

1. DEFINITIONS

Any capitalized terms used in this Amendment (including those appearing in the recitals above) shall have the meaning given to them in the Agreement, except as otherwise provided hereinafter.

2. AMENDMENT TO AGREEMENT NUMBER

The Agreement Number CEC 1008 is deleted and replaced by: "CEC 1008 01 Y".

3. AMENDMENT TO SCHEDULE 2

Schedule 2 is deleted and replaced by the following:

The National Development Plan (2017-2021) and the Education Sector Plan (2017-2021) are based on three programmatic axes: quality, coverage and rights, through sectorial objectives, which seek to guarantee access to quality education, with a territorial and intercultural approach, of girls, boys, adolescents and people with unfinished schooling, in a safe environment and with respect to their rights. These priorities have been maintained despite the economic situation and the seism of April, 2016.

Objective of AFD's Facility

The Facility shall contribute to implementing part of the Programme related to quality and inclusion of education system over the five coming years (from 2017 to 2021) as follows:

- 1.1 Contribution to schools' rehabilitations, constructions and equipment*
- 1.2 Contribution to teachers and other education actors training*
- 1.3 Contribution to Intercultural Bilingual Education*

The Facility shall also contribute to support the implementation of the Programme through:

- 2.1 Studies on Programme key subjects*
- 2.2 Support and coordination of staff in charge of the implementation*
- 2.3 Audits and evaluation of the Programme*

Targets of the Programme are detailed in schedule 7 (Programme Indicators).

Programme Implementation

The Ministry of Education (MINEDUC) is in charge of implementing the Programme and will execute the part of it relating to schools' rehabilitation and construction from Central Plant of the Ministry of Education and through its deconcentrated operating entities (EOD's - Coordinaciones zonales/distritales/circuitos).

AFD's Facility will be disbursed over a five (05) year time period based on eligibility criteria and implementation conditions, as detailed hereafter for each component. Fulfillment of eligibility criteria and implementation conditions will be verified a posteriori through external audits and reporting.

The MINEDUC shall draft an Operational Manual which will be submitted to AFD for its no-objection. The Operational Manual shall set forth:

- Operational provisions of the Programme (roles and responsibilities of the different entities, implementation modalities of each component of the Programme, eligibility criteria and implementation conditions, etc.)
- Procurement procedures
- Environmental and social procedures
- Financial procedures
- Disbursement provisions
- Monitoring provisions

The MINEDUC shall coordinate the execution of the Programme in accordance with the Operational Manual at both central and decentralized level, with technical support.

The MINEDUC will recruit for the whole implementation period, under the Facility:

- a coordinator in charge of following-up on the use of the proceeds of the Facility;
- at least three experts, in the areas of procurement, financial, environmental and social.

This team will:

- have the support of an expert for the supervision of the construction site for the Millennium Schools, and another expert for the Pilot Plan, at a decentralized level.
- have the support of a specialist in micro-planning of education, at the school level and supervision of the construction site for Escuelas del Milenio and Guardianas de la lengua schools (GDL) (supervision will be carried out at a decentralized level).

Support to its decentralized entities shall also be provided.

Component 1.1: Contribution to schools' rehabilitations, constructions and equipment (66,5MUSD)

The Facility will finance the Programme expenses related to schools' rehabilitations, constructions and equipment. On one hand, schools with Escuelas del Milenio standards and on the other hand, pilots for a Guardianas de la lengua school, according to at least the following criteria and conditions:

Priority and eligibility criteria in order to select sites according to the Programme's priorities:

- Sites accessibility (differentiated eligibility analysis for GDL school).
- Sites preparation and excluding major environmental and social risks.
- Sites located in rural and underprivileged suburb with i) high demographic pressure, ii) low scholar rates at preschool and secondary level, iii) lack of continuity of school offer, iv) strong vulnerability and socioeconomic criteria and v) strong deterioration of existing buildings for schools' rehabilitation.

Guardiana de la lengua (GDL) schools are not concerned by these priority criteria but are eligible to the Facility. The selection of the educational units - Guardianas de la lengua - shall be in accordance with technical reports that validate the fulfillment of the existing demand, improvement of the infrastructure and the natural risk.

Implementation conditions:

- Technical, social and environmental studies for each sites, according to standards validated by AFD in the Operational Manual;
- Analysis of school cartography in order to set forth architectural criteria and transport;

- Consultation of relevant population to verify its adherence to the programme (protocol defined with the World Bank);
- School transport plan for each school scope action;
- Action plan with respect to teachers and education staff recruitment for new schools.

According to national procedures, for Escuelas del Milenio, the MINEDUC will be in charge of school rehabilitation and construction, under Escuelas del Milenio standards:

- For the implementation of engineering and design consultancies, the Central Plant of the Ministry of Education (MINEDUC) will be in charge in coordination with their decentralized operating entities (EOD's).
- The works and supervision of its implementation will be under the responsibility of the Central Plant of the Ministry of Education (MINEDUC), delegating the Contract Administration to its decentralized operating entities (EOD's), in accordance with the amounts established in accordance with the French Development Agency (AFD), and the national ministry regulations.
- The equipment of educational units will be executed in a decentralized manner by the operating entities of the Ministry of Education (MINEDUC), in accordance with the amounts established in accordance with the French Development Agency (AFD), and the national ministry regulations.
- Decentralized operating entities (EOD's) will receive permanent support and support necessary for the execution of all established activities.

Component 1.2: Contribution to teachers and education staff training (3MUSD):

The Facility will contribute to capacity building strategy for teachers and education staff (schools directors, advisors, etc.) on the following topics: disciplinary and academic trainings in particular on preschool and secondary level, intercultural bilingual education, schools directors and advisors trainings, inclusive education trainings, etc. Priority criteria for trainings will be established according to the most urgent needs, to teachers who have shown poor performance in their evaluation.

According to national procedures, the MINEDUC shall coordinate the capacity building programme for teachers and education staff with national universities in charge of trainings. Partnership with French education actors will be encouraged.

Component 1.3: Contribution to Intercultural Bilingual Education (3MUSD)

The Facility will contribute to finance Intercultural Bilingual Education strategy through pedagogic resources and teacher trainings on these pedagogic resources, for GDI schools, in 14 indigenous language.

Component 2.1: Studies on key subjects and cooperation (0.7MUSD)

The Facility will contribute, to support complementary studies on the Programme implementation, in relation to the following areas:

- Analysis of current national budget and schools functioning in relation to available budget and needs implied by new schools standards;

- Analysis of the Programme sustainability and the impact of Escuelas del Milenio standards on the offer/demand relation in a context of an increasing demand, territorial inequalities and necessity to strengthen quality education;
- Adaptation of schools architectures in order to integrate climate adaptation, energy efficiency and use of local materials;
- Definition of new GDL schools standards.

Partnership with universities and/or research institutions will be launched. Partnership with French education actors will be encouraged.

Monitoring and Control

The Programme documents as defined in Schedule 1A (Definitions) will be prepared by the MINEDUC no later than the start of Programme implementation.

A technical committee shall be set up and shall meet on a trimestral basis, in order to facilitate the Programme implementation, based on procurement plan, financial execution information and technical information. AFD shall be entitled to attend the meetings as observer.

An assessment of procedures will be made no later than 6 months after the start of implementation.

Ex-post controls shall be defined:

- On a half-year basis, the MINEDUC shall communicate technical and financial reporting (as defined in 12.2);
- On a year basis, external audits;
- At the end of the Programme, a final audit of use of funds under the Facility;
- At the end of the Programme, a technical and financial audit and an Programme assessment.

4. AMENDMENT TO SCHEDULE 1A - DEFINITIONS

The definition of Implementing Agency in Schedule 1A is replaced by: "The Ministry of Education (MINEDUC) is in charge of implementing the Programme and will execute the part of it relating to schools' rehabilitation and construction from Central Plant of the Ministry of Education and through its decentralized operating entities (EOD's - Coordinaciones zonales / distritales / circuitos)".

5. AMENDMENT TO SCHEDULE 7

Schedule 7 is deleted and replaced by the following:

Ejes - Plan Nacional de Desarrollo 2017-2021 "Toda una Vida"	Objetivos - Plan Sectorial de Educación 2017-2021	Metas - Plan Sectorial de Educación al 2021	Indicador de Resultado - Plan Sectorial de Educación al 2021	Línea Base 2016
CALIDAD	Objetivo 1: Fortalecer el Sistema de Educación Intercultural Bilingüe.	Incrementar el porcentaje de docentes del Sistema de Educación Intercultural Bilingüe con formación pedagógica al 82.34% al 2021.	Porcentaje de Docentes del Sistema de Educación Intercultural Bilingüe con formación pedagógica.	77.20%
	Objetivo 2: Mejorar la metodología de enseñanza y los resultados de aprendizaje, considerando las particularidades lingüísticas y culturales de los pueblos y nacionalidades.	Alcanzar el 95.00% en la tasa de promoción de estudiantes que pertenecen a instituciones educativas interculturales bilingües al 2021.	Tasa de promoción de estudiantes que pertenecen a instituciones educativas interculturales bilingües.	84.43%
	Objetivo 3: Fortalecer el modelo de desarrollo integral para niñas y niños de 3 y 4 años de edad.	Incrementar del 54.30% al 70.00% la tasa bruta de matrícula en educación inicial (3 y 4 años), al 2021.	Tasa bruta de matrícula en Educación Inicial (3 y 4 años), en área urbana.	54.30%
		Incrementar del 29.39% al 45.50% la tasa bruta de matrícula en educación inicial (3 y 4 años) en el área rural, al 2021.	Tasa bruta de matrícula en Educación Inicial (3 y 4 años), en área rural.	29.39%
		Incrementar la producción de materiales educativos en lenguas de las nacionalidades al 98.10% al 2021.	Porcentaje de materiales educativos en lenguas de las nacionalidades en el período.	0.00%
COBERTURA	Objetivo 1: Garantizar el acceso a la oferta educativa de alfabetización (de 1° a 3° ECB) a la población de 15 años en adelante con estándares educativos que apoyen su permanencia, culminación y continuidad del ciclo educativo.	Matricular al 2021 a 99,582 (acumulado del 2016 al 2021) estudiantes con la oferta educativa alfabetización.	Número de estudiantes matriculados en la oferta educativa de alfabetización.	17,005
	Objetivo 2: Garantizar el acceso a la oferta educativa de post alfabetización (de 4° a 7° ECB) a la población de 15 años en adelante con estándares educativos que apoyen su permanencia, culminación y continuidad del ciclo educativo.	Matricular al 2021 a 131,453 (acumulado del 2016 al 2021) estudiantes con la oferta educativa básica media.	Número de estudiantes matriculados en la oferta educativa de post alfabetización.	16,491
	Objetivo 3: Garantizar el acceso a la oferta educativa básica superior extraordinaria (de 8° a 10° ECB) a la población de 15 años en adelante con estándares educativos que apoyen su permanencia, culminación y continuidad del ciclo educativo.	Matricular al 2021 a 106,398 (acumulado del 2016 al 2021) estudiantes con oferta educativa de básica superior para personas con escolaridad inconclusa.	Número de estudiantes matriculados en la oferta educativa de básica superior para personas con escolaridad inconclusa.	10,277

Nota: Según Decreto Ejecutivo No. 415 se crea la Secretaría Nacional de Educación Intercultural Bilingüe, adscrita al Ministerio de Educación, por lo cual son metas correspondientes.

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Objetivo 5: Aumentar la permanencia y culminación en los niveles de educación general básica y bachillerato, con énfasis en áreas rurales, territorios con población dispersa y de difícil acceso.	Reducir al 4,00% la tasa de abandono en 8vo. de educación general básica en el área rural al 2021.	Tasa de abandono en 8vo. de educación general básica en el área rural.	4,56%
	Reducir al 6,5% tasa de abandono en 1ro. de bachillerato en el área rural al 2021.	Tasa de abandono en 1ro. de bachillerato en el área rural.	6,87%
	Alcanzar el 92,71% en la tasa de promoción de bachillerato en el área rural al 2021.	Tasa de promoción de bachillerato en el área rural.	91,87%
	Incrementar al 70,00% el porcentaje de personas de 16 a 29 años de edad con educación general básica completa en el área rural al 2021.	Porcentaje de personas de 16 a 29 años de edad con educación general básica completa en el área rural.	66,30%
	Incrementar al 49,00% el porcentaje de personas de 18 a 29 años con bachillerato completo en el área rural al 2021.	Porcentaje de personas de 18 a 29 años de edad con bachillerato completo en el área rural.	45,56%
Objetivo 6: Disminuir las brechas pendientes en oferta para el nivel de educación general básica y bachillerato con pertinencia cultural y territorial, especialmente en áreas rurales.	Aumentar al 70% la cobertura, calidad y acceso al servicio educativo con pertinencia cultural y territorial en zona rural.	Porcentaje de estudiantes matriculados en instituciones educativas que cuentan con al menos los siguientes servicios: a) electricidad; b) internet con fines pedagógicos; c) computadores con fines pedagógicos; d) espacios recreativos; e) agua; f) servicios higiénicos en el área rural.	57,99%

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6. REPRESENTATION

The Borrower repeats all the representations and warranties contained in Clause 10 (*Representations and warranties*) of the Agreement.

The Borrower further represents that:

- (i) it has taken all necessary action in order to enable it to lawfully enter into this Amendment and has the capacity and all the requisite powers to execute this Amendment and to perform the obligations arising therefrom;
- (ii) the signature of this Amendment and the performance of the obligations arising therefrom are not contrary to any law, statute or national or international regulations applicable thereto, or to any agreement or act binding the Borrower or committing any of its assets.

7. REMAINING OF THE AGREEMENT

This Amendment amends the Agreement but it is expressly agreed that such Amendment does not constitute a novation of the Agreement. All other provisions of the Agreement will remain unchanged and applicable to the extent to which they do not conflict with the provisions of this Amendment n°1.

As of the date of signature of this Amendment, the Parties agree that:

- (i) the Agreement and this Amendment shall be read and interpreted together as a single document;
- (ii) any reference to the Agreement shall be construed as a reference to the Agreement as amended by this Amendment;

8. GOVERNING LAW AND JURISDICTION

This Amendment is governed by French law. Any dispute arising out of or in connection with this Amendment (including a dispute relating to the existence, validity, interpretation, performance or termination of this Amendment) will be settled in accordance with Article 17.2 (*Jurisdiction*) of the Agreement.

9. ENTRY INTO FORCE

This Amendment shall enter into force on the date on which it has been signed by the Parties provided that all formalities required by the laws and regulations of the Borrower's country to ensure the validity of this Amendment have been fulfilled in a manner satisfactory to the Lender and shall remain in full force and effect for so long as the Agreement does.

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Executed in two originals, in Quito, on the 11th of April 2019.

BORROWER

REPUBLIC OF ECUADOR

Maldonado

Represented by

Name: Gonzalo Francisco MALDONADO ALBAN

Capacity : Under Secretary of Public Financing of Ministry of Economy and Finance of Ecuador

LENDER

AGENCE FRANÇAISE DE DÉVELOPPEMENT

Cloutier

Represented by :

Name: Clothilde BOUTROLLE

Capacity : Director of Ecuador



INITIALS



ACUERDO Nro. MINEDUC-MINEDUC-2018-00027-A

FANDER FALCONÍ BENÍTEZ
MINISTRO DE EDUCACIÓN

CONSIDERANDO:

Que, el artículo 44 de la Constitución de la República del Ecuador establece que el Estado, la Sociedad y la familia promoverán de forma prioritaria el desarrollo integral de las niñas, niños y adolescentes, y asegurarán el ejercicio pleno de sus derechos; se atenderá al principio de su interés superior y sus derechos prevalecerán sobre los de las demás personas;

Que, la Constitución de la República del Ecuador, en su artículo 154, número 1, establece que corresponde a las Ministras y Ministros de Estado, además de las atribuciones establecidas en la ley, ejercer la rectoría de las políticas públicas del área a su cargo y expedir los acuerdos y resoluciones administrativas que requiera su gestión;

Que, el Comité de Deuda y Financiamiento, mediante Acta Resolutiva No. 0003, del 06 de febrero del 2017, autorizó la contratación en los términos y condiciones financieras del Contrato de Préstamo, por un monto hasta USD 75.000.000,00 (setenta y cinco millones de dólares de los Estados Unidos de América), entre la Agencia Francesa de Desarrollo (AFD), y la República del Ecuador, a través del Ministerio de Economía y Finanzas del Ecuador;

Que, la República del Ecuador, a través del Ministerio de Economía y Finanzas, con representación de la Embajada del Ecuador en Paraguay, suscribió el Contrato de Préstamo No. CEC 1008, con la Agencia Francesa de Desarrollo, el 01 de abril del 2017, para financiar parcialmente el Programa "Apoyo a la calidad e inclusión del sector educativo en Ecuador", que forma parte de los Proyectos Nueva Infraestructura Educativa y Sistema Nacional de Desarrollo Profesional SiProfe, del Ministerio de Educación;

Que, el Ministerio de Economía y Finanzas, y el Ministerio de Educación del Ecuador, suscribieron el Convenio Subsidiario, el 26 de octubre del 2017, para la transferencia de los recursos, derechos y obligaciones derivados del Contrato de Préstamo, y se establezcan los términos y condiciones que aseguren la debida ejecución del Programa "Apoyo a la calidad e inclusión del sector educativo en Ecuador";

Que, en el referido Contrato de Préstamo, además de las disposiciones adicionales aplicables al caso, se registrará en su ejecución por lo dispuesto en el mismo y en las disposiciones contenidas en el Manual Operativo del Programa "Apoyo a la calidad e inclusión del sector educativo en Ecuador"; y,

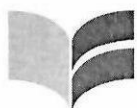
En ejercicio de las atribuciones que le confiere el artículo 154 numeral 1 de la Constitución de la República del Ecuador; 22, literales t) y u), de la Ley Orgánica de Educación Intercultural; y 17 del Estatuto del Régimen Jurídico Administrativo de la Función Ejecutiva;

ACUERDA:

Expedir el **MANUAL OPERATIVO DEL PROGRAMA "APOYO A LA CALIDAD E INCLUSIÓN DEL SECTOR EDUCATIVO EN ECUADOR"**

Artículo 1.- Expídase el Manual Operativo del Programa "Apoyo a la calidad e inclusión del sector educativo en Ecuador" para contribuir al desarrollo de los proyectos Nueva Infraestructura Educativa, y Sistema Nacional de Desarrollo Profesional (SiProfe), con recursos del Contrato de Préstamo No. CEC 1008, suscrito con la Agencia Francesa de Desarrollo, mismo que se adjunta al presente Acuerdo Ministerial, del que forma parte integrante.





Artículo 2.- Objetivo.- Proporcionar a las instituciones y entidades involucradas con la implementación del Programa "Apoyo a la calidad e inclusión del sector educativo en Ecuador", las directrices y regulaciones necesarias para el adecuado manejo y ejecución de los recursos provenientes del Contrato de Préstamo No. CEC 1008, suscrito con la Agencia Francesa de Desarrollo, a través del Manual Operativo, que forma parte del presente Acuerdo Ministerial.

Artículo 3.- Ámbito de aplicación.- El presente Manual Operativo se aplicará a nivel nacional, a las instituciones y entidades involucradas, con sus respectivas entidades operativas desconcentradas, en concordancia con el Contrato de Préstamo No. CEC 1008, suscrito con la Agencia Francesa de Desarrollo, y la normativa nacional vigente.

En caso de discrepancias entre las entidades e instituciones sobre aspectos no contenido en el presente Manual Operativo, prevalecerá lo establecido en el Contrato de Préstamo No. CEC 1008, suscrito con la Agencia Francesa de Desarrollo, los Documentos del Programa, los Convenios Interinstitucionales, los Convenios de Cooperación, suscritos y demás disposiciones, atendiendo la orden de prelación anterior.

Artículo 4.- Modificaciones al Manual Operativo.- Toda modificación al presente Manual, que se deba implementar para mejorar la ejecución operativa del Programa "Apoyo a la calidad e inclusión del sector educativo en Ecuador", sea adaptándolo a nuevas condiciones o identificando el procedimiento a seguir en las circunstancias que se presenten durante la ejecución del Programa; procederán siempre y cuando cuenten con la No Objeción de la Agencia Francesa de Desarrollo, y no estén en contradicción con las disposiciones del Contrato de Préstamo No. CEC 1008.

DISPOSICIÓN GENERAL.- De la ejecución del presente Acuerdo encárguese a la Subsecretaría de Administración Escolar, Gerencia del proyecto Nueva Infraestructura Educativa; la Subsecretaría de Desarrollo Profesional Educativa, Gerencia del proyecto Sistema Nacional de Desarrollo Profesional (SiProfe); la Subsecretaría de Educación Intercultural Bilingüe; la Coordinación General de Planificación; a la Coordinación General Administrativa Financiera; a las Subsecretarías Metropolitanas; y Coordinaciones Zonales, de esta Cartera de Estado, en el ámbito de sus competencias.

DISPOSICIÓN FINAL.- El presente acuerdo entrará en vigencia a partir de la presente fecha, sin perjuicio de su publicación en el Registro Oficial.

COMUNÍQUESE Y PUBLÍQUESE.- Dado en Quito, D.M. , a los 19 día(s) del mes de Marzo de dos mil dieciocho.

Documento firmado electrónicamente

FANDER FALCONÍ BENÍTEZ
MINISTRO DE EDUCACIÓN



AFD 72/ 2017

Quito, 11 de abril de 2017

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Asunto **CONVENIO DE CREDITO 1008 Firmado - Programa
de Apoyo a la Calidad e Inclusión de la Educación
en Ecuador –Agencia Francesa de Desarrollo**

Econ.

Patricio Rivera
Ministro de Finanzas
Presente.-

De mi consideración:

Por medio de la presente, me permito adjuntar a este oficio el convenio de crédito en CEC1008 en original firmado el sábado 1 de abril en Asunción, por los delegados correspondientes de la República de Ecuador y de la Agencia Francesa de Desarrollo.

Sin otro particular por el momento, aprovecho la oportunidad para enviarle un cordial saludo.

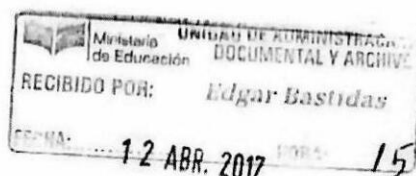
Atentamente,


Marco VAREA
Representante AFD Ecuador
C.I. 1706997879



Cc: **Sr. Luis Villafuerte, Subsecretario de Financiamiento Público subrogante
Sr. Freddy Peñañiel, Ministro de Educación (e)**

La Sede
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AFD AGREEMENT N° CEC 1008

CREDIT FACILITY AGREEMENT

dated as of April 1st 2017

between

AGENCE FRANÇAISE DE DEVELOPPEMENT

The Lender

and

THE REPUBLIC OF ECUADOR

The Borrower

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CREDIT FACILITY AGREEMENT

BETWEEN:

- (1) THE REPUBLIC OF ECUADOR,

represented by José Enrique Núñez Tamayo, in his capacity as *Ambassador of Ecuador in Paraguay*, who is duly authorised to sign this Agreement, according to a delegation of powers of the Ministry of Finances,

("Ecuador" or the "Borrower");

AND

- (2) **AGENCE FRANCAISE DE DEVELOPPEMENT**, a French public entity governed by French law, with registered office at 5, Rue Roland Barthes, 75598 Paris Cedex 12, France, registered with the Trade and Companies Register of Paris under number 775 665 599, represented by Philippe Orlange, in his capacity as *Directeur exécutif de la Stratégie, des Partenariats et de la Communication*, duly authorised to sign this Agreement, according to a delegation of powers of the Managing Director of March 28th 2017.

("AFD" or the "Lender");

(hereinafter jointly referred to as the "**Parties**" and each a "**Party**");

WHEREAS:

- (A) The Borrower intends to improve quality and inclusion of its education national system through a ten-year National Education Development Plan (the "**Programme**"), as described further in Schedule 2 (*Programme Description*).
- (B) The Borrower has requested that the Lender makes a facility available for the purposes of financing and refinancing part of the Programme.
- (C) Pursuant to a resolution n° 20160335 of the Board of AFD dated September 29th of 2016, the Lender has agreed to make the Facility available to the Borrower pursuant to the terms and conditions of this Agreement.



f.

THEREFORE THE PARTIES HAVE AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Capitalised words and expressions used in this Agreement (including those appearing in the recitals above and in the Schedules) shall have the meaning given to them in Schedule 1A (*Definitions*), except as otherwise provided in this Agreement.

1.2 Interpretation

Words and expressions used in this Agreement shall be construed pursuant to the provisions of Schedule 1B (*Construction*), unless the contrary intention appears.

2. FACILITY, PURPOSE AND CONDITIONS OF UTILISATION

2.1 Facility

Subject to the terms of this Agreement, the Lender makes available to the Borrower a Facility in a maximum aggregate amount of seventy five millions US Dollars (USD 75,000,000).

2.2 Purpose

The Borrower shall apply all amounts borrowed by it under this Facility exclusively towards financing and refinancing Eligible Expenses, excluding Taxes, in accordance with the Programme's description set out in Schedule 2 (*Programme Description*), the Financing Plan set out in Schedule 3 (*Financing Plan*) and the Operational Manual.

2.3 Monitoring

The Lender shall not be held responsible for the use of any amount borrowed which is not in accordance with the provisions of this Agreement.

2.4 Conditions precedent

(a) No later than the Signing Date, the Borrower shall provide to the Lender all of the documents set out in Part I of Schedule 4 (*Conditions Precedent*).

(b) A Drawdown Request may not be delivered to the Lender unless:

(i) in the case of the first Drawdown, the Lender has received all of documents listed in Part II of Schedule 4 (*Conditions Precedent*) and has notified the Borrower that such documents are satisfactory in form and substance;

(ii) in the case of any subsequent Drawdown, the Lender has received all of the documents set out in Part III of Schedule 4 (*Conditions Precedent*) and has notified the Borrower that such documents are satisfactory in form and substance; and

(iii) on the date of the Drawdown Request and on the proposed Drawdown Date for the relevant Drawdown, no Payment Systems Disruption Event has occurred and the conditions set out in this Agreement have been fulfilled, including:

(1) no Event of Default is continuing or would result from the proposed Drawdown;

- (2) the Drawdown Request has been made in accordance with the terms of Clause 3.2 (*Drawdown request*);
- (3) each representation given by the Borrower in relation to Clause 10 (*Representations and warranties*) is true;
- (4) the previous Advance was used in accordance with this Agreement.

3. DRAWDOWN OF FUNDS

3.1 Drawdown amounts

The Facility will be made available to the Borrower during the Availability Period, in several Drawdowns, provided that the number of Drawdowns shall not exceed fifteen (15).

The amount of the proposed Drawdown shall be a minimum of five million US Dollars (USD 5,000,000) or an amount equal to the Available Credit if such amount is less than five million US Dollars (USD 5,000,000).

3.2 Drawdown request

Provided that the conditions set out in Clause 2.4(b)(ii) (*Conditions precedent*) are satisfied, the Borrower may draw on the Facility by delivery to the Lender of a duly completed Drawdown Request. Each Drawdown Request shall be delivered by the Borrower to the AFD office Director at the address specified in Clause 16.1 (*In writing and addresses*).

Each Drawdown Request is irrevocable and will be regarded as having been duly completed if:

- (a) the Drawdown Request is substantially in the form set out in Schedule 5A (*Form of Drawdown Request*);
- (b) the Drawdown Request is received by the Lender at the latest fifteen (15) Business Days prior to the Deadline for Drawdown;
- (c) the proposed Drawdown Date is a Business Day falling within the Availability Period;
- (d) the amount of the Drawdown complies with Clause 3.1 (*Drawdown amounts*); and
- (e) all of the documents set out in Part III of Schedule 4 (*Conditions Precedent*) for the purposes of the Drawdown are attached to the Drawdown Request, comply with the abovementioned Schedule and with the requirements of Clause 3.4 (*Payment mechanics*), and are in form and substance satisfactory to the Lender.

Any documentary evidence, such as bills or paid invoices, shall include the reference number and date of the relevant payment order. The Borrower undertakes to keep possession of the documentary evidence originals, to make such evidence available to the Lender at any time and to provide the Lender with Certified copies or duplicates of such evidence as the Lender may request.

3.3 Payment completion

Subject to Clause 14.7 (*Payment Systems Disruption*), if each of the conditions set out in Clause 2.4(b) (*Conditions precedent*) of this Agreement has been met, the Lender shall make the requested Drawdown available to the Borrower not later than the Drawdown Date.