing Agreement with the Borrower.

Section 1.05. Each Party shall retain its independent right of action and decision under its respective Financing Agreement with the Borrower except as otherwise stated in this Agreement.

Section 1.06. In the event of any major restructuring or other significant changes to the Project, the Parties will discuss the potential implications that such changes may have for the co-financing arrangements set forth in this Agreement, including the services provided and fees charged by the Bank pursuant to this Agreement.

ARTICLE 2

Project Implementation

Section 2.01. The supervision of the Project shall be done in accordance with the Bank's policies and procedures, as detailed in this Agreement.

Section 2.02. The Borrower shall be responsible for the execution of the Project co-financed under this Agreement, including the procurement/selection, award and implementation of contracts thereunder in accordance with the Bank's applicable policies and procedures.

ARTICLE 3

Procurement Administration

Section 3.01. Unless otherwise stipulated in this Agreement or agreed between the Co-financers:

(a) the procurement of goods, works and non-consulting services under the Project shall be subject to the provisions of the applicable version of the Bank's "Guidelines: Procurement of
Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" ("Procurement Guidelines");

(b) the selection, engagement and services of the consultants under the Project shall be subject to the provisions of the applicable version of the Bank's "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" ("Consultant Guidelines"); and

(c) the Bank's interpretation of the Procurement Guidelines and Consultant Guidelines shall be binding and final on all procurement decisions to be taken under the Procurement Guidelines or the Consultant Guidelines.

Section 3.02. The application of the Procurement Guidelines and the Consultant Guidelines shall be subject to the following modifications with respect to contracts financed by the Co-financier:

(a) application of appropriate remedies by the Co-financier in cases where the Bank determines that the applicable procurement procedures have not been followed, shall be carried out in accordance with the provisions of Section 3.05 of this Agreement; and

(b) handling of complaints, allegations and/or indication related to fraud, corruption and any other misconduct shall be carried out in accordance with the provisions of Section 4.01 of this Agreement.

Section 3.03. To the extent relevant to the contracts financed by the Co-financier, the modifications to the national competitive bidding procedures for purposes of National Competitive Bidding, ceilings for short lists comprising entirely national firms, applicability of domestic preference, and prior review thresholds shall be determined by the Bank in accordance with the requirements and thresholds that the Bank agrees for the Borrower under the Bank Loan Agreement.

Section 3.04. When the use of the Bank's Standard Bidding Documents (SBDs) and Standard Requests for Proposals (SRPs) is required by the Procurement Guidelines and the Consultant Guidelines, respectively, the bidding documents and/or requests for proposals prepared by the Borrower for a specific procurement will be modified, to reflect the Co-financier's role as a co-financier.

Section 3.05. Upon notification by the Bank to the Co-financier of a determination that the applicable procurement procedures have not been followed in relation to a contract financed by the Co-financier, the Co-financier will decide its appropriate remedy in accordance with its own policies and procedures.
ARTICLE 4

Fraud, Corruption or any other Misconduct

Section 4.01. In accordance with their respective legal and policy frameworks, the Parties are firmly committed to fighting against any fraud, corruption or other misconduct that may occur in connection with any project and they will consequently cooperate on such matters. The following provisions are not intended, however, to supersede or modify, or create any obligation contrary to, the legal and policy framework of either Party.

Section 4.02. (a) The Parties are only responsible for addressing any allegations or indications of fraud, corruption or any other misconduct that may come to their attention with respect to activities financed by them under a Project, in accordance with their respective legal and policy frameworks unless after consultation with the other Party, it is agreed that the other Party address that particular allegation or indication.

(b) The Bank will have the right to sanction any individual or entity other than a Bank member country in accordance with its prevailing sanctions policies and procedures, if at any time the Bank determines that such individual or entity has engaged in fraud and corruption in connection with the Bank’s financing.

(c) The Parties will ensure that any person or entity debarred or suspended by the Bank is not awarded a contract under or otherwise allowed to participate in a Project during the period of such debarment or suspension.

Section 4.03. Any allegation/indication of corruption, fraud or other misconduct against a Party’s staff (including staff holding consultant appointments) under this Agreement shall be handled by the Party to which the staff belongs, in accordance with that Party’s staff regulations, rules, procedures and administrative instructions. Each Party remains solely responsible to investigate any allegation/indication of corruption, fraud or other misconduct relating to one of its staff. In the event that an allegation/indication implicates staff members of both Parties, the Parties will coordinate and cooperate to the extent permissible by the Parties’ respective staff regulations, rules, procedures and administrative instructions.

Section 4.04. Notwithstanding the treatment that each Party intends to give to any allegation or indication of fraud, corruption and any other misconduct under Section 4.02 above, the Parties agree to consult, cooperate and exchange information in a manner consistent with their respective legal or policy frameworks. The Parties recognize the importance of close communication concerning the activities co-financed to the objectives of effective supervision, detection and prevention of fraud and corruption in connection with Projects. The Parties agree to exercise their best efforts to consult and provide each other with the fullest cooperation permissible under the laws, policies, procedures and other requirements that govern their respective activities. In particular, for the avoidance of doubt, the Parties are under no obligation whatsoever to provide information or assistance when an investigation by the judicial authorities is under way unless otherwise permitted by any competent authority.
ARTICLE 5

Financial Management

Section 5.01. Each Party shall require the Borrower, in its respective Financing Agreement, to:

(a) include in the audited financial statements for the Project expenditures funded by both Co-financeirs together with funds of any other financiers; and

(b) ensure that an opinion on the usage of all project funds is presented in the audit report.

Section 5.02. Each Party shall require the Borrower, in its respective Financing Agreement, to carry out the Project in accordance with the Bank’s financial management policies and procedures.

Section 5.03. The Bank shall review the periodic interim un-audited financial reports and the annual audited financial statements provided by the Borrower pursuant to each Party’s Financing agreement, and shall transmit them to the Co-financeir with a cover letter including any Bank’s comments on the same. The Bank shall follow up on the implementation and pursuance of the audit’s recommendations.

ARTICLE 6

Method of Financing: Disbursement Administration

Section 6.01. It is the intention of each Party that the proceeds of the Co-financeirs’ Financings will be applied on a parallel co-financing basis to finance separate contracts/expenditures under Parts 1 and 3 of the Projects specified in the respective Financing Agreement.

Section 6.02. The Co-financeir authorizes the Bank to issue a Disbursement Letter that consists of a document with additional instructions to the Borrower on disbursement in accordance with the respective Financing Agreement, including authorized signatures, access to the Bank’s Client Connection for electronic submission, and other disbursement arrangements. The Co-financeir will be consulted regarding the information included in the disbursement letter for which the Co-financeir is concerned, such as, but not limited to, the name of the person(s) authorized to deliver any notices as needed and the arrangements by which the Borrower transmits any required document to the Co-financeir.

Section 6.03. With respect to Co-financeir-financed expenditures under the Project:

(a) the Borrower, through MAGAP, shall be required under the Co-financeir’s Financing Agreement to submit a Withdrawal Application (WA) and copies of supporting documents to the Co-financeir in accordance with the terms and conditions contained in the Co-financeir’s Financing Agreement, and an electronic WA to the Bank through the Bank’s Client Connection following procedures defined in the disbursement letter issued by the Bank on behalf of the Co-financeir.
(b) the Bank shall review each WA submitted by the Borrower in accordance with its applicable policies and procedures to verify that the amount requested by the Borrower is in accordance with the procurement plan for the Project and the disbursement schedules in the respective Financing Agreements, and advise in written through a Secure Email to the Co-financier (through the Drawdown Order as per the form attached in Annex B to this Agreement and by such means as will be agreed by the Parties) to make the payments to the Borrower requested in such WAs, subject to approval by the Co-financier;

(c) upon receipt of the Drawdown Order and supporting documents, the Co-financier shall determine the amount of funds to be disbursed by it to the Borrower in accordance with the provisions of the Co-financier Agreement, and notify the Bank of its actions within maximum of forty (40) calendar days; and

(d) if the Co-financier does not approve the payment requested in the WA for the reasons covered under Section 6.03 (c), it shall promptly inform the Bank and the Borrower in writing of its decision and the basis for such decision. The Co-financiers will then consult on the appropriate course of action.

ARTICLE 7

Environmental and Social Safeguards

Section 7.01. During Project preparation and implementation, the Bank shall conduct due diligence, review documents and appraise and supervise Project activities in accordance with the Bank’s safeguard policies. The Co-financier shall conduct due diligence, review documents and appraise and supervise other activities that are not required by the Bank’s safeguard policies but may be required by the Co-financier.

Section 7.02. For the purposes of the Co-financier-financed parts of the Project, the Co-financiers agree that a single process for social and environmental assessment and planning, safeguard documentation, consultation, and disclosure requirements shall be conducted by the Bank to satisfy both the Bank’s safeguard policies and the safeguard requirements of the Co-financier.

ARTICLE 8

Provision of Services and Fees

Section 8.01. The Bank accepts to provide the services described in Articles 2, 3, 5, 6, and 7 of this Agreement, in accordance with its relevant policies and procedures and as specifically set forth in this Agreement. When requested, and subject to its policy on access to information, the Bank will make available to the Co-financier all documents, contracts, statements and reports received by the Bank from the Borrower in accordance with the Financing Agreements, and within the scope of the Bank’s services set forth herein.
Section 8.02. SECIP, through ICO, shall pay the Bank a fee of five hundred thousand Dollars (USD 500,000) for the services to be performed by the Bank pursuant to this Agreement. Such fee shall be paid in five (5) annual instalments of one hundred thousand Dollars (USD 100,000) each.

Section 8.03. All payments to the Bank shall be made when due in full, upon presentation of the corresponding invoice, in United States Dollars, in immediately available funds, without any deductions whatsoever for taxes, duties, charges or other withholdings, into such bank account as the Bank may designate. The first instalment will be paid no later than two (2) months after effectiveness of the Credit Agreement between the Co-financier and the Republic of Ecuador. The second and following annual instalments will be paid upon submission of the deliverables listed in Annex E or at any date mutually agreed by both parties.

ARTICLE 9

Disclaimers and Liabilities

Section 9.01. The Bank makes no express or implied representation or warranty as to the accuracy, completeness or sufficiency of any reports, documents, analyses, memoranda or prospectuses, including any projections or estimates contained therein, prepared, under this Agreement, by or with the assistance of Bank's staff (including staff holding consultant appointments ("Bank Personnel"), nor as to the extent of success that may be achieved in the implementation of any recommendation contained therein, or in the implementation of the Project.

Section 9.02. Without limitation to the immunities and privileges of the Bank under its Articles of Agreement and other applicable rules of international law, the Bank shall not be liable to the Co-financier or other third party for any loss, cost, damage or liability that the Co-financier shall incur as a result of this Agreement, except those resulting from the gross negligence or willful misconduct of the Bank or Bank Personnel. Notwithstanding anything herein, the Bank's liability, if any, to the Co-financier under this Agreement shall not extend to any indirect damage, loss of profit or loss of opportunity, nor shall exceed the amount of the professional fees received by the Bank for its account under this Agreement.

Section 9.03. The Parties acknowledge and agree that it is not the purpose of this Agreement to create a partnership, joint venture or similar arrangement whereby the Parties could be held jointly liable vis-a-vis third Parties or for any other purposes. Nothing herein shall constitute a commitment by the Bank to provide financing to the Co-financier in respect of the Project or otherwise.
ARTICLE 10

Privileges and Immunities

Section 10.01. The Co-financier recognizes and shall take all reasonable steps to give effect to the status, immunities and privileges of the Bank and its personnel set forth in the Bank's Articles of Agreement and other applicable rules of law. The Parties acknowledge and agree that no provision of this Agreement in any way constitutes or implies a waiver, renunciation, termination, or modification by the Bank of any privilege, immunity or exemption of the Bank granted in the Bank's Articles of Agreement and other applicable rules of law. This includes, inter alia, the immunity of the Bank, its assets, income and its operations and transactions, from all taxation and customs duties.

ARTICLE 11

Entry into Force and Effect; Termination; Dispute Resolution

Section 11.01. Upon signature of this Agreement by both Parties, it shall enter into force and effect on the later of (a) the date on which the Bank Loan Agreement becomes effective in accordance with its terms; or (b) the Co-financier Agreement becomes effective in accordance with its terms.

Section 11.02. This Agreement shall remain in full force and effect until ninety (90) days after the date on which both Parties' Financing Agreements with the Borrower shall have closed with no further disbursements.

Section 11.03. This Agreement may be modified from time to time by further agreement in writing between the Parties. This Agreement may be terminated at any time upon ninety (90) days advance notice given in writing by either party to the other party. Before giving such notice, the Parties will agree on the most practical and effective means of limiting the impact of such termination on the implementation of the Project and on the payment of the fees referred to in Section 8.02 of this Agreement.

Section 11.04. Notwithstanding termination or expiration of this Agreement, the provisions of this Agreement relating to (i) the obligations spelled out in Section 11.01 on Privileges and Immunities of this Annex; and (ii) the obligation of the Co-financier to pay to the Bank remuneration for the services performed prior to the date of termination or expiration of the Agreement, as well as reimbursement of any reasonable costs related to the termination of the Agreement by the Co-financier, shall continue in full force and effect.

Section 11.05. (a) The Parties hereto will endeavor in good faith to resolve any differences and disputes under, or in connection with, this Agreement by amicable settlement. Any dispute arising out of or in connection with this Agreement which is not settled by agreement of the Parties shall be finally settled by arbitration in accordance with the UNCITRAL Arbitration Rules in force on
the date of this Agreement. In the event of a conflict between the UNCITRAL Arbitration Rules and the terms of this Agreement, the terms of this Agreement shall govern.

(b) Neither the Co-financier nor the Bank shall be entitled in any proceeding under paragraph (a) of this Section to assert any claim that any provision of this Agreement is invalid or unenforceable because of any provision of the Bank's Articles of Agreement.

ARTICLE 12

Miscellaneous

Section 12.01. The rights and obligations of the Co-financier and the Bank under this Agreement shall be valid and enforceable in accordance with their terms notwithstanding the law of any state or political subdivision thereof to the contrary.

Section 12.02. The Bank shall, in its sole discretion, determine the composition of the Bank Personnel assigned to perform the services under this Agreement. The Co-financier may, if it has reasonable cause for dissatisfaction with the performance of any of the Bank Personnel, request the Bank to replace such person(s). For avoidance of doubt, it is agreed and understood that this Agreement does not create any employment or other contractual relationship between the Co-financier and Bank Personnel.

Section 12.03. This Agreement may be made publicly available subject to each Party's policies and procedures on access to information. The Co-financiers shall each respectively obtain the other's prior written consent before publicly disclosing information that the other has explicitly provided in confidence, by marking the document containing such information as proprietary and/or confidential and/or as being provided in confidence.

Section 12.04. Communications, including notices for the purposes of this Agreement shall be addressed to the following:

For the Bank:

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

Facsimile: (202) 477-1234
For the Co-financier:

SECIPI
Edificio Torres Ágora
c/ Serrano Galvache, 26
28071 Madrid
España

Telephone: +34 91 379 98 51
Facsimile: +34 91 394 89 31

And:

Instituto de Crédito Oficial
Paseo del Prado, 4
28014 Madrid
España

Telephone: +34 91 592 1691
Facsimile: +34 91 592 1700

With copy to:

Agencia Española de Cooperación Internacional para el Desarrollo
Departamento de la Oficina del FONPRODE y de Cooperación Financiera
Avda. Reyes Católicos 4,
28040 Madrid
España

Telephone: +34 91 583 84 22
Facsimile: +34 91 583 81 31
Email: FONPRODE.estados@aecid.es

And with copy to:

Oficina Técnica de Cooperación en Quito
Embajada de España en Ecuador
Avda. 6 de Diciembre N33-42 y Bossano
Edificio Titanium, Piso 10
Quito, Ecuador

Telephone: +593 2 333 3700
Email: otc@aecid.ec
IN WITNESS WHEREOF, the Parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names as of the day and year first above written.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: [Signature]
Authorized Representative

Name: ALBERTO RODRÍGUEZ
Title: COUNTRY DIRECTOR

SECRETARÍA DE ESTADO Y DE COOPERACIÓN INTERNACIONAL Y PARA IBEROAMÉRICA (SECIPI)

By: [Signature]
Authorized Representative

Name: JESÚS GRACIA
Title: SECRETARIO DE ESTADO

INSTITUTO DE CREDITO OFICIAL,
acting as the financial agent of FONPRODE,
on behalf of the Government of Spain

By: [Signature]
Authorized Representative

Name: EMMA NAVARRO
Title: CHAIRWOMAN
ANNEX A

Definitions


2. “Co-Financing Agreement” means the agreement to be entered between SECIPI and ICO, acting as the financial agent of FONPRODE, on behalf of the Government of Spain, for the purposes set forth in WHEREAS (E) of this Agreement.

3. “Cross-default clauses” means the clauses to be included in the Financing Agreements allowing each of the Co-Financers to suspend disbursements under their respective Financing Agreement if the Borrower defaults on the other Co-Financing Agreement.

4. “Cross-effectiveness provisions” means the clauses to be included in the Financing Agreements allowing each of the Co-Financiers to delay effectiveness of their Financial Agreement until all conditions precedent to the effectiveness of the other Financing Agreement have been met.

5. “Direct Costs” means the costs the Bank will incur during the supervision of the Project, comprising Bank’s salaries and benefits, Consultant’s fees, travel and other expenses, including printing, translation and dissemination expenses.

6. “Disbursement Letter” means the additional instructions, including the Bank’s Disbursement Guidelines for Projects, provided to the Borrower by the Bank specifying the particular disbursement arrangements for the Project.

7. “Disclosure” means to bring into view by uncovering, exposing or publishing it. In the context of this agreement means the publication of the required Safeguard Documents under the Project both in the Bank’s InfoShop and in country.

8. “Drawdown Order” means a notice from the Bank on the payment to be released to the Borrower by the co-financier, as set forth in Section 6.03(c) of this Agreement.


10. “Financing Agreement” means jointly the Bank’s Loan Agreement and SECIPI and ICO, acting as the financial agent of FONPRODE’s Financing Agreement.

11. “FONPRODE”, established pursuant Law 36/2010, of October 22, and its applicable regulations RD 597/2015, of July 3, is managed by the Ministry of Foreign Affairs and
Cooperation of the Kingdom of Spain, through SECIPI and the Agencia Española de Cooperación Internacional para el Desarrollo ("AECID").

12. “Implementation” means the period of Project execution starting on the Effective Date of the Financing Agreements and ending on the Closing Date of said Financial Agreements.

13. “Indirect Costs” means the additional indirect and overhead 50% costs the Bank will incur during supervision of the Project, and will include, inter alia: salaries of staff assigned to the Project, office rent and related expenses (utilities, maintenance, etc.), telecommunication and technology expenses, office supplies, etc.

14. “Joint co-financing” means the co-financing of a project, where the same contracts and/or expenditures are jointly financed by the Parties in agreed proportions, and the funds from both Parties may be pooled.

15. “Loan Agreement” means the agreement dated October 9, 2015 into between the Bank and the Republic of Ecuador for the purposes of financing the Sustainable Family Farming Modernization Project.

16. “Misconduct” means a transgression of some established and definite rule of action, a forbidden act, a dereliction from duty, unlawful behaviour, wilful in character, improper or wrong behaviour, misdemeanour, misbehaviour, delinquency, impropriety, mismanagement, offense, but not negligence or carelessness.

17. “No-objection” means the statement emanated from the Bank agreeing/approving with a propose course of action proposed by the Borrower.

18. “Parallel co-financing” means the co-financing of a project where the Parties finance different contracts and/or expenditures.

19. “Reporting” means financial reports prepared by the Borrower and presented to the Bank every six months or annually, in accordance with the stipulations of the Financing Agreement, reflecting the activities, the sources of financing and expenses of the Project.

20. “Review” means, the assessment carried out by the Bank during Project supervision, consisting on: (i) conformity with the application of the rules and procedures established in the Project’s Operational Manual; (ii) review of the content and quality of the studies carried out during the sub-project cycle under the Project; and (iii) the review set forth in Section 6.03(b) of this agreement pertaining to the review of each Withdrawal Application submitted by the Borrower.

21. “Supervision” means in-situ verification of the quality and conformity of the works carried out under the Project, required goods purchased and activities carried out by consultants under the Project.
22. “Withdrawal Application” means the format used by the Borrower to request the withdrawal of funds from the Project account and to document expenses paid out of the designated account for the Project, all in accordance with the stipulations of the Financing Agreement.
Dear Sir/Madam,

This is to confirm that the above withdrawal application has been approved by the World Bank on [date] and details of the disbursement to be made by [Name of the Co-financier] are included in the attachment.

Please proceed with funding the payment and confirm the value date, currency paid, amount paid and cost currency details so that we may update our records with the actual payment details.

Please contact [XXX] in case of any questions pertaining to this notice.

Sincerely,
Loan Department
The World Bank

Attachment - Details of Disbursements

001 ATTN: ____________________________
002 ____________________________
003 ____________________________
004 ____________________________
005 ____________________________
006 ____________________________
007 APPLICATION NO: ____________
009 [currency and amount in figures]
010 [amount in words]
011 PROJECT REFERENCE: ____________
012 [project name]
013 OUR TN: ____________
014 ON THE BASIS OF FOREGOING WE HEREBY NOTIFY YOU THE AMOUNT OF DISBURSEMENT TO BE MADE BY YOU:
017 [currency and amount in figures]
018 [amount in words]
020 PAY TO: [project name]
021 [address of Payee]
022 PAYEE ACCOUNT NO: ____________
024 PAYEE BANK NAME AND ADDRESS:
025 ____________________________
027 INTERMED BANK NAME AND ADDRESS: ____________
028 ____________________________
029 DA- C RECOVERY AMOUNT USD 0.00 ( ZERO )
030 WE HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING
REQUEST FOR DISBURSEMENT:

CATEGORY DETAILS (CATEGORY, AMOUNT)

TOTAL: [currency and amount in figures]

PAYMENT REFERENCE: COFN [xxxxxx]

FOR DISBURSEMENT DIVISION,

WORLD BANK.

NOTE: ALL THE DETAILS STATED ABOVE ARE AS PER THE CURRENT STATUS OF THE APPLICATION
### Cost Recovery Fees

**Annex C**
ANNEX D
IMPLEMENTATION STATUS AND RESULTS REPORT

Project

LATIN AMERICA AND CARIBBEAN | Ecuador | Agriculture and Rural Development Global Practice | Requesting Unit: LCC6C | Responsible Unit: GFADR
IBRD/IDA | FY XX | Team Leader(s): Remi Charles Andre Trier

1. STATUS & KEY DECISIONS

1.1 OBJECTIVE & RATINGS
Project Development Objectives

Project Development Objective (from Project Appraisal Document)

Disbursement Summary

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>Net Commitment</th>
<th>Total Disbursed</th>
<th>Remaining Balance</th>
<th>Disbursed</th>
<th>Disbursement Ratio %</th>
<th>Disbursement Delay Flag</th>
</tr>
</thead>
<tbody>
<tr>
<td>IBRD</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>IDA</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Grants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Key Project Ratings

<table>
<thead>
<tr>
<th>Name</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall implementation Progress (IP)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Comments**

- General:
- Specific to the World Bank's Loan:
- Specific to the Spanish Cooperation's Loan:

### Other Project Ratings

<table>
<thead>
<tr>
<th>Name</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Management Rating from latest archived PRIMA Assessment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counterpart Funding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procurement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No Procurement Assessment under SPN Phase has been completed in PRAMS to date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitoring and Evaluation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Comments** (required if change Other Project Ratings)

**Financial Management:**

- General:
- Specific to the World Bank's Loan:
- Specific to the Spanish Cooperation's Loan:
Project Management:

Disbursement Lag

Original Disb. Lag.

% or 0.00 Months

Formally Revised Disb. Lag:

Not Applicable

Disb. Estimate Last Formally Revised on:

Procurement:

Monitoring and Evaluation:

- General:

- Specific to the World Bank’s Loan:

- Specific to the Spanish Cooperation’s Loan:

Cumulative Disbursements

Disbursements (by loan)
1.2 KEY ISSUES & PROJECT STATUS

Key issues and Actions for Management Attention
Issues:

- General:
- Specific to the World Bank's Loan:
- Specific to the Spanish Cooperation's Loan:

Implementation Status and Key Decisions (Public Disclosure)
- General:
- Specific to the World Bank's Loan:
- Specific to the Spanish Cooperation's Loan:
2. Missions

ISR Sequence No. | Mission Type | Plan Date | Actual Date
--- | --- | --- | ---

3. Compliance

Safeguards
Current Environmental Assessment Category: Partial Assessment
Environment Assessment Date: 30-Nov-2007

Name | Previous Rating | Current Rating
--- | --- | ---
Overall Safeguards Rating | Moderately Satisfactory | --

Comments
Social safeguard:
- General:
- Specific to the World Bank's Loan:
- Specific to the Spanish Cooperation's Loan:

Environmental safeguard:
- General:
- Specific to the World Bank's Loan:
- Specific to the Spanish Cooperation's Loan:

Legal Covenants

| Loan/Credit/TF | Description | Status |
--- | --- | ---

4. Risks
Systematic Operations Risk-rating Tool

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Rating at Approval</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political and Governance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Macroeconomic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sector Strategies and Policies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical Design of Project or Program</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutional Capacity for Implementation and Sustainability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiduciary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environment and Social</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stakeholders</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. Results

Development Objective Indicators

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Overall Comments

- General:
- Specific to the World Bank's Loan:
- Specific to the Spanish Cooperation's Loan:
Intermediate Results Indicators

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Overall Comments

6. Clearance History

Person

Comments & Actions

PROJECT INFORMATION

7. Key Dates

Key Project Dates
- Board Approval date: 
- Planned Mid Term Review Date: 
- Original Closing Date: 
- Effectiveness Date: 
- Actual Mid-Term Review Date: 
- Revised Closing Date: 

Related Project(s)

<table>
<thead>
<tr>
<th>Project</th>
<th>Relationship</th>
<th>Status</th>
<th>Product Line</th>
<th>Team Leader</th>
<th>Country</th>
</tr>
</thead>
</table>

8. Team Composition

Bank Staff

<table>
<thead>
<tr>
<th>Name</th>
<th>Specialization</th>
<th>Title</th>
<th>Unit</th>
<th>Phone No.</th>
<th>Location</th>
</tr>
</thead>
</table>

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### Extended Team

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Organization</th>
<th>Office</th>
<th>Location</th>
</tr>
</thead>
</table>

### 9. Organizations

<table>
<thead>
<tr>
<th>Name</th>
<th>Type</th>
<th>Contact</th>
<th>Title</th>
<th>Office</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDRHI</td>
<td>Borrower/Recipient</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

### 10. Financial Management

<table>
<thead>
<tr>
<th>Overdue Reports</th>
<th>Overdue Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 4 months</td>
<td>&gt; 4 months</td>
</tr>
<tr>
<td>&gt; 9 months</td>
<td>&lt; 30 days</td>
</tr>
<tr>
<td></td>
<td>31 - 60 days</td>
</tr>
<tr>
<td></td>
<td>&gt; 61 days</td>
</tr>
<tr>
<td>Financial Statement - Audit</td>
<td>Audit Issues</td>
</tr>
<tr>
<td>---------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Interim Financial Reports</td>
<td></td>
</tr>
</tbody>
</table>
Annex E.
List of products

1- Deliverables triggering an instalment (based on annual instalments)

The first instalment will be paid no later than two (2) months after effectiveness of the Credit Agreement between The Co-finanicer and The Republic of Ecuador.

The second and followings annual instalments will be paid against submission of an Annual report including as annexes the following deliverables or at any date mutually agreed by both parties:

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Minimum Periodicity</th>
<th>Template</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation Status and Results (ISR) report (minimum of 2 ISR per year)</td>
<td>Biannually</td>
<td>Annex D</td>
</tr>
<tr>
<td>Aide Memoire / Supervision mission reports, including a specific section on activities funded by the cofinancier (minimum of 2 AM per year)</td>
<td>Biannually</td>
<td></td>
</tr>
</tbody>
</table>

2- Other deliverables provided by the World Bank to the cofinancier

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Minimum Periodicity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prefeasibility and feasibility studies of subprojects prepared by the implementing agency, revised and approved by the World Bank</td>
<td>According subprojects portfolio</td>
</tr>
<tr>
<td>Financial and Technical Reports prepared by the implementing agency, revised and approved by the World Bank</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Monitoring and Evaluation Reports prepared by the implementing agency, revised and approved by the World Bank</td>
<td>Bimonthly</td>
</tr>
<tr>
<td>Drawdown Orders (Annex C)</td>
<td>Every time a Withdrawal Application is submitted by the Borrower</td>
</tr>
</tbody>
</table>