

## **Ecuador – IBRD Loan for the Quito Metro Line One Project**

July 25, 2013

U.S. Position

The United States appreciates that this project seeks to improve urban transportation and access in metropolitan Quito. The United States takes note of the Municipality of the Metropolitan District of Quito, the World Bank, and its partners for the planning and effort that they have undertaken in preparation for the Quito Metro project.

The World Bank and the U.S. Government have consistently emphasized the critical importance of transparency with regard to information about macroeconomic performance and public finances. Making such information available to the public is critical to enable civil society to assess the effectiveness and implications of this project, as well as ongoing and future World Bank activities in Ecuador. The United States notes that the World Bank has not published the Interim Strategy Note for Ecuador, and that the most recent IMF Article IV report for Ecuador that was done in 2007 is also not publicly available. The United States would point out that the Inter-American Development Bank recently published its 2012-2017 Ecuador Country Strategy after a long delay, and hopes the Government of Ecuador will follow suit by agreeing to have the World Bank publish the Interim Strategy Note.

While the United States understands that the World Bank does not require a macroeconomic framework for municipal project lending, it is of some concern that the Government of Ecuador has not had an IMF Article IV since 2007. A robust macroeconomic framework would contribute to the success of important development projects. The central government's level of international reserves, a projected budget deficit in 2013, and Ecuador's limited access to international financial markets are manageable but still constitute significant financial risk factors going forward.

In conclusion, the United States wishes to see additional efforts on transparency, particularly with respect to the Government's relationships with the multilateral institutions. With these comments, the United States would like to be recorded as supporting this proposed investment in the Quito Metro Line One Project in Ecuador.