Abg. Héctor Augusto Solórzano Camacho  
Executive Director  
Agencia Nacional de Tránsito  
Avenida Antonio José de Sucre (Av. Occidental) y José Sánchez  
Quito, Ecuador

Re: ECUADOR: IDF Grant for Strengthening Capacity for Monitoring and Evaluation of Safety Program Project  
IDF Grant No. TF015674

Dear Sir,

In response to the request for financial assistance made on behalf of the Agencia Nacional de Tránsito ("ANT") ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank") proposes to extend to the Recipient, for the benefit of the Republic of Ecuador ("Member Country"), a grant from the World Bank’s Institutional Development Fund ("IDF") in an amount not to exceed seven hundred thousand United States Dollars (US$700,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and return it to the World Bank.

This Agreement shall become effective as of the date of the countersignature upon receipt by the World Bank of: (a) this countersigned copy; and (b) the adoption by the Recipient of the Operational Manual referred to in Section 2.03 (b) of this Agreement; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within 90 days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

This Agreement and all obligations of the parties under it shall terminate if, by September 30, 2014, the World Bank has not received evidence that the Recipient: (a) has signed any consultants’ services contract required for the Project; or (b) has requested a withdrawal of Grant proceeds; unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.
Very truly yours,

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By

Livia M. Benavides
Acting Country Director
Bolivia, Chile, Ecuador, Peru and Venezuela
Latin America and the Caribbean Region

AGREED:

AGENCIA NACIONAL DE TRÁNSITO
By:

Authorized Representative
Name: Ab. Héctor Sandoval
Title: Director Ejecutivo

Date: ______________

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
Article I
Standard Conditions: Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank Out of Various Funds dated February 15, 2012 ("Standard Conditions") constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement, and the following additional terms have the following meanings:

(a) "IRTAD" means the International Road Traffic and Accident Database, established in 1988, as a mechanism for providing an international benchmarking tool for traffic data and safety indicators.

(b) "IRTAD-LAC" means the regional road safety database, which compiles indicators for monitoring and comparing progress in reducing traffic related deaths and injuries, as agreed by member countries and governed by a Memorandum of Understanding signed in Bogota on June 13, 2012.

(c) "Operational Manual" means the Project operational manual, referred to in Section 2.03 (d) of this Agreement, to be prepared by the Recipient and setting forth, *inter alia*, the policies, criteria and mechanisms, terms and conditions, institutional organization, implementation, financial management and procurement arrangements, scope of consultants’ services, and details about the activities to be carried out under the Project, as the same may be amended from time to time in agreement with the World Bank, and such term includes any schedules to the Operational Manual.

(d) "Regional Observatory" or "OISEVI" means the Ibero-American Road Safety Observatory, an informal association comprised of the representatives of national road safety agencies of Ibero-America and governed by the statutes signed in Bogota, Colombia on June 12, 2012.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to strengthen the Recipient's institutional capacity and other relevant entities (municipalities) in the collection and production of traffic crash statistics and in the development of a multi-sectoral national road safety strategy in coordination and partnership with key ministries and entities. The Project consists of the following parts:

Part 1: Strengthen Systems for Crash Statistics

Strengthening the systems for collection of crash data at national and sub-national levels through:
the carrying out of an analysis and the description of the causes of under-registration;

(b) the development and implementation of an accessible database of crash data including: (i) the adoption of a standard harmonized crash data form for reporting by police/traffic agents; (ii) the adoption of protocols and data dictionary; and (iii) the design and implementation of a software application for data collection;

(c) the provision of support to the Recipient for the drafting of: (i) agreements to facilitate the establishment of partnerships between the Recipient and other agencies, including the Ministry of Health and local authorities for the collection of statistical data on victims and traffic crashes; (ii) relevant data transfer protocols; and (iii) relevant guidelines regulating traffic accident statistics;

(d) the carrying out of a pilot to allow for the integration of health data; and

(e) the carrying out of: (i) training for a subset of the new civilian traffic agents, study tours by a subset of the Recipient’s staff and representatives of the cities, including: (A) the preparation of reports of said study tours; (B) a train-the-trainers session for remaining staff not participating in the study tours; and (C) the preparation of a Project implementation plan; and (ii) a pilot to facilitate the Recipient’s participation in working sessions of the OSEVI and enable its representation in the 2016 report of the Latin America regional inputs to IRTAD (IRTAD-LAC).

Part 2: Strengthen Systems for Motorcycle Traffic

Strengthening processes for the registration systems including revision of legislation to reduce or diminish the number of unregistered or unidentified vehicles and users of motorcycles through the carrying out of:

(a) a review of the process for obtaining licenses to drive motorcycles and mopeds and the introduction of tests or exams;

(b) reviews of the legal framework and the strengthening of the motorcycle driver evaluation and licensing processes; and

(c) reviews of the legal and regulatory framework to enforce compliance with traffic safety standards.


Strengthening the Recipient’s capacity to lead the national strategy through the carrying out of a program of activities including:

(a) the training of the Recipient’s and municipal’s staff for effective policy formulation and design of effective actions and programs to be implemented to reduce risks;
(b) the provision of technical assistance to the Recipient for the preparation of the national safety strategy, including key monitoring system to assess yearly performance;

(c) the training of the Recipient's and municipal's communications staff on effective awareness-raising campaigns through publication of crash statistics on web accessible platforms and use of other media;

(d) the training of the Recipient's and municipal's staff on the development of specific targeted policies and programs to address safety concerns of special population subgroups;

(e) the provision of support to the Recipient's and municipal's staff to build their capacity in planning and implementation of traffic safety policies;

(f) the preparation of: (i) a safety level indicators report; and (ii) a report of police activity indicators and traffic penalties; and

(g) the carrying out of: (i) a survey and review of risks assumed; and (ii) an evaluation of road safety measures in a pilot area.

Part 4: Audit, Other Fiduciary Activities

(a) the provision of support to the Recipient for the carrying out of fiduciary functions during implementation; and

(b) the provision of consultant's services to the Recipient for the carrying out of independent financial audits.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 ("Anti-Corruption Guidelines"); (c) this Article II; and (d) the Operational Manual.

2.03. Institutional and Other Arrangements. (a) For purposes of carrying out the Project, the Recipient shall maintain at all times during Project implementation professional staff in adequate numbers and with terms of reference, qualifications and functions acceptable to the World Bank, to perform all Project's related functions including, inter alia, procurement and financial management.

(b) The Recipient shall: (i) prepare and maintain throughout Project implementation the Operational Manual satisfactory in form and substance to the World Bank; and (ii) only amend the Operational Manual, from time to time, with the World Bank's prior written consent.

(c) In the event of any conflict between the provisions of the Operational Manual and those of this Agreement, the provisions of this Agreement shall prevail.
(d) The Recipient shall not later than two (2) months from the date of the
countersignature of this Agreement: (i) appoint a financial management specialist with
experience, terms of reference, functions and responsibilities acceptable to the World Bank; and
(ii) submit to the World Bank, for its no objection, the terms of reference for the audits under Part
4 of the Project.

2.04. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and
evaluate the progress of the Project and, upon the World Bank’s request, prepare Project Reports,
in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of
indicators acceptable to the World Bank. Each Project Report shall cover such period as shall be
indicated in the World Bank’s request and shall be furnished to the World Bank not later than one
month after the date of such request.

(b) The Recipient shall, upon the World Bank’s request, prepare the Completion
Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The
Completion Report shall be furnished to the World Bank not later than five months after the
Closing Date.

2.05. **Financial Management.** (a) The Recipient shall ensure that a financial management
system is maintained in accordance with the provisions of Section 2.07 of the Standard
Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project
are prepared and furnished to the World Bank not later than forty-five (45) days after the end of
each calendar semester, covering the semester, in form and substance satisfactory to the World
Bank.

(c) The Recipient shall have the Project’s Financial Statements audited in
accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the
Financial Statements shall cover the period of one fiscal year of the Recipient or any other period
agreed with the Bank. The audited Financial Statements for each such period shall be furnished to
the World Bank not later than six months after the end of such period.

2.06. **Procurement**

(a) **General.** All goods and consultants’ services required for the Project and to be
financed out of the proceeds of the Grant shall be procured in accordance with the requirements
set forth or referred to in:

(i) Section I of the “Guidelines: Procurement of Goods, Works and Non-
consulting Services under IBRD Loans and IDA Credits and Grants by
World Bank Borrowers” dated January 2011 (“Procurement
Guidelines”), in the case of goods and non-consulting services;

(ii) Sections I and IV of the “Guidelines: Selection and Employment of
Consultants under IBRD Loans and IDA Credits and Grants by World
Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the
case of consultants’ services; and
(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

(b) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) **Particular Methods of Procurement of Goods.** Goods shall be procured under contracts awarded on the basis of:

(i) **Shopping** subject to the following additional special provisions:

(A) For purposes of bid evaluation and comparison, the only bid amount or amounts to be used as a factor shall be the bid amount or amounts as quoted in the corresponding bid, including correction of arithmetic errors.

(B) No reference value shall be required for publication in the bidding documents or used for the purpose of evaluation.

(ii) **Direct Contracting.**

(d) **Particular Methods of Procurement of Consultants' Services**

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Selection based on Consultants' Qualifications; (B) Single-source Selection; (C) Selection of Individual Consultants; and (D) Sole Source Procedures for the Selection of Individual Consultants.

(iii) In addition and without limitation or restriction to any other provisions set forth in this Section or the Consultant Guidelines or the Operational Manual, the following provisions shall govern all employment of consultants:

(A) Foreign consultants shall not be required to authenticate (legalizar) any documentation related to their participation in the selection process with Ecuadorian authorities as a condition of participation in said selection process and to perform a contract.
(B) Foreign consultants shall not be required, either directly or indirectly, to give any participation in or share of any consulting contracts to any local firm or person.

(C) Foreign consultants, either individuals or firms, shall not be required to pay fees to the Ecuadorian Consultants’ Association that are different from those required for Ecuadorian consultants.

(D) Foreign consulting firms shall not be required, as a condition to participate to provide services, to be registered in Ecuador with a minimum capital different from that required for Ecuadorian firms.

(E) The invitation to submit proposals should be sent to the consultant firms included in a short list only as approved by the World Bank. The invitation to submit proposals should not be open to any other consulting firm.

(F) No consultant financed out of the proceeds of the Grant shall, at the time he or she is carrying out his or her contractual obligations as consultant, hold civil service office or any other position in any agency of the Recipient, nor shall such consultant have any right to re-entry into any such office or position upon the conclusion of his or her consulting services.

(G) Consultants (firms and individuals) shall not be required to present Bid and Performance securities as a condition to present proposals and sign a contract.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

**Article III**

**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** (a) The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (i) Article III of the Standard Conditions; (ii) this Section; and (iii) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance 100% of Eligible Expenditures consisting of goods, consultants’ services (including audits) and Training inclusive of Taxes.

(b) For the purposes of this Section, the term “Training” means reasonable expenditures (other than those for consultants’ services) incurred by the Recipient in connection with the carrying out of training activities under the Project, including reasonable transportation costs, study tours lodging and *per diem* of trainers and trainee, catering, rental of training facilities and rental of equipment.
3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is three years after the date of countersignature of this Agreement by the Recipient.

**Article IV**

**Recipient’s Representative; Addresses**

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Executive Director.

4.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

    Agencia Nacional de Tránsito
    Avenida Antonio José de Sucre (Av. Occidental) y José Sánchez
    Quito, Ecuador

4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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

    Cable: INTBAFRAD
    Telex: 248423 (MCI) or 64145 (MCI)
    Facsimile: 1-202-477-6391