

MARIANNE FAY
Director
Bolivia, Chile, Ecuador and Peru

27-May-2021

Msc. Andrea Scacco Carrasco
Mayor of Ibarra
Municipality of Ibarra
Calle García Moreno 6-31
Ibarra, Ecuador

Subject: **Republic of Ecuador: Loan No. 8579-EC
Transport Infrastructure Improvement Project
Second Amendment to the Loan Agreement**

Excellency:

We refer to the Loan Agreement between the Municipality of Ibarra (“Borrower”) and the International Bank for Reconstruction and Development (“Bank”) for the Transport Infrastructure Improvement Project (“Project”) dated December 22, 2016 (“Loan Agreement”) as amended. The capitalized terms used in this letter (“Amendment Letter”) and not defined herein have the meaning ascribed to them in the Loan Agreement.

We also refer to letter from the Borrower dated March 30, 2021 (ALC-UGP-MITCI-2021-109-O) requesting a slight modification in scope of Part 1(b) of the Project, certain reallocations between expenditures Categories, as well as an extension of the Closing Date to June 30, 2022.

I am pleased to inform you that after careful consideration of the modifications requested by the Borrower, the Bank has acceded to the said request and proposes to amend the Loan Agreement as follows (changes are shown in *italics* and **bold**):

1. The description of Part 1 activity in Schedule 1 to the Loan Agreement is hereby amended to read as follows:

“Part 1: Improve mobility in the city

Provision of support for infrastructure investments in the City of Ibarra, including: (i) the construction of a four lane Ring Boulevard in the City of Ibarra, comprising of: (a) the Northern Segment (approximately 9.5 km), and (b) the Southern Segment (approximately 12.0 km); (ii) *the redesign (as needed) and* supervision of any associated work; and (iii) *evaluation and preparation of investments to improve the connection between the northern part of Ring Boulevard and the center of the City of Ibarra to the Yahuarcocha Lagoon area.”*

2. The table set forth under Section IV.A.2 of Schedule 2 to the Loan Agreement is hereby amended to read as follows:

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (exclusive of VAT)
(1) Goods, works, consultants' services and non-consulting services, under Part 1.1(i)(a) of the Project	22,383,476.76	100%
(2) Goods, works, consultants' services and non-consulting services, under Part 1.1(i)(b) of the Project	22,788,704.76	60%
(3) Goods, works, consultants' services and non-consulting services under Part 2 of the Project	3,027,111.14	100%
(4) Goods, consultants' services, Incremental Operating Costs and Training under Parts 3 and 4 of the Project	3,120,142.34	100%
(5) Land Compensation Payments	1,180,565.00	100%
TOTAL AMOUNT	52,500,000.00	

3. Section IV.B.2 of Schedule 2 to the Loan Agreement is hereby amended to read as follows:

“2. The Closing Date is **June 30, 2022.**”

In light of the above changes to the Loan Agreement, the Borrower and the Bank have also mutually agreed that relevant adjustments to the Project monitoring indicators, disbursement and cost estimates and implementation schedule will be reflected accordingly in the Project Operational Manual, pursuant to Section I.A of Schedule 2 to the Loan Agreement.

Please confirm your agreement with the foregoing, on behalf of the Borrower, by signing and dating this Amendment Letter in the spaces provided below. The provisions set forth in this Amendment Letter shall become effective on the date of last signature, upon receipt by the Bank of a fully executed Amendment Letter.

Please also note that the Restructuring Paper dated May 26, 2021 that reflects the above changes will be disclosed on the Bank's external website.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Marianne Fay

Marianne Fay
Director
Bolivia, Chile, Ecuador and Perú

CONFIRMED AND AGREED:

MUNICIPALITY OF IBARRA

By: Elizabeth Andrea Scacco Carrasco
Authorized Representative

Name: Elizabeth Andrea Scacco Carrasco

Title: Alcaldesa de Ibarra

Date: 27-may.-2021

cc: H.E. Mr. Simón Cueva, Minister of Economy and Finance
Mr. Juan Carlos Alvarez, Resident Representative of Ecuador to The World Bank