

MARIANNE FAY  
Director  
Bolivia, Chile, Ecuador and Peru

02-Dec-2021

His Excellency  
Mr. Simón Cueva  
Minister of Economy and Finance  
Ministry of Economy and Finance  
Av. Amazonas y Pereira  
Plataforma Gubernamental de Gestión Financiera  
Quito, Ecuador

*Subject:*           **Republic of Ecuador: Loan No. 8542-EC**  
**Supporting Education Reform in Targeted Circuits Project**  
**Fourth Amendment to the Loan Agreement**

Excellency:

We refer to the Loan Agreement between the Republic of Ecuador (“Borrower”) and the International Bank for Reconstruction and Development (“Bank”) for Supporting Education Reform in Targeted Circuits Project (“Project”) dated January 28, 2016 (“Loan Agreement”), as amended. The capitalized terms used in this letter (“Amendment Letter”) and not defined herein have the meanings ascribed to them in the Loan Agreement.

We also refer to the letters from the Borrower dated August 3, 2021 (No. MEF-SFP-2021-0953-O), July 9, 2021 (No. MINEDUC-VGE-2021-00066-OF) and November 16, 2021 (MEF-SFP-2021-1264-O) requesting: (i) an extension of the closing date of the Loan to facilitate completion of infrastructure activities under the Project, and (ii) a reallocation of resources across categories to optimize investment resources in the context of safe reopening of schools within Targeted Circuits amid the COVID-19 pandemic.

I am pleased to inform you that after careful consideration of the abovementioned modifications, the Bank has acceded to the said requests and proposes to amend the Loan Agreement as follows:

1. Section 3.01 of the Loan Agreement is hereby amended to read as follows:

“3.01 The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall:

- (a) carry out a portion of Part 1 (a)(i) of the Project through MINEDUC with the assistance of SECOB;
- (b) carry out a portion of Part 1(a)(i), Parts 1(a)(ii), 1(a)(iii), 1(a)(iv), 1(b), 1(c), 1(d), 2(a), 2(b)(i), 2(b)(ii), 2(b)(iii) and 2(b)(iv) of the Project through MINEDUC; and
- (c) carry Part 2(b)(v) of the Project through MINEDUC with the technical support of INEVAL, all in accordance with the provisions of Article V of the General Conditions.”

2. Schedule 1 (Project Description) of the Loan Agreement is hereby restated in its entirety as set forth in the Attachment.

3. Section 1.A.c of Schedule 2 (Project Execution) of the Loan Agreement is hereby amended to read as follows:

- “(c) ensure that the following seven (7) key staff are working full time in the Project team: (i) within GUEM (coordinator/monitoring and evaluation specialist, procurement specialist, financial management specialist, and social and environmental specialists, and infrastructure technician); and (ii) within INEVAL (procurement specialist and financial management specialist) as described in the Operational Manual, and that such procurement specialist and financial specialist have been assigned to work full time within INEVAL no later than November 30, 2021; and”

4. Section I.D.1 of Schedule 2 (Project Execution) of the Loan Agreement is hereby amended to read as follows:

“D. **Operational Manual**

- 1. The Borrower shall adopt and carry out the Project in accordance with the provisions of a manual (the Operational Manual), which shall include, *inter alia*: (a) a detailed description of Project activities and institutional arrangements for the Project; (b) the Project administrative, budgeting, accounting, auditing, reporting, financial (including cash flow aspects), procurement and disbursement procedures; (c) the monitoring indicators for the Project; (d) the institutional and administrative mechanisms established to ensure inter-institutional coordination; (e) the regulations concerning the design and micro-planning for school consolidation and transport services under the Project, including the Borrower’s school transportation standards “*Modelamiento de Transporte Escolar en función del Ordenamiento de la Oferta Educativa*”; (f) criteria established for selecting schools that may benefit from interventions described in Part 1(a)(iv) of the Project based on data collected by MINEDUC; and (g) the ESMF, IPPF and RPF.”

5. The table set forth under Section IV.A.2. of Schedule 2 to the Loan Agreement is hereby amended to read as follows:

“Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed
(1) Goods, works, consultants’ services, and Training for Part 1(a)(i) of the Project (in respect of MINEDUC).	97,264,998	100% (inclusive of value added tax)
(2) Goods, consultants’ services, non-consulting services, Operating Costs and Training for Part 1 (except Part 1(a)(i) of the Project) and Part 2 (except Part 2(b)(v) of the Project) (in respect of MINEDUC).	22,855,305	100% (inclusive of value added tax)
(3) Goods, consultants’ services, non-consulting services, Operating Costs and SAC under Part 2(b)(v) of the Project (MINEDUC and INEVAL).	5,179,697	100% (inclusive of value added tax)
Subtotal	125,300,000	100%
Cancellation amount effective September 27, 2018	40,000,000	
Cancellation amount effective March 10, 2020	12,700,000	
TOTAL AMOUNT	178,000,000”	

6. Section IV.B.2 of Schedule 2 to the Loan Agreement is hereby amended to read as follows:

“2. The Closing Date is December 31, 2022.”

In light of the above changes to the Loan Agreement, the Borrower and the Bank have also mutually agreed that relevant adjustments be made to the Project’s monitoring indicators, disbursement and cost estimates, and implementation schedule, and will be reflected accordingly in the Operational Manual, pursuant to Section I.D.1 of Schedule 2 to the Loan Agreement.

Please confirm your agreement with the foregoing, on behalf of the Borrower, by signing and dating this Amendment Letter in the spaces provided below. The provisions set forth in this Amendment Letter shall become effective upon receipt by the Bank of a fully executed Amendment Letter.

Please also note that the Restructuring Paper dated December 2, 2021 that reflects the above changes will be disclosed on the Bank's external website.

Sincerely,

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

*Marianne Fay*

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Marianne Fay  
Director  
Bolivia, Chile, Ecuador and Perú

CONFIRMED AND AGREED:

**REPUBLIC OF ECUADOR**



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By:

Subsecretary of Public Financing

Title:

02-dic.-2021

Date:

cc: Mrs. Maria Brown, Minister of Education  
Mr. Carlos Ivan Carrera Noritz, Subsecretary of Public Financing  
Mr. Bernardo Orellana, Vice Minister of Finance  
Mr. Eduardo Salgado, Executive Director, INEVAL  
Mrs. Fanny Yanza, General Planning Coordinator  
Mrs. Carolina Merizalde, Project Coordinator  
Mr. Juan Carlos Alvarez, Resident Representative of Ecuador to The World Bank

## SCHEDULE 1

### Project Description

The objective of the Project is to increase enrollment in Early Education and improve the persistence rate in Lower Secondary Education and Upper Secondary Education in the Targeted Circuits.

The Project consists of the following parts:

#### **Part 1. Improving School Services in Targeted Circuits**

- (a) Provision of support for the: (i) technical design, construction and supervision of School Hubs in the Targeted Circuits, including the construction of new schools, and renovation and expansion of existing schools; (ii) acquisition of equipment and furniture for School Hubs in Targeted Circuits; (iii) construction of laboratories and acquisition of required equipment and furniture for a school that offers technical Upper Secondary Education; and (iv) provision of support for safely reopening schools within the Targeted Circuits amid the COVID-19 pandemic including, *inter alia*: (A) carrying out needed repairs and maintenance to improve facilities including classrooms and lavatories; (B) purchasing supplies and equipment for proper implementation of safely managed water, sanitation, and hygiene services (WASH); and (C) ensuring school staff and students' access to adequate clean water.
- (b) Provision of support for: (i) national in-service teacher training, as well as new interventions aiming to promote quality and equity of learning, focusing on schools displaying the highest learning gaps, as well as technical upper secondary schools, to be provided by Selected Accredited Institutions based on data on teachers' and students' assessments; (ii) Targeted Circuits' teachers to enroll in graduate programs selected pursuant to the criteria set forth in the Operational Manual and provided by Selected Accredited Institutions as set forth in the Operational Manual; and (iii) Targeted Circuits' principals and school authorities to enroll in graduate programs in school management provided by Selected Accredited Institutions.
- (c) Implementation of CEL in the Targeted Circuits, including the provision of computers, internet connectivity and training to public school teachers.
- (d) Provision of support for strengthening government capacity to provide more inclusive education contents through: (i) the provision of technical, didactic and disability-specific education materials to educational facilities in the Borrower's territory; (ii) the purchase of equipment to facilitate in-house development of educational content for television and radio broadcasting through *Teleeducación*.

**Part 2. Strengthening Planning, Management and Evaluation Capacity at MINEDUC**

- (a) Development and implementation of business intelligence modules that support the decision-making process through the analysis of key performance indicators conforming to a more comprehensive and fully integrated education management information system.
  
- (b) Provision of support for the: (i) technical and administrative management of the Project, including the hiring of specialists in financial management, procurement, monitoring and evaluation, social and environmental specialists, infrastructure technicians and other temporary staff needed during Project implementation; (ii) carrying out of Project audits and Transportation Reviews; (iii) financing of Operating Costs; (iv) carrying out of evaluations about: (A) the benefits of School Hubs on students who attend them and potential externalities on neighboring schools, and (B) the impact of using adaptive computer-assisted learning in a sample of low performing schools; and (v) carrying out of standardized assessments and research to measure the skills and competencies of teachers, principals and students in the national education system.

**Certificado de finalización**

Identificador del sobre: A79F5CD297824B9DAD68E1F7784D81D1 Estado: Completado  
 Asunto: Ecuador:Supporting Education Reform in Targeted Circuits-P152096 Amendment has been sent for signing  
 Sobre de origen:  
 Páginas del documento: 6 Firmas: 2 Autor del sobre:  
 Páginas del certificado: 5 Iniciales: 0 The World Bank  
 Firma guiada: Activado 1818 H Street NW  
 Sello del identificador del sobre: Desactivado Washington, DC 20433  
 Zona horaria: (UTC-05:00) Hora del este (Estados Unidos y Canadá) esignaturelegle@worldbank.org  
 Dirección IP: 190.119.228.77

**Seguimiento de registro**

Estado: Original Titular: The World Bank Ubicación: DocuSign  
 02/12/2021 17:26:02 esignaturelegle@worldbank.org  
 Estado del dispositivo de seguridad: Conectado Conjunto: Security Pool

**Eventos de firmante****Firma****Fecha y hora**

Marianne Fay Enviado: 02/12/2021 17:26:04  
 mfay@worldbank.org Visto: 02/12/2021 17:28:58  
 Country Director Firmado: 02/12/2021 17:29:10  
 Nivel de seguridad: Correo electrónico, Adopción de firma: Estilo preseleccionado  
 Autenticación de cuenta (opcional) Utilizando dirección IP: 190.119.228.77

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Aceptado: 02/12/2021 17:28:58  
 ID: 7cd5cf11-bed2-4a9c-bd74-0c5174da77c1  
 Nombre de la empresa: The World Bank

Carlos Iván Carrera

Ccarrera@finanzas.gob.ec

Subsecretary of Public Financing

Nivel de seguridad: Correo electrónico,  
 Autenticación de cuenta (opcional)



Adopción de firma: Imagen de firma cargada  
 Utilizando dirección IP: 190.11.20.66

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Visto: 02/12/2021 18:38:18

Firmado: 02/12/2021 18:40:07

**Información sobre confidencialidad de registros y firmas electrónicas:**

Aceptado: 02/12/2021 18:38:18  
 ID: 9ab9bef9-64df-420c-8f6e-f26494e3c485  
 Nombre de la empresa: The World Bank

Greta Santillana Gautier

gsantillanagauti@worldbank.org

The World Bank

Nivel de seguridad: Correo electrónico,  
 Autenticación de cuenta (opcional)

**Completado**

Utilizando dirección IP: 181.66.164.131

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Visto: 02/12/2021 20:16:21

Firmado: 02/12/2021 20:16:54

**Información sobre confidencialidad de registros y firmas electrónicas:**

No ofrecido a través de DocuSign

**Eventos de firmante en persona****Firma****Fecha y hora****Eventos de entrega al editor****Estado****Fecha y hora****Eventos de entrega al agente****Estado****Fecha y hora****Eventos de entrega al intermediario****Estado****Fecha y hora****Eventos de entrega certificada****Estado****Fecha y hora**

Eventos de copia de carbón	Estado	Fecha y hora
Greta Santillana Gautier gsantillanagauti@worldbank.org The World Bank Nivel de seguridad: Correo electrónico, Autenticación de cuenta (opcional)	<b>Copiado</b>	Enviado: 02/12/2021 17:26:02 Visto: 02/12/2021 17:26:02 Firmado: 02/12/2021 17:26:02
<b>Información sobre confidencialidad de registros y firmas electrónicos:</b> No ofrecido a través de DocuSign		
VM Orellana eorellana@finanzas.gob.ec Nivel de seguridad: Correo electrónico, Autenticación de cuenta (opcional)	<b>Copiado</b>	Enviado: 02/12/2021 17:26:04
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Mark Sigrist msigrist@worldbank.org Nivel de seguridad: Correo electrónico, Autenticación de cuenta (opcional)	<b>Copiado</b>	Enviado: 02/12/2021 17:26:02
<b>Información sobre confidencialidad de registros y firmas electrónicos:</b> No ofrecido a través de DocuSign		
Catalina Castillo ccastillocastro@worldbank.org Nivel de seguridad: Correo electrónico, Autenticación de cuenta (opcional)	<b>Copiado</b>	Enviado: 02/12/2021 17:26:03 Visto: 02/12/2021 17:26:31
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Jimena Jesus jjesusmejia@worldbank.org Nivel de seguridad: Correo electrónico, Autenticación de cuenta (opcional)	<b>Copiado</b>	Enviado: 02/12/2021 17:26:03 Visto: 02/12/2021 17:26:51
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OFFICIAL DOCUMENTS odesk@worldbank.org WB - Legal Nivel de seguridad: Correo electrónico, Autenticación de cuenta (opcional)	<b>Copiado</b>	Enviado: 02/12/2021 20:16:56
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<b>Eventos de resumen de sobre</b>	<b>Estado</b>	<b>Marcas de tiempo</b>
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Completado	Seguridad comprobada	02/12/2021 20:16:56
<b>Eventos del pago</b>	<b>Estado</b>	<b>Marcas de tiempo</b>
<b>Información sobre confidencialidad de registros y firmas electrónicos</b>		

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By checking the 'I agree' box below, you agree and confirm that:

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- You can access and read this Disclosure Statement and Consent; and
- You can print on paper the Disclosure Statement and Consent or save or send the same to a place where you can print it for future reference and access.
- With respect to IBRD and IDA, you (a) will always keep your e-mail address updated with the Service and follow instructions provided by the relevant World Bank Group Organization to keep your e-mail address updated with the Service as needed; and (b) understand that the minimum system requirements for using the Service may change

over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>

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