

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

ECUADOR

**EMERGENCY PROGRAM FOR AN IMMEDIATE RESPONSE TO THE
EARTHQUAKE IN ECUADOR**

(EC-L1218)

LOAN PROPOSAL

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EXECUTIVE SUMMARY

Borrower:	Republic of Ecuador	
Executing agency:	Ministry of Finance (MINFIN), through the IDB Programs General Coordination Office (EDG-MINFIN)	
Financing:	IDB:	US\$19.720 million
	Counterpart:	US\$2.495 million
	Total	US\$22.215 million
Terms:	Amortization period:	25 years
	Grace period:	5.5 years
	Original WAL:	15.25 years
	Disbursement period:	12 months
	Commitment period:	9 months
Interest rate:	LIBOR-based	
Inspection and supervision fee:	(*)	
Credit fee:	0.50%(*)	
Currency:	U.S. dollars from the Ordinary Capital.	
Financial product:	Flexible Financing Facility (FFF)**)	
Objective:	The objective of the program is to collaborate with the Government of Ecuador's efforts to restore infrastructure and basic services in the areas affected by the 16 April 2016 earthquake. The actions will contribute to the fast recovery of regular social and economic activities in the affected regions.	

In particular, the purpose of the program is to contribute to the rehabilitation tasks being carried out in earthquake-affected areas by financing road and water and sanitation system repair works.

* The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with applicable policies.

** Under the Flexible Financing Facility (document FN-655-1), the borrower has the option of requesting changes to the amortization schedule, as well as currency and interest rate conversions. The Bank will take operational and risk management considerations into account when reviewing such requests.

Special contractual conditions:	The special conditions precedent to the first disbursement are: (a) signature of the subsidiary agreement between MINFIN and the Empresa Pública Ecuador Estratégico (EE-EP) for the water and sanitation infrastructure component; (b) signature of the subsidiary agreement between MINFIN and the Ministry of Transportation and Public Works (MTO) for the road infrastructure component; and (c) presentation of the program's Special Execution Manual (paragraph 5.30).
Exceptions to Bank policies:	None.
Environmental and social review:	In accordance with the Environment and Safeguards Compliance Policy (OP-703), the program has been classified as a Category "C" operation. Given the nature of this program, no prior environmental impact assessments will be conducted. Nonetheless, any activities undertaken will comply with national rules and specifications on the prevention and mitigation of environmental and social impacts. (paragraph 5.28).
Benefits:	Program resources will fund activities that will benefit families and the economies of earthquake-affected areas. The main indicators programmed are: (i) rehabilitation of 18.45 km of main roads that are part of the national network in various provinces in the affected communities; (ii) repair of 3,210 meters of bridges along the main roads in the national network; (iii) 25 km of water distribution networks; (iv) rehabilitation of two water supply targeted infrastructure units; (v) rehabilitation of 28 sanitation targeted infrastructure units; and (vi) replacement of electromechanical or hydraulic equipment for four water supply and sanitation systems. (paragraph 5.10).
Procurement:	Project procurement will be undertaken pursuant to the Policies for the procurement of works and goods financed by the IDB (document GN-2349-9) and the Policies for the selection and contracting of consultants financed by the IDB (document GN-2350-9). (paragraph 5.26).