



December 23, 2016

Francisco Roberto Lorenzana Durán
Technical and Planning Secretariat of the President of
The Republic of El Salvador
Casa Presidencial
Alameda Manuel Enrique Araujo #5500
San Salvador
Republic of El Salvador

Re: Program Funding Disbursement Request and Quarterly Reports for the Period beginning January 1, 2017 and ending March 31, 2017

Dear Mr. Lorenzana:

This letter is in response to the MCC Disbursement Request and quarterly reports (“*Disbursement Request*”) dated December 9, 2016 and submitted on behalf of the Government of the Republic of El Salvador (“*Government*”) acting through the Technical and Planning Secretariat of the President (“*Secretariat*”) pursuant to (i) the Compact between the United States of America, acting through the Millennium Challenge Corporation (“*MCC*”), and the Government, acting through the Ministry of Foreign Affairs, executed on September 30, 2014 (“*Compact*”), and (ii) the Program Implementation Agreement dated May 15, 2015 between the Government and MCC (the “*PIA*”). Capitalized terms not defined in this letter have the meanings given to such terms in the Compact or the PIA, as applicable.

- a. Amount of MCC Disbursement: Pursuant to Section 3.4 of the PIA, the Government has requested the Disbursement of Program Funding up to an amount of \$2,048,900.82 for the period from January 1, 2017 through March 31, 2017 (“*Disbursement Period*”). MCC approves the full amount. These funds will be made available through the Common Payment System during the Disbursement Period.
- b. Reallocation. As part of the Program Funding Disbursement Request, the Government has submitted a request to reallocate Program Funding pursuant to Section 6.2(b) of the Compact, through Schedule A of the Detailed Financial Plan. MCC approves the reallocation pursuant to the terms of Section 6.2(b) of the Compact.
- c. Approval of Reports. MCC approves the following documents submitted by the Government:
 - (i) Disbursement Request form, dated December 9;
 - (ii) Quarterly Financial Report, submitted on December 9;
 - (iii) Detailed Financial Plan, submitted on December 9;

- (iv) Fiscal Agent Disbursement Certificate, submitted on December 9;
- (v) Narrative Report, submitted on December 9;
- (vi) Procurement Performance Report, submitted on December 9;
- (vii) Procurement Agent Disbursement Certificate, submitted on December 9;
- (viii) Indicator Tracking Table submitted on December 9;
- (ix) Conditions Precedent Report, submitted on December 9; and
- (x) Government Disbursement Certificate, submitted on December 9.

Except as expressly set forth herein, nothing in this letter shall be deemed to modify any of the provisions of the Compact or any related document. Should you have any questions regarding the foregoing, please do not hesitate to contact MCC's Resident Country Mission in El Salvador.

Sincerely,



Jonathan Brooks
Acting Deputy Vice President
Department of Compact Operations

cc: William Pleites, Executive Director, FOMILENIO II
Martha Keays, Resident Country Director, MCC El Salvador
Richard Mora, Deputy Resident Country Director, MCC El Salvador