

Executive Order No. 1589

Gustavo Noboa Bejarano, PRESIDENT OF THE REPUBLIC OF ECUADOR
WHEREAS:

By virtue of Executive Order No. *1564*, published in the Official Gazette No. 354 on July 6, 1998, a full reform was approved and the Charter of the Central Bank of Ecuador was issued and codified;

By virtue of Executive Order No. 562, published in the Official Gazette No. 118 on July 12, 2000, the aforementioned Charter was amended;

The Board of Directors of the Central Bank of Ecuador, in accordance with the provisions of Article 87 of the Law on the Monetary Regime and Banco del Estado [national development bank], has submitted for consideration by the President of Ecuador a plan for full reform of the Central Bank of Ecuador and its codification to amend the Charter, according to Decision DBCE-097-BCE of May 16, 2001, and;

Exercising the authority conferred upon him by Paragraph 2 of Article 87 of the Law on the Monetary Regime and Banco del Estado,

ORDERS:

Art. 1. Approval of the full reform of the Central Bank of Ecuador, and that the Charter be issued and codified.

Art. 2. Repeal of Executive Orders Nos. 1564 and 562, published in the Official Gazettes Nos. 354 and 118 on July 6, 1998, and July 12, 2000, respectively.

Art. 3. This Executive Order will take effect as of [the date of] its publication in the Official Gazette

Signed, in the Palacio Nacional, in Quito, on June 13, 2001.

Gustavo Noboa Bejarano

PRESIDENT OF ECUADOR

Resolution DBCE-097-BCE of May 16, 2001

THE BOARD OF DIRECTORS OF THE CENTRAL BANK OF ECUADOR

By the powers conferred on it by Articles 87 and 88, letter c), of the Law on the Monetary Regime and Banco del Estado, issues the following Decision:

ARTICLE 1. The plan for full reform and codification of the Charter of the Central Bank of Ecuador is approved.

ARTICLE 2. The plan for full reform and codification of the Charter of the Central Bank of Ecuador to which reference was made in the prior Article is sent to the President of Ecuador to be approved and issued by means of an Executive Order.

ARTICLE 3. Once the Charter of the Central Bank of Ecuador enters into force, in accordance with the plan for full reform and codification approved by this Decision, all provisions issued by the Board of Directors, the Monetary Board [Junta Monetaria] or the Office of the Managing Director of the Central Bank of Ecuador that are contrary to the regulations contained in the Charter of the Central Bank shall be revoked.

FOR COMMUNICATION. Signed in Quito, Metropolitan District, on May 16, 2001.

THE CHAIRMAN

(signature) Jose Luis Ycaza

Jose Luis Ycaza, chairman of the Board of Directors of the Central Bank of Ecuador, issued and signed the preceding Decision in the city of Quito on May 16, 2001. I SO CERTIFY.

(signature) Dr. Manuel Castro Murillo

Secretary of the Board of Directors

I. Explanation of Reasons and Methodology

As of June 30, 1998, by means of Executive Order No. 1564, the Central Bank of Ecuador adopted a new, process-based organizational structure, to achieve the following objectives:

- a) Establish the [nature of the] Bank's products and customers clearly and precisely.
 - b) Set forth the processes necessary to create the Bank's products.
 - c) Cross-list the products that in turn constitute inputs for other processes.
 - d) Avoid duplication of activities and responsibilities by designing and providing for complete processes with uniform work methods.
 - e) Achieve higher productivity by optimizing the Bank's resources and the complementary aspects of its collective efforts, in addition to continual and ongoing procedural improvements.
 - t) Reduce administrative steps in order to streamline the Bank's procedures and processes, by establishing open structures that make it possible to take full advantage of team efforts and by making the responsibilities for these procedures explicit and guiding their development.
 - g) Maintain a flexible structure that prevents the Bank from growing in a disorderly fashion, in order to assure consistent and logical development on a national level, in keeping with the growth expectations of modern government.
- In accordance with the government's decision to proceed with a profound structural reform of Ecuador's economy, the Board of Directors of the Central Bank of Ecuador, in its meeting on January 10, 2000, decided to approve the dollarization plan. Thus, the Bank redefined its mission and objectives. The result of the redefinition is a restructuring of the Bank's products and a modification of its organizational structure.

Therefore, the preparation of this charter was based on an organizational structure based on [functional] processes, following the methodology listed below:

- a) Identifying customers outside the central bank, [thus] justifying the Bank's existence;
- b) Identifying products associated with such customers. These products are intrinsic to the Bank's mission or nature, and provide value added to its responsibilities.
- c) Establishing and delimiting processes that create such products [within] the Bank.
- d) The set of activities that produce a good or service incorporated into or complementing another product with more value added was defined as a subprocess.
- e) Four types of processes were established, according to the different ways they contribute to the Bank:

Governing Processes, those related to approval of policies, standards and procedures, and planning and management of the Bank.

Processes that Create Value, those responsible for creating products essential to the mission of the Central Bank of Ecuador.

Enabling Processes [for Advisory and Support Services], those designed to produce the goods and services required by the Governing Processes and the Processes that Create Value, and to produce goods and services for their own maintenance.

Special Processes, those responsible for carrying out the Bank's cultural and social policies.

This proposed structure allows [us] to view the Bank as a single, integrated network that encompasses technology, administration and geographic location, and not as a collection of isolated, independent functional units.

This identification of processes is consistent with a modern central banking structure. It has versatile features that respond to present needs and future challenges, in accordance with the Bank's vision and mission.

CHARTER OF THE CENTRAL BANK OF ECUADOR, AMENDED AS OF MAY 16, 2001

III. General Provisions

Article 1.

For the purposes of this Charter, the terms below shall be defined as follows:

Macroprocess: A group of two or more processes designed to achieve the same objective. *Process*: A group of interrelated activities that uses the Bank's resources to add value to inputs in order to deliver a good or service to an internal or external customer. *Subprocess*: A group of interrelated activities that produce a good or service that combines with or complements another product that has greater value added.

Activities: Actions or functions carried out within a process or subprocess to create a certain result.

Input: Goods or services that use the Bank's processes to create products for customers. *Provider*: Person or organization that delivers a good or a service to the Bank. *Customer*: Government, monetary and supervisory authorities, public and private institutions, individuals or legal entities, that receive the products created by the Bank.

Product: Goods and services created by the Bank and delivered to a customer.

Social Projects: Intended to carry out activities with a set objective and time period. *Special Processes*: Activities that create value added but are not related to the mission of the Central Bank.

The term “Central Bank of Ecuador” in this Charter includes both the Board of Directors and the officers and employees.

Article 2.

The structure of the Central Bank of Ecuador is based on processes that create institutional products. The structure establishes an order based on the differing nature[s] of processes and products, identifying them in a unique and specialized manner that prevents duplication and permits integration and complementary action among different geographical areas, as well as within each of its offices in Ecuador.

The Central Bank of Ecuador manages the institutional products based on the processes defined in this Charter, in order to incorporate them into the input-product and provider-customer systems, with the goal of ensuring consistency of performance and in the interrelationships among the Bank’s different units.

Article 3.

Technical and administrative management of each process will be supervised by a Director, who will be responsible for product quality, the effective functioning of the process, efficient use of resources, and customer satisfaction.

When customers require a process to be conducted within different branches of the Central Bank of Ecuador, the Managing Director, at the request of the Branch Manager, shall assign a Local Director, who will report on technical and administrative areas to the Branch Manager while maintaining coordination with the Process Director.

Article 4.

When, for organizational purposes, certain processes require subprocesses, the Managing Director may authorize creation of subprocesses following receipt of a favorable report from the Institutional Development Committee (Comité de Desarrollo Institucional).

Each subprocess will be managed by a subprocess manager assigned by the Process Director.

The position of subprocess manager does not constitute a hierarchic position within the Bank’s employment structure.

Article 5.

Five macroprocesses have been established to stimulate planning, evaluation, performance and effective functioning of certain processes: Research, Banking, Corporate Services, and the Guayaquil and Cuenca branches. Management of each macroprocess will be supervised by a Director General, and, in the case of Guayaquil and Cuenca, by a Branch Manager. These [officers] will be responsible for the component technical and administrative processes, as well as for complying with the standardization of procedures and types of work on a

national level. They also have responsibility for coordinating the activities of the various offices of the Central Bank of Ecuador. The standards and procedures for each process will be brought before the Committee on Institutional Development [Comité de Desarrollo Institucional], following consultation with the Directorate of Organizational Development.

The [officers] responsible for compliance with the standards and procedures established to maintain [proper] functioning of the processes must obey the same standards and procedures. Noncompliance will be subject to administrative penalties by the Managing Director.

Article 6.

The Board of Directors of the Central Bank of Ecuador may create, modify or abolish special projects following a favorable report by the Managing Director of the Central Bank of Ecuador. Moreover, in each case it shall define the structure of these projects, their financing, their terms and their reporting level in accordance with the system of management by processes.

Article 7.

This Charter sets forth the organization chart, process schematic, and the identification, duties and basic structure of each of the processes of the Central Bank of Ecuador. For each process, there is a clear, precise itemization of the basic products necessary for compliance with the responsibilities [set by] the Bank. Changes that involve creation or elimination of processes must be carried out through reform of this Charter.

Article 8.

The Directorate of Organizational Development will prepare the *Manual of Processes* [*Manual de Procesos*], which will contain [a list of] the processes as defined in this Charter, a description of the subprocesses that have been created, and the methodology for their design. It will also contain a master list of macroprocesses, processes, subprocesses, activities and the geographical location in which they are carried out. The plan for the *Manual of Processes*, as well as its modifications, shall be first presented to the Committee on Institutional Development, prior to approval by the Managing Director. The Directorate of Institutional Development shall be responsible for ongoing updates and dissemination of the *Manual of Processes*.

Article 9.

Planning shall be the basic, indispensable development tool for the Bank, [enabling it] to plan its future in a manner that is consistent, rational and coordinated with regard to its various component processes.

Article 10.

The Managing Director of the Central Bank of Ecuador shall present the Bank's Strategic Plan and an evaluation thereof to the Board of Directors on an annual basis.

Article 11.

The Committee on Institutional Development shall comprise the Deputy Managing Director, who shall act as chairman; the Managers of the Guayaquil and Cuenca Branches; the Directors General of Research, Banking and Corporate Services, the Auditor General and the Legal Advisor. The Director of Organizational Development shall act as Technical Secretary of the Committee. The Notices of Meeting shall be prepared by the Deputy Managing Director on his own initiative or at the request of the Chairman of the Board of Directors, the Managing Director or a minimum of two Members of the Committee.

The Committee on Institutional Development shall advise the Office of the Managing Director concerning [potential] improvements to be made within the Bank, and the design and evaluation of the Bank's strategic plan. [It shall also advise concerning] the implementation of an Organizational Management Model for measurement and evaluation of the Bank and its component processes and staff, using the results to achieve the objectives proposed. Moreover, it shall advise on the maintenance and propagation of a quality organizational culture, as well as the ongoing improvement of the Bank's products and processes in order to provide continuity, direction and order for the ongoing national program of technical and administrative change and adaptation.

Article 12.

The evaluation of the Bank, [its] processes and human resources shall be carried Out based on objective criteria, bringing together indicators of success or performance, product quality and customer satisfaction.

Article 13.

Management of human resources shall be based on Central Bank of Ecuador employee stability and performance, and shall be the responsibility of each Process Director, subject to the policies and standards for career Bank positions, to be based on the following principles:

Competitivity: Entry into [employment at] the Central Bank and promotion within the Bank must be achieved through a competitive process based on merit. Vacancies for positions and jobs must result from the needs related to institutional processes;

Objectivity: Description of job responsibilities and the assessment thereof shall provide the basis for establishing the employee's duties to the Bank as well as compensation;

Equity: Employees in similar positions must receive competitive salaries within the same salary range, so that the Central Bank is able to attract and retain qualified personnel;

Horizontality: The Central Bank will foster the rotation of personnel among similar positions, as well as the possibility of transferring within a similar salary range due to performance evaluations; and

Ethics: Central Bank personnel must follow the Bank's code of ethics and core values.

Article 14.

Those persons holding the posts of Managing Director, Deputy Managing Director, Auditor General, General Accountant, Branch Managers, Secretary and Deputy Secretary shall be named by the Board of Directors of the Central Bank of Ecuador in accordance with the Law.

Those persons holding the posts of Director-General, Process Director and Local Director shall be *assigned* by the Managing Director.

None of the positions to which reference is made in this Article constitute career Bank positions, and they may be filled by qualified persons from within or outside the Central Bank.

Article 15.

If the person holding the position of Managing Director is a career Bank employee, that person may not return to a career Bank position at the conclusion of the duties assigned to him by the Board of Directors of the Central Bank of Ecuador. Thus, at that time, by operation of law he will be relieved of his duties, and his occupational group line will be eliminated.

In the event the persons holding the positions of: Deputy Managing Director, Auditor General, General Accountant, Branch Managers, Director-General, Process Director and Local Director are career Bank employees, they will return to their respective career Bank positions at the conclusion of the duties to which they were assigned by the Board of Directors of the Central Bank of Ecuador, or they will be assigned by the Managing Director, as applicable.

If the persons holding the positions of Director-General, Process Director and Local Director do not hold career Bank positions in the Central Bank of Ecuador, they shall leave the Bank when the Managing Director ends their assignments, according to the law and to the terms of their contracts.

Article 16.

Only the position of Director-General may be occupied by a person who is not a career Bank employee. The number of persons from outside the Bank holding positions as Process Director may not exceed the equivalent of 20 percent of the total number of positions.

Article 17.

Management of material resources and infrastructure of the Central Bank of Ecuador shall be based on principles of efficiency and austerity.

The Central Bank of Ecuador shall contract with outside companies and subject-area specialists to provide necessary goods and services that are not essential aspects of the Bank's mission.

III. Organizational Structure of the Central Bank of Ecuador

MISSION:

Promote and contribute to Ecuador's economic stability, focusing on development, by which it shall: monitor the macroeconomic program; contribute to the design of policies and strategies for national development; and implement the country's monetary regime. The latter involves managing the system of payments, investing free reserves, acting as the depository for public funds, and acting as the Government's fiscal and financial agent.

PRINCIPAL OBJECTIVES:

- a) Seek macroeconomic stability;
- b) Participate in development of the macroeconomic program and to monitor the program;
- c) Set Ecuador's targets for growth and long-term economic stability
- d) Manage Free Reserves
- e) Foster good management of the system of payments
- f) Act as the official depository and as the Government's financial agent
- g) Preserve Ecuador's cultural patrimony
- h) Develop social benefit programs for marginal [ized groups]

BASIC STRUCTURE.

In order to meet its objective[s] and responsibilities, the Central Bank of Ecuador comprises the following processes:

1. GOVERNING PROCESSES

1.1 BOARD OF DIRECTORS

1.2 OFFICE OF THE MANAGING DIRECTOR

1.3 OFFICE OF THE DEPUTY MANAGING DIRECTOR

1.4 OFFICE OF THE MANAGER OF THE PRIMARY BRANCH, GUAYAQUIL

1.5 OFFICE OF THE MANAGER OF THE CUENCA BRANCH

2. PROCESSES THAT CREATE VALUE

2.1 DIRECTORATE-GENERAL OF RESEARCH

2.1.1 DIRECTORATE OF TREND ANALYSIS AND ECONOMIC

POLICY

- 2.1.2 DIRECTORATE OF ECONOMIC RESEARCH AND LONG-TERM POLICIES
- 2.1.3 DIRECTORATE OF ECONOMIC STATISTICS
- 2.2 DIRECTORATE-GENERAL FOR BANKING
 - 2.2.1 DIRECTORATE OF INVESTMENTS
 - 2.2.2 DIRECTORATE OF FINANCIAL SERVICES
 - 2.2.3 DIRECTORATE OF FINANCIAL RISK [MANAGEMENT]
 - 2.2.4 DIRECTORATE OF FINANCIAL ASSET RECOVERY AND MANAGEMENT
 - 2.2.5 DIRECTORATE OF NATIONAL BANKING SERVICES
 - 2.2.6 DIRECTORATE OF INTERNATIONAL BANKING SERVICES
 - 2.2.7 DIRECTORATE OF CURRENCY
- 3. ADVISORY AND SUPPORT SERVICES [PROCESSES]
 - 3.1 DIRECTORATE-GENERAL OF CORPORATE SERVICES
 - 3.1.1 DIRECTORATE OF COMPUTING SERVICES
 - 3.1.2 DIRECTORATE OF HUMAN RESOURCES
 - 3.1.3 DIRECTORATE OF ADMINISTRATION
 - 3.1.4 DIRECTORATE OF FINANCE
 - 3.2 ADVISORY SERVICES
 - 3.2.1 [OFFICE OF THE]AUDITOR GENERAL
 - 3.2.2 [DEPARTMENT OF] LEGAL SERVICES
 - 3.2.3 OFFICE OF THE SECRETARY
 - 3.2.4 [DEPARTMENT OF] ORGANIZATIONAL DEVELOPMENT
 - 3.2.5 [DEPARTMENT OF] CORPORATE IMAGE [MANAGEMENT]
- 4. SPECIAL PROCESSES
 - 4.1 DIRECTORATE OF CULTURAL [AFFAIRS]
 - 4.2 PROGRAM FOR JUVENILE WORKERS

ORGANIZATION CHART

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PROCESS SCHEMATIC

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IV. Description of Processes

1. GOVERNING PROCESSES

1.1 BOARD OF DIRECTORS

1.2 OFFICE OF THE MANAGING DIRECTOR

1.3 OFFICE OF THE DEPUTY MANAGING DIRECTOR

1.4 OFFICE OF THE MANAGER OF THE PRIMARY BRANCH, GUAYAQUIL

1.5 OFFICE OF THE MANAGER OF THE CUENCA BRANCH

1.1 BOARD OF DIRECTORS

Duties:

Dictate policies pertaining to its area of activity and to monitor compliance. To issue, amend and interpret regulations or decisions in accordance with the Constitution and other laws of the Republic. To study and formulate recommendations concerning the performance of the Macroeconomic Program.

Area of Activity:

- a) In accordance with the provisions of Article 258 of the Constitution of Ecuador, to present a report to Congress concerning the Pro Forma National Budget.
- b) In accordance with the provisions of Article 263 of the Constitution of Ecuador, to present six-month reports to the President and the Congress concerning the management of the Central Bank of Ecuador and the performance of the Macroeconomic Program. In addition, the Central Bank must present a report concerning the public debt ceiling that must be set by Congress,
- c) Provide support for the Macroeconomic Program and carry out pertinent recommendations,
- d) Propose and report on amendments to the Law on the Monetary Regime and Banco del Estado,
- e) Issue, amend and interpret the Regulations or Decisions within its area of responsibility, as assigned by the Law,
- f) Rule on requests for domestic and foreign credit from the Government and other public-sector institutions and businesses,
- g) Issue suitable policies for the creation, merger or elimination of both public and private financial institutions, within its area of responsibility,
- h) Approve, on an annual basis, the budget of the Central Bank of Ecuador and other public-sector financial institutions,
- i) Approve, every six months, the Balance Sheet of the Central Bank of Ecuador, which shall include four separate and independent accounting systems for management of the Free Reserves] that support the current monetary regime; and [to approve] the Income Statement,
- j) Oversee the acquisition or divestiture of real property owned by the Central Bank of Ecuador; and,
- k) Dictate internal policies that contribute to the efficient operation of the Central Bank and to monitor their performance.

1.2 OFFICE OF THE MANAGING DIRECTOR

Duties:

To be the legally empowered representative of the Central Bank of Ecuador, manage and

direct activities, report to the Board of Directors concerning the Bank's activities, advise on the design and monitoring of policies and strategies that would contribute to Ecuador's macroeconomic development, and ensure that the system of payments functions well.

Area of Activity:

- a) To be the legally empowered representative of the Central Bank of Ecuador,
- b) Manage the Bank's internal administration,
- c) Advise the Board of Directors on carrying out policies and strategies that would contribute to Ecuador's macroeconomic development,
- d) Carry out the policies announced by the Board of Directors,
- e) Manage the Bank's strategic planning process, the evaluation of the Bank's overall financial performance, as well as the processes and persons that comprise that performance; and
- f) Report to the Board of Directors concerning the Bank's internal activities.

1.3 OFFICE OF THE DEPUTY MANAGING DIRECTOR

Duties:

Substitute for the Managing Director in the event of absence or temporary disability; to assist the Managing Director in managing the Central Bank of Ecuador's economic policies, banking operations and internal administration; to foster and coordinate the government's organizational development program; and to conduct and carry out the duties assigned by the Managing Director.

Area of Activity:

- a) Substitute for the Managing Director in the event of absence or temporary disability, and to carry out the technical-administrative duties assigned by the Managing Director,
- b) Assist the Managing Director with strategic planning for the Central Bank of Ecuador, as well as with the ongoing improvement of its processes, in the preparation of the Bank's general organizational plans, in the evaluation of the Bank's overall financial performance [and] the processes and persons that comprise that performance, and in the updating of policies, guidelines, procedures, standards and tools for organizational development,
- c) Chair the Committee on Institutional Development; and,
- d) Foster, in [both] public and internal opinion, a stable, positive and significant knowledge of events and activities carried out by the Bank through its products and processes.

1.4 OFFICE OF THE MANAGER OF THE PRIMARY BRANCH, GUAYAQUIL

Duties:

To be the legally empowered representative as delegated by the Managing Director, manage implementation of the technical, banking, cultural and social activities within its jurisdiction, manage the branch office of the Central Bank of Ecuador in the city of Guayaquil, and conduct and carry out the duties assigned by the Managing Director.

Area of Activity:

The Office of the Manager of the Primary Branch, Guayaquil, is responsible for the technical and administrative management of the processes, sub processes and activities that, as an extension and replication of the Bank's processes, are necessary for meeting its responsibilities. These processes, sub processes, activities and their geographical location are listed in the *Manual of Processes of the Central Bank [Manual de procesos del Banco Central]*, approved by the Managing Director.

1.5 OFFICE OF THE MANAGER OF THE CUENCA BRANCH

Duties:

To be the legally empowered representative as delegated by the Managing Director,

manage implementation of the technical, banking, cultural and social activities within its jurisdiction, manage the branch office of the Central Bank of Ecuador in Cuenca, and conduct and carry out the duties assigned by the Managing Director.

Area of Activity:

The Office of the Manager of the Cuenca Branch is responsible for the technical and administrative management of the processes, sub processes and activities that, as an extension and replication of the Bank's processes, are necessary for meeting its responsibilities. These processes, sub processes, activities and their geographical locations are listed in the *Manual of Processes of the Central Bank [Manual de procesos del Banco Central]*, approved by the Managing Director.

2. PROCESSES THAT CREATE VALUE

2.1 DIRECTORATE-GENERAL OF RESEARCH

2.1.1 DIRECTORATE OF TREND ANALYSIS AND ECONOMIC POLICY

2.1.2 DIRECTORATE OF ECONOMIC RESEARCH AND LONG-TERM POLICIES

2.1.3 DIRECTORATE OF ECONOMIC STATISTICS

2.2 DIRECTORATE GENERAL OF BANKING

2.2.1 DIRECTORATE OF INVESTMENTS

2.2.2 DIRECTORATE OF FINANCIAL SERVICES

2.2.3 DIRECTORATE OF FINANCIAL RISK [MANAGEMENT]

2.2.4 DIRECTORATE OF FINANCIAL ASSET RECOVERY AND MANAGEMENT

2.2.5 DIRECTORATE OF NATIONAL BANKING SERVICES

2.2.6 DIRECTORATE OF INTERNATIONAL BANKING SERVICES

2.2.7 DIRECTORATE OF CURRENCY

2.1 DIRECTORATE-GENERAL OF RESEARCH

Duties:

Promote and contribute to Ecuador's economic stability by monitoring the macroeconomic program and assisting with the design of policies and strategies for national development.

Area of Activity:

- a) Monitor and analyze national and international economic trends, and suggest policies that permit anticipation and modulation of the business cycle.
- b) Analyze, define and suggest structural policies for economic development in Ecuador.
- c) Prepare and develop baseline statistics and summary macroeconomic statistics for national and international use.

Basic Structure:

The Directorate-General of Research is organized according to processes that comprise the following Directorates:

- Directorate of Trend Analysis and Economic Policy
- Directorate of Economic Research and Long-Term Policies
- Directorate of Economic Statistics

2.1.1 DIRECTORATE OF TREND ANALYSIS AND ECONOMIC POLICY.

Duties:

Analyze and monitor the performance of Ecuador's economy and of the international economy vis-à-vis current economic trends, with the objective of defining and recommending policies and strategies for macroeconomic stability and sustainability in Ecuador.

Basic Structure:

The Directorate of Trend Analysis and Economic Policy has an open structure whose work

teams are organized according to its process requirements.

2.1.2 DIRECTORATE OF ECONOMIC RESEARCH AND LONG-TERM POLICIES

Duties:

Conduct studies of the structure and development of Ecuador's economy over the medium and long terms, with the objective of recommending policies and strategies for national growth. Disseminate and publish economic analysis and research documents.

Basic Structure:

The Directorate of Economic Research and Long-Term Policies has an open structure whose work teams are organized according to its process requirements.

2.1.3 DIRECTORATE OF ECONOMIC STATISTICS

Duties:

Catalogue external and real monetary, financial and fiscal statistical indicators; prepare summaries of statistics and forecasts for the real sector.

Basic Structure:

The Directorate of Economic Statistics has an open structure whose work teams are organized according to its process requirements.

2.2 DIRECTORATE-GENERAL OF BANKING

Duties:

Promote and contribute to Ecuador's economic stability by implementing the country's monetary regime, which involves managing the system of payments, investing free reserves, acting as the depository for public funds, and as the Government's fiscal and financial agent.

Area of Activity:

- a) Manage the Central Bank of Ecuador's domestic and international investments,
- b) Manage the mechanisms for recirculation of money in the financial system,
- c) Identify, analyze and help minimize the Central Bank of Ecuador's financial risks,
- d) Recover loans granted and manage goods received in exchange for extinguishment of debt,
- e) Provide national banking services,
- f) Provide international banking services,
- g) Manage the currency supply.

Basic Structure:

The Directorate-General of Banking is organized according to processes that comprise the following Directorates:

- Directorate of Investments
- Directorate of Financial Services
- Directorate of Financial Risk [Management]
- Directorate of Financial Asset Recovery and Management
- Directorate of National Banking Services
- Directorate of International Banking Services
- Directorate of Currency

2.2.1 DIRECTORATE OF INVESTMENTS

Duties:

Manage the Free Reserves and other funds delivered for investment in the domestic and international financial markets.

Basic Structure:

The Directorate of Investments has an open structure whose work teams are organized according to its process requirements.

2.2.2 DIRECTORATE OF FINANCIAL SERVICES

Duties:

Manage the mechanisms for recirculation of money in the financial system, provide a custodial service for the financial system and service the domestic public debt.

Basic Structure:

The Directorate of Financial Services has an open structure whose work teams are organized according to its process requirements.

2.2.3 DIRECTORATE OF FINANCIAL RISK [MANAGEMENT

Duties:

Basic Structure:

The Directorate of Financial Risk [Management] has an open structure whose work teams are organized according to its process requirements.

2.2.4 DIRECTORATE OF FINANCIAL ASSET RECOVERY AND MANAGEMENT

Duties:

Recover loans made by the Central Bank of Ecuador, by using judicial and extrajudicial recovery methods for the portfolio accepted for the collection process; manage the receipt of fixed assets and other assets received as payment, preserve their value and manage their divestiture.

Basic Structure:

The Directorate of Financial Asset Recovery and Management has an open structure whose work teams are organized according to its process requirements.

2.2.5 DIRECTORATE OF NATIONAL BANKING SERVICES

Duties:

Act as the official depository for public funds and cash holdings, regulate and manage the system of payments, and provide national banking services.

Basic Structure:

The Directorate of National Banking Services has an open structure whose work teams are organized according to its process requirements.

2.2.6 DIRECTORATE OF INTERNATIONAL BANKING SERVICES

Duties:

Provide international banking services and transactions; issue and service public debt, and record private foreign debt as well as foreign investment.

Basic Structure:

The Directorate of International Banking Services has an open structure whose work teams are organized according to its process requirements.

2.2.7 DIRECTORATE OF CURRENCY

Duties:

Provide the domestic financial system with receipt, classification, custodial services and distribution of dollar bills and fractional currency, [while] providing the general public with exchange and swapping service[s] for bills and coins.

Basic Structure:

The Directorate of Currency has an open structure whose work teams are organized according to its process requirements. The offices in other provinces report to this Directorate under the supervision of a Local Director, who has responsibility for swaps of

coins and bills.

2.2.7 ADVISORY AND SUPPORT SERVICES PROCESSES

3.1 DIRECTORATE-GENERAL OF CORPORATE SERVICES

3.1.1 DIRECTORATE OF COMPUTING SERVICES

3.1.2 DIRECTORATE OF HUMAN RESOURCES

3.1.3 DIRECTORATE OF ADMINISTRATION

3.1.4 DIRECTORATE OF FINANCE

3.2 ADVISORY SERVICES

3.2.1 [OFFICE OF] THE AUDITOR GENERAL

3.2.2 [DEPARTMENT OF] LEGAL SERVICES

3.2.3 OFFICE OF THE SECRETARY

3.2.4 [DEPARTMENT OF] ORGANIZATIONAL DEVELOPMENT

3.2.5 [DEPARTMENT OF] CORPORATE IMAGE [MANAGEMENT]

3.1 DIRECTORATE-GENERAL OF CORPORATE SERVICES

Duties:

Coordinate and provide computer-related goods and services, human resources, and administrative and financial resources, to enable the Bank to meet its responsibilities efficiently and effectively.

Area of Activity:

- a) Provide information technology and related services
- b) Manage and develop human resources;
- c) Provide material resources and administrative services;
- d) Schedule and monitor distribution of financial resources, and provide financial information

Basic Structure:

The Directorate-General of Corporate Services is organized according to processes that comprise the following Directorates:

. Directorate of Information Technology

. Directorate of Human Resources

. Directorate of Administration

. Directorate of Finance

3.1.1 DIRECTORATE OF INFORMATION TECHNOLOGY

Duties:

Provide the Central Bank of Ecuador with information services and technology for data processing and access to information by installing state-of-the-art technological infrastructure and providing products, systems and applications that contribute to the overall development of the Bank.

Basic Structure:

The Directorate of Information Technology has an open structure whose work teams are organized according to its process requirements.

3.1.2 DIRECTORATE OF HUMAN RESOURCES

Duties:

Guarantee that the Bank will have a competent, committed workforce capable of adapting to and taking on challenges in order to achieve institutional objectives. To that end, the Directorate shall set policies, standards and procedures for the overall administration of human resources and provide advisory services to Bank employees so that policies, standards and procedures may be uniformly applied within a decentralized personnel-

administration framework.

Basic Structure:

The Directorate of Human Resources has an open structure whose work teams are organized according to its process requirements.

3.1.3 DIRECTORATE OF ADMINISTRATION

Duties:

Formulate policies, as well as provide administrative services and material resources for development of Central Bank activities.

Basic Structure:

The Directorate of Administration has an open structure whose work teams are organized according to its process requirements.

3.1.4 DIRECTORATE OF FINANCE

Duties:

Schedule the allocation of financial resources to the Central Bank of Ecuador's various processes and operations; and, for decision-making purposes, provide financial information from the decentralized registry of the Bank's financial transactions.

Basic Structure:

The Directorate of Finance has an open structure whose work teams are organized according to its process requirements.

3.2 ADVISORY SERVICES

3.2.1 [OFFICE OF] THE AUDITOR GENERAL

Duties:

Formulate principles and policies for internal control and risk analysis, evaluate monitoring [procedures], efficiency, effectiveness and economy of the Bank's activities; verify compliance with the legal provisions and regulations in force; and advise and inform the Board of Directors and the Office of the Managing Director concerning the Bank's operations, finances and management.

Basic Structure:

The [Office of] the Auditor General functions at the Directorate level, with national coverage and scope. It has an open structure whose work teams are organized according to its process requirements.

3.2.2 [DEPARTMENT OF] LEGAL SERVICES

Duties:

Provide the Board of Directors, the Office of the Managing Director and other Directorates of the Bank with legal advice in order to guide decisions and actions relative to the Bank's mission; provide information requested and prepare documentation concerning legal matters in general, particularly economics-banking law, contracts, labor law, administrative and procedural law. The [Directorate of] Legal Services also represents the Bank in legal matters.

Basic Structure:

The [Department of] Legal Services functions at the Directorate level. It has an open structure whose work teams are organized according to its process requirements..

3.2.3 OFFICE OF THE SECRETARY

Duties:

Assist and advise the Managing Director and Deputy Managing Director in formulating and preparing reports and statements; prepare and chair the Bank's Committees and Subcommittees; and manage the Bank's records.

Basic Structure:

The Office of the Secretary functions at the Directorate level. It has an open structure whose work teams are organized according to its process requirements.

3.2.4 [DEPARTMENT OF] ORGANIZATIONAL DEVELOPMENT

Duties:

Assist the Committee on Institutional Development with the process of strategic planning for the Bank, as well as with ongoing improvement of processes, preparation of general organizational plans, and evaluation and updating of policies, guidelines, procedures, standards and tools for organizational development.

Basic Structure:

The [Department of] Organizational Development functions at the Directorate level. It has an open structure whose work teams are organized according to its process requirements.

3.2.5 [DEPARTMENT OF] CORPORATE IMAGE [MANAGEMENT]

Duties: To foster in [both] public and internal opinion an ongoing, positive and significant knowledge of the Bank's activities and events, which are created through its products and processes.

Basic Structure:

The Department of Corporate Image [Management] functions at the Directorate level. It has an open structure whose work teams are organized according to its process requirements.

4. SPECIAL PROCESSES

4.1 DIRECTORATE OF CULTURAL [AFFAIRS]

1.2 PROGRAM FOR JUVENILE WORKER[S]

4.1 DIRECTORATE OF CULTURAL AFFAIRS

Duties:

Manage, develop, research, preserve and disseminate the Cultural Patrimony of the Central Bank of Ecuador in order to contribute to knowledge about Ecuadorian culture and identity.

Basic Structure:

The Directorate of Cultural [Affairs] operates on a national scope and comprises three Regional Cultural Directorates (in Quito, Guayaquil and Cuenca) and a National Cultural Committee made up of the Deputy Managing Director of the Central Bank of Ecuador and the three Regional Cultural Directors. Private citizens and other Bank employees may occasionally join the Committee to work on specific issues. In such cases, the Committee shall invite third parties to attend Committee meetings as nonvoting members.

4.2 PROGRAM FOR JUVENILE WORKERS

Duties:

Manage the Program for Juvenile Worker[s], a social [service] process.

Basic Structure:

The Program for Juvenile Worker[s] Functions at the Directorate level and is managed under an open structure whose work teams are organized according to its process requirements.

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