



June 28, 2019

William Pleites
Executive Director
FOMILENIO II
Blvd. Orden de Malta, Av. El Boquerón
No. 4-A Edificio Zafiro Nivel 1,
Urbanización Santa Elena, Antiguo Cuscatlán
San Salvador
Republic of El Salvador

Re: Program Funding Disbursement Request and Quarterly Reports for the Period beginning July 1, 2019 and ending September 30, 2019

Dear Mr. Pleites:

This letter is in response to the MCC Disbursement Request and quarterly reports (“*Disbursement Request*”) submitted on June 14, 2019 on behalf of the Government of the Republic of El Salvador (“*Government*”) 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*”), as modified, and (ii) the Program Implementation Agreement dated May 15, 2015 between the Government and MCC (the “*PIA*”), as modified. 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 Program Funding spending authority in the amount of up to \$40,224,336.88 for the period from July 1, 2019 through September 30, 2019 (“*Disbursement Period*”). MCC hereby approves Program Funding spending authority of up to \$40,224,336.88 subject to the terms of this letter. The funds will be made available through the Common Payment System during the Disbursement Period.
- b. Approval of Reports. MCC approves the following documents submitted by the Government:
 - (i) Disbursement Request form, submitted on June 14;
 - (ii) Quarterly Financial Report, submitted on June 14;
 - (iii) Detailed Financial Plan, submitted on June 14;
 - (iv) Fiscal Agent Disbursement Certificate, submitted on June 14;
 - (v) Narrative Report, submitted on June 14;
 - (vi) Procurement Performance Report, submitted on June 14;
 - (vii) Procurement Agent Disbursement Certificate, submitted on June 14;

- (viii) Indicator Tracking Table submitted on June 14;
 - (ix) Conditions Precedent Report, submitted on June 14; and
 - (x) Government Disbursement Certificate, submitted on June 14.
- c. Conditions Precedent: The applicable conditions precedent for this Disbursement have been satisfied.
- d. Reallocations: 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 of \$2,500,000 from the Monitoring & Evaluation Activity to the Education Quality Activity under the Human Capital Project, pursuant to the terms of Section 6.2(b) of the Compact.

Should you have any questions regarding the foregoing, please do not hesitate to contact MCC's Resident Country Mission in El Salvador.

Sincerely,



Anthony Welcher
Vice President
Department of Compact Operations, MCC

cc: Ernesto Castro, Private Secretary of the Presidency of the Republic of El Salvador
Martha Keays, Resident Country Director, MCC
Richard Mora, Deputy Resident Country Director, MCC