His Excellency
Dr. Mauricio Rodas
Mayor of the Municipality of the Metropolitan District of Quito
Quito, Ecuador

Re: ECUADOR: IBRD Loan 8285-EC (Quito Metro Line One Project)

Additional Instructions: AMENDED Disbursement Letter

Excellency:

I refer to the Loan Agreement ("Agreement") between the International Bank for Reconstruction and Development (the "World Bank") and the Municipality of the Metropolitan District of Quito (the "Borrower") for the above-referenced Project, dated November 11, 2013. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan No. 8285-EC ("Loan"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions. Copies of this letter together with the attachments should be sent to all staff involved in the process of preparing withdrawal Applications for this Project.

This is the second amendment of the Disbursement Letter dated November 11, 2013 for the above referenced project. This letter reinstates: a) Section II (vi) to adjust the Designated Account ceiling; b) Section III (i) to require the submission of three-month forecast for Advances following the sample format included as Attachment 2 and to replace the Disbursement Reports provided in Attachment 4 of the Original Disbursement Letter; and c) Section III (ii) to update the Frequency of Reporting Eligible Expenditures paid from the Designated Account from Semesterly to Quarterly. All other provisions and attachments of the Disbursement Letter dated November 11, 2013, 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.

1. 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 World Bank.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Condition(s) in Schedule 2, Section IV.B of the Loan Agreement.

II. Withdrawal of Loan Proceeds

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

Banco Mundial
Av.12 de Octubre 1830 y Cordero
Edif. World Trade Center. Torre B, p13
Quito, Ecuador
Attention: Alberto Rodríguez, Country Director

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed 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 address indicated below:

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

(iii) Electronic Delivery (subsection 3.4) The World Bank may permit the Borrower to electronically deliver to the World Bank Applications (with supporting documents) through the World Bank’s Client Connection, web-based portal. The option to deliver Applications to the World Bank by electronic means may be effected if: (a) the Borrower has designated in writing, pursuant to the terms of the subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification credentials ("SIDC") from the World 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 World Bank agrees, the World 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.
The Borrower may continue to exercise the option of preparing and delivering Applications in paper form. The World 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 accept 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 SIDC"); and (b) to deliver the Terms and Conditions of Use of SIDC to each such official and to cause such official to abide by those terms and conditions.

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

(vi) Advances (sections 5 and 6) to the Municipality of the Metropolitan District of Quito (Municipio del Distrito Metropolitano de Quito).

- Type of Designated Account (subsection 5.3): Segregated
- Currency of Designated Account (subsection 5.4): US Dollars
- Financial Institution at which the Designated Account Will Be Opened (subsection 5.5): Banco Central
- Ceiling (subsection 6.1): Variable Ceiling based on a three-month forecast of project 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
  - Custom Disbursement Reports, in the form attached (Attachment 1); and
  - List of payments against contracts that are subject to the World Bank’s prior review.

- For requests for Advances and reporting eligible expenditures paid from the Designated Account
  - Three-month forecast, in the form attached (Attachment 2), for requests for advances;
  - Custom Disbursement Reports, in the form attached (Attachment 1); and
  - List of payments against contracts that are subject to the World Bank’s prior review.
- **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 if needed.

**IV. Other Disbursement Instructions**

On the Custom Disbursement Reports, since Project has multi co-financiers, the activities description have been adjusted to reflect the requirements of all co-financiers. For that reason, the activities in the reports do not match exactly with the description in the Loan Agreement.

The World Bank will partially finance civil works under Phase II of the Project, which in the Loan Agreement corresponds to Part II of the Project Description (Schedule 1) and Category 1 (Schedule 2, Section IV), and 100% of Technical Assistance financed under Category 2 (Schedule 2, Section IV) that corresponds to Part V of the Project Description.

**V. Other Important Information**


If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website ([https://clientconnection.worldbank.org](https://clientconnection.worldbank.org)). 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. All Borrower officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be affected. For more information about the website and registration arrangements, please contact the Bank by email at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact Maria Virginia Hormazabal at mhormazabal@worldbank.org using the loan number as a reference.

Yours sincerely,

Maria Virginia Hormazabal
Finance Officer
WFAFO
Attachment

1. Custom Disbursement Reports
2. Three-month forecast
EMPRESA PÚBLICA METROPOLITANA DEL MÉTRO DE QUITO
PROYECTO PRIMERA LÍNEA DEL MÉTRO DE QUITO - FASE II

ESTADO DE PAGOS

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(1) Debe corresponder el número del Estado de Gastos asignado por cada categoría o subcategoría de inversión.
(2) Debe estar en los gastos por Tipo de Gasto.
(3) Fecha en la que se han realizado el pago al contribuyente o proveedor.
(4) No deben exceder el cálculo de cada gasto o pago individual separado en el registro correspondiente.

FIRMAS (5) AUTORIZADAS (6)
CONCILIACION DE LA CUENTA DESIGNADA

Préstamo / Crédito / Donación N°: 82850
Nombre del Banco: Banco Central del Ecuador
Número de la Cuenta: 1221371

1. Total de Depósitos 0.00
2. Menos Total que ya fue documentado 0.00
3. Saldo Pendiente (por documentar) 0.00

4. Saldo de la Cuenta Designada en ___/__/ (de acuerdo al Estado Bai) 0.00
5. Monto a ser documentado en la presente Solicitud N° ____ 0.00
6. Más monto pendiente de reposición por el BIRF 1 0.00
7. Más retiros efectuados aún no solicitados al BIRF 2 0.00
8. Menos montos debitados después de la fecha del estado ban 0.00
9. Menos intereses generados por la Cuenta Designada 0.00
10. Total (4 + 5 + 6 + 7+ 8 - 9) 0.00
11. Discrepancias entre (3 y 10) 0.00

Observaciones:

1 Valor pendiente de reposición por el BIRF
   Solicitud N° Monto
   0.00
   0.00
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2 Retiros efectuados aún no solicitados al BIRF
   Fecha Descripción Monto
### MUNICIPIO DEL DISTRITO METROPOLITANO DE QUITO
**PRIMERA LINEA DEL METRO DE QUITO**
**CONVENIO DE PRESTAMO BIRF 8285-EC**
**PERIODO DE PROYECCION TRIMESTRAL DE GASTOS (en US dólares)**

**RECUERDE QUE LA SIGUIENTE PROYECCION DEBE ESTAR SUSTENTADA EN LOS SIGUIENTES DOCUMENTOS:**
1. **ULTIMO PLAN DE ADQUISICIONES** APROBADO POR EL BANCO (En fecha MM/DD/AA).
2. **REPORTE DE ADMINISTRACION DE CONTRATOS** REVISADO POR EL AREA TECNICA DEL PROYECTO (En fecha MM/DD/AA).
3. **INFORME DE SUPERVISION DE OBRAS** REVISADO POR EL AREA TECNICA DEL PROYECTO (En fecha MM/DD/AA).

#### COMPONENTE 2 INVERSIONES EN INFRAESTRUCTURA Y EQUIPAMIENTO PARA LA PRIMERA LINEA DEL METRO DE QUITO

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**NOTAS Y RECOMENDACIONES:**

* Especificar el tipo de gasto: obra, bien, consultoría, gastos operativo, no-consultoría, etc.
* ** Identificación del contrato, utilizado en el Plan de Adquisiciones.
* (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 requerimientos de efectivo, es decir pagos efectivos previstos. Además debe corresponder a contratos adjudicados y en ejecución.
* (C) Esta información debe ser contrarevisada con el Plan de Adquisiciones y con los informes de Supervisión de Obras que permite obtener información clave acerca de las planillas de avance de obras aprobadas.