

LOAN NUMBER 9163-EC

Loan Agreement

**(Ecuador Territorial Economic Empowerment for the Indigenous, Afro-Ecuadorians and
Montubian Peoples and Nationalities (TEEIPAM) Project)**

between

REPUBLIC OF ECUADOR

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF ECUADOR (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of forty million Dollars (\$40,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement. The Borrower’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the Vice-Minister of Finance.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest rate is the Reference Rate plus the Fixed Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Borrower elects to apply the Automatic Rate Fixing Conversion to the Loan. Accordingly, without limitation upon the provisions of Article IV of the General Conditions and unless otherwise notified by the Borrower to the Bank in accordance with the provisions of the Conversion Guidelines, the interest rate basis applicable to consecutive withdrawals from the Loan Account which in the aggregate equal or exceed four million Dollars (\$4,000,000) shall be converted from the initial Variable Rate to a Fixed Rate for the full maturity of such amount in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- 2.07. The Payment Dates are March 15 and September 15 in each year.

- 2.08. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out the Project through the SHR, in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following, namely that the Operational Manual has been adopted by the Borrower, through the SHR, in form and substance satisfactory to the Bank.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. Except as provided in Section 2.02 of this Agreement and in the ESCP, the Borrower's Representative is its Minister of Economy and Finance.
- 5.02. For purposes of Section 10.01 of the General Conditions: (a) the Borrower's address is:

Ministry of Economy and Finance
Av. Amazonas y Pereira, Plataforma Financiera
Quito, Ecuador

Telephone: (5932) 399-8500; and

- (b) the Borrower's Electronic Address is:

E-mail:
jhidalgo@finanzas.gob.ec

- 5.03. For purposes of Section 10.01 of the General Conditions: (a) the Bank's address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Bank's Electronic Address is:

Telex:

Facsimile:

248423(MCI) or
64145(MCI)

1-202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF ECUADOR

By

Authorized Representative

Juan Hidalgo

Name: _____

Undersecretary of Public Finance

Title: _____

22-abr.-2021

Date: _____

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By

Authorized Representative

Marianne Fay

Name: _____

Country Director

Title: _____

22-Apr-2021

Date: _____

SCHEDULE 1

Project Description

The objective of the Project is to improve the livelihoods and support COVID-19 relief of Indigenous Peoples and Nationalities, Afro-Ecuadorians, and Montubians (IPAMs), in Prioritized Territories, in accordance with their vision and priorities for development.

The Project consists of the following parts:

Part 1. Strengthening Governance and Investment Planning for IPAM Development

1.1. Territorial Governance and Investment Planning

Provision of support to the Borrower for, *inter alia*:

- (a) the establishment and operationalization of a territorial-level dialogue platform between first and second tier IPAM organizations and relevant state actors (at the parish, municipal, and provincial level) guaranteeing a thirty percent quota of female participation, for, *inter alia*: (i) the preparation and adoption of a set of operating regulations for the territorial-level dialogue platforms in each of the Prioritized Territories; (ii) the preparation of a Territorial Intervention Strategy (“TIS”) by each territorial-level dialogue platform based on an assessment of existing territorial planning instruments, economic opportunities, barriers to financial inclusion, higher education, and employment opportunities, which will identify a longlist of priority Subprojects for the Prioritized Territory that could potentially be financed under the Project or supported by other sources; (iii) the provision of technical assistance for the preparation of Subprojects profiles; and (iv) the nomination of a Subproject Evaluation Committee (“SEC”) to review, evaluate, and select a shortlist of Subprojects to be financed under Part 2 of the Project; and
- (b) the implementation of a program for reduction of gender-based violence (“GBV”) in approximately three or four of the Prioritized Territories as set forth in the Operational Manual, consisting of multiple training sessions that include participatory and active learning spaces to discuss gender equality, healthy relationships, effective communication, and livelihoods strengthening, among others.

1.2. National Dialogue and Development Planning

Provision of support to the Borrower for, *inter alia*: (a) the establishment and operationalization of a national platform for development planning, consultation and dialogue between third tier or national IPAM organizations and national government actors, guaranteeing a thirty percent quota of women representatives; (b) supporting ongoing national level project planning and consultation with IPAM leaders and facilitate the Project’s engagements at a territorial level; (c) providing inputs to inform the preparation of a public policy for income generation and empowerment of IPAMs, including women and high-risk groups who are particularly vulnerable (including to climate change); (d) informing the short and medium term COVID-19 relief and recovery needs

for IPAMs differentiated by gender; (e) the strengthening of national information systems (e.g. INEC, the Borrower's national statistics office) and/or adoption of technologies for the promotion of public investment, to enhance the mapping, monitoring, and delivery of key public services in IPAM territories; and (f) the provision of capacity building activities for key staff of public agencies and representative organizations tasked with critical IPAM mandates (such as intercultural bilingual education, intercultural health, provision of basic services and economic support, etc.).

Part 2. Preparation and Implementation of Territorial Subprojects

2.1. Subproject Preparation

Provision of support to the Borrower to, *inter alia*: (i) assess Subprojects prioritized during the planning processes for technical, social, environmental and financial feasibility; and (ii) assist in the preparation of Subprojects.

2.2. Territorial Governance and Livelihood Subprojects

- (a) Strengthening the Borrower's capacity to better plan and respond with IPAM authorities to their territorial development priorities and also support the empowerment of women in the leadership and management of territories, through the provision of support to Subproject Beneficiaries for the carrying out of Territorial Governance Subprojects; and
- (b) Strengthening the Borrower's capacity to assure food sovereignty, community economies and/or market-oriented productive or entrepreneurial activities, through the provision of support to Subproject Beneficiaries for carrying out of Livelihood Subprojects.

2.3. Support for Financial Inclusion

Strengthening the Borrower's capacity to promote IPAMs' financial inclusion in accordance with the assessment of barriers carried out under Part 1.1(a)(ii) of the Project and the financing needs identified for Subprojects under Part 2.2 (a) and (b), through the provision of support, with a gender perspective for, *inter alia*: (a) the expansion, strengthening, and registration of community banks as the first recourse for household-level savings and loans, and as a space to generate basic financial literacy; (b) the ability of Project Beneficiaries to identify, connect, and access formal sector financing; and (c) the improvement of accessibility of financial services for IPAMs in Prioritized Territories by financial institutions (cooperatives and banks).

2.4. COVID-19 Relief and Recovery

Strengthening the Borrower's capacity to respond to the COVID-19 pandemic for IPAMs in Prioritized Territories, through, *inter alia*: (a) procurement and delivery of basic sanitary kits (alcohol, hand sanitizer, sanitary wipes, soap, etc.) to affected IPAM communities; (b) provision of protective equipment, thermometers, and testing kits; (c) provision of training, supplies and other needs for traditional healers and community health workers in prevention, detection and treatment of COVID-19 patients; (d) provision of training in protocols to protect women and children against harassment/violence; and (e) provision of training and supplies for health centers attending to COVID-19 patients.

Part 3. Promotion of Higher Education and Employment Generation for IPAMs

3.1. Promotion of Higher Education

Strengthening the Borrower's capacity to provide opportunities for improving technical, educational, and professional development for IPAMs in Prioritized Territories, through the provision of support for the carrying out of Promotion of Higher Education Subprojects to support access, retention, and cultural pertinence of the higher education system for IPAMs, including women and girls; and/or promote higher education initiatives critical for IPAM community economies.

3.2. Employment opportunities

Strengthening the Borrower's capacity to promote improved employment opportunities for IPAMs, including women, through: (a) the provision of support to Subproject Beneficiaries for the carrying out Promotion of Employment Subprojects; and (b) activities which include, *inter alia*: (i) cooperation with professional associations and chambers of commerce to promote IPAM participation and employment opportunities; (ii) training, advisory, and support activities to improve competitiveness in labor access; (iii) job fairs and targeted skills development programs; (iv) internships to promote the hiring of IPAM employees; and (v) communication campaigns, advocacy work and awareness activities aimed at eradicating racial discrimination at work.

Part 4: Project Administration, Communication and Monitoring and Evaluation

Provision of support to the PIU at both the central and regional levels, for Project planning, coordinating, contracting, supervising, monitoring and evaluating activities, and to ensure proper implementation of fiduciary and ESSs requirements, including the development of any required environmental and social instruments as set out in the ESCP.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Borrower shall:
 - (a) not later than thirty (30) days after the Effective Date, establish, and thereafter maintain, at all times during Project implementation, a Project Implementing Unit (“PIU”) within SHR, with functions and responsibilities acceptable to the Bank as set forth in the Operational Manual, including, *inter alia*, the responsibility to coordinate, manage, implement, monitor and supervise the carrying out of the Project;
 - (b) not later than one hundred and twenty (120) days after the Effective Date, ensure that a Project manager, technical/operations coordinator, financial management, procurement, social and environmental specialists are assigned to work full time within the PIU under terms of reference acceptable to the Bank; and
 - (c) create at least five (5) territorial teams (PIU Territorial Teams) to be housed in SHR’s existing zonal and district offices, with functions and responsibilities acceptable to the Bank as set forth in the Operational Manual, during the first year of Project implementation, all responsible for the coordination of Project activities within their respective Prioritized Territories.
2. Prior to carrying out any activities under Part 2.4 of the Project, the Borrower shall ensure that an inter-institutional agreement is signed between SHR and MPH, under terms and conditions satisfactory to the Bank, including, *inter alia*, the roles and responsibilities for Part 2.4 of the Project, and coordination mechanisms with autonomous governments (*Gobiernos Autónomos Descentralizados, GADs*), and the Consortium of Provincial Autonomous Governments of Ecuador (*Consortio de Gobiernos Provinciales Autónomos de Ecuador, CONGOPE*).
3. If applicable, prior to carrying out any activities under Part 2.2., 2.3. and 3 of the Project, the Borrower shall ensure that, an inter-institutional agreement is signed between SHR and the relevant ministry or entity, under terms and conditions satisfactory to the Bank, including, *inter alia*, the roles and responsibilities for implementing the respective part of the Project.

B. Operational Manual.

1. The Borrower shall implement the Project in accordance with a manual (“Operational Manual”) which shall include, *inter alia*: (a) the detailed description of Project activities and the detailed institutional arrangements of the Project; (b) detailed social, economic, financial, and technical criteria for the evaluation, ranking and selection of Subprojects; (c)

model form of a Subproject Agreement; (d) the Project administrative, accounting, auditing, reporting, financial (including cash flow aspects in relation thereto), procurement and disbursement procedures; (e) the monitoring indicators for the Project; and (f) the rules, flowcharts and procedures for Project implementation.

2. The Borrower shall not amend, delete, suspend, or waive any part of the Operational Manual, without the prior written agreement of the Bank. In case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

C. Subprojects.

1. For the purposes of carrying out Subprojects under Parts 2.2., 3.1. and 3.2(a) of the Project, the Borrower, through SHR, shall:
 - (a) after having selected a Subproject in accordance with the guidelines and procedures set forth in the Operational Manual and the ESCP, make available to the pertinent Subproject Beneficiary a portion of the proceeds of the Loan (the Subproject Funds) pursuant to an agreement (“Subproject Agreement”) to be entered into between the Borrower, through SHR, and said Subproject Beneficiary, under terms and conditions approved by the Bank and included in the Operational Manual.
 - (b) ensure that each Subproject Agreement is prepared based on the model form approved by the Bank and included in the Operational Manual, in which the Borrower, through SHR shall: (i) obtain rights adequate to protect its interests and those of the Bank, including the right to suspend or terminate the right of the Subproject Beneficiary to use the proceeds of the Subproject Funds, and/or obtain a refund of all or any part of the amount of the Subproject Funds then withdrawn, upon the Subproject Beneficiary’s failure to perform any of its obligations under the Subproject Agreement; (ii) require each Subproject Beneficiary to carry out its pertinent Subproject with due diligence and efficiency and in accordance with sound technical, economic, environmental and social standards and practices satisfactory to the Bank, including in accordance with the provisions of the Anti-Corruption Guidelines (applicable to recipients of Loan proceeds other than the Borrower), and the ESCP, including any environmental and social instruments referred to therein, as appropriate; (iii) provide, promptly as needed, the resources required for the carrying out of the Subproject; (iv) procure the goods, non-consulting services and consultants’ services to be financed out of the Subproject Funds in accordance with the provisions of this Agreement; and (v) enable the PIU and the Bank to inspect the pertinent Subproject, its operation and any relevant records and documents; and
 - (c) exercise its rights and carry out its obligations under each Subproject Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree,

the Borrower, through SHR, shall not assign, amend, abrogate, waive, terminate or fail to enforce any Subproject Agreement or any provisions thereof.

D. Environmental and Social Standards.

1. The Borrower, through SHR, shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Borrower, through SHR, shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Borrower shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Borrower, through SHR, shall ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

5. The Borrower, through SHR, shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

Section II. Project Monitoring Reporting and Evaluation

The Borrower, through SHR, shall furnish to the Bank each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of Loan Proceeds

A. General.

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, non-consulting services, consulting services (including audits) and Operating Costs under Part 1 and Part 4 of the Project	9,500,000	100%
(2) Goods, non-consulting services, consulting services and Operating Costs under Parts 2.1., 2.3., and 3.2 (b) of the Project	4,500,000	100%
(3) Territorial Governance Subprojects and Livelihood Subprojects under Part 2.2. of the Project	20,000,000	100% of amounts disbursed under Subproject Agreement
(4) Goods, non-consulting services, consulting services, and Operating Costs under Part 2.4. of the Project	2,000,000	100%

(5) Promotion of Higher Education Subprojects and Promotion of Employment Subprojects under Parts 3.1. and 3.2 (a) of the Project	4,000,000	100% of amounts disbursed under Sub-project Agreement
TOTAL AMOUNT	40,000,000	

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed \$8,000,000 may be made for payments made prior to this date but on or after September 25, 2020, for Eligible Expenditures under Category (1); or
 - (b) for payments for Eligible Expenditures under Categories (2), (3), and (5) unless the applicable Environmental and Social Management Instruments for Parts 2.1., 2.2., 2.3. and 3 of the Project have been adopted by the Borrower, as set forth in the ESCP, in a manner acceptable to the Bank; or
 - (c) for payments for Eligible Expenditures under Category (4) unless the applicable COVID-ESMF for Part 2.4. of the Project have been adopted by the Borrower, as set forth in the ESCP, in a manner acceptable to the Bank.
2. The Closing Date is December 31, 2025.

SCHEDULE 3

Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”).

Level Principal Repayments

Principal Payment Date	Installment Share
On each March 15 and September 15 Beginning March 15, 2032 through March 15, 2048	2.94%
On September 15, 2048	2.98%

APPENDIX

Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
2. “Beneficiary” means collectively Project Beneficiaries and Subproject Beneficiaries.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “COVID - Environmental and Social Management Framework” or “COVID-ESMF” means the framework to be developed, disclosed, consulted, adopted and thereafter implemented by the Borrower, as set out in the ESCP and in accordance with the Environmental and Social Standards, as said COVID-ESMF may be revised from time to time, with prior written agreement of the Bank.
5. “COVID 19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
6. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated July 29, 2020, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Borrower shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
7. “Environmental and Social Management Instruments” means an Environmental and Social Management Framework, a Labor Management Procedures, a Resettlement Policy Framework, an Indigenous Peoples Planning Framework and a Stakeholder Engagement Plan, to be developed or updated (as the case may be), disclosed, consulted, adopted and thereafter implemented by the Borrower, as set out in the ESCP and in accordance with the Environmental and Social Standards, as said Environmental and Social Management Instruments may be revised from time to time, with prior written agreement of the Bank.
8. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6:

- Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
9. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018.
 10. “IPAMs” means Indigenous Peoples and Nationalities, Afro-Ecuadorians, and Montubians residing in the Borrower’s territory.
 11. “Livelihood Subprojects” means any of the following demand-driven activity or investment which meets the criteria set forth in the Operational Manual to receive Subproject Funds for food security, food sovereignty, community economy or market economy investments, including, *inter alia*: (i) association and collective production, by strengthening the association and organization of producers in rural and urban areas in order to meet communal or market demands; (ii) production, by providing infrastructure, capital, and technical assistance to improve the design, quality, quantity, transformation, use of ancestral knowledge and traditional systems (when relevant), sustainability, and climate resilience; (iii) diversification of economic areas in which IPAMs participate, by promoting income-generating activities in non-traditional productive or service areas that are demanded by communities and markets; and (iv) commercialization, by securing market partners and purchasers, improving pricing negotiations and capacity to deliver directly to markets.
 12. “MPH” means the Borrower’s Ministry of Public Health or any successor thereto acceptable to the Bank.
 13. “Operating Costs” means the reasonable incremental recurrent (which would not have been incurred absent the Project) incurred by Beneficiaries, including, *inter alia*, supplies for research activities, printing services, communication costs, and logistics services, as further detailed in the Operational Manual.
 14. “Operational Manual” means the manual referred to in Section I.B. of Schedule 2 to this Agreement, as such manual may be amended by the Borrower from time to time, with the approval of the Bank.
 15. “PIU” means Project Implementing Unit, the unit referred to in Section I.A.1(a) of Schedule 2 to this Agreement.
 16. “PIU Territorial Teams” means each of the five territorial teams referred to in Section I.A.1(c) of Schedule 2 to this Agreement.
 17. “Prioritized Territories” means the territories of the Borrower prioritized for the Project, based on criteria detailed in the Operational Manual, including high levels of

- multidimensional poverty and significant presence of IPAMs; as agreed with the Bank and set forth in the Operational Manual.
18. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
 19. “Project Beneficiary” means any collectivity or individual that has been selected to benefit from the Project in accordance with the criteria and procedures set forth in the Operational Manual.
 20. “Promotion of Employment Subprojects” means any of the following demand-driven activity or investment which meets the criteria set forth in the Operational Manual to receive Subproject Funds: (i) work with professional associations and chambers of commerce to promote IPAM participation and opportunities; (ii) training, advisory and support activities to improve IPAM competitiveness in labor access; (iii) job fairs and targeted skills development programs; (iv) internships to promote the hiring of IPAM employees; and (v) communication campaigns, advocacy work and awareness activities aimed at eradicating racial discrimination at work.
 21. “Promotion of Higher Education Subprojects” means any of the following demand-driven activity or investment which meets the criteria set forth in the Operational Manual to receive Subproject Funds for some or a combination of the following: (i) provision of educational scholarships for IPAMs at both undergraduate and postgraduate levels; (ii) holding learning fairs at the territorial level; (iii) tutoring and leveling actions for young people in the last two years of high school; (iv) facilitation and support to enable successful registration and completion of admission exams and the enrollment process; (v) social, psychological and academic support for IPAM students; (vi) establishment of, and procurement of potential equipment for, intercultural student centers located in cities such as Quito and Guayaquil to serve as residential reception spaces for IPAM students; (vii) carrying out cultural and intercultural activities within higher education campuses; (viii) carrying out actions to promote community and territorial ties to students and their return to their territories of origin; and (ix) information and monitoring systems for the adequate accompaniment of program enrollees, among others.
 22. “SHR” means *Secretaría de Derechos Humanos*, the Borrower’s Secretariat for Human Rights, or any successor acceptable to the Bank.
 23. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
 24. “Subproject” means any Territorial Governance Subproject, Livelihood Subproject, Promotion of Higher Education Subproject and/or Promotion of Employment Subproject.
 25. “Subproject Agreement” means any of the agreements referred to in Section I.C. of Schedule 2 to this Agreement.

26. “Subproject Beneficiary” means a: (i) organization, association and/or community under any given Territorial Governance Subproject and Livelihood Subproject; (ii) university and/or professional institute under any given Promotion of Higher Education Subproject; and (iii) university and/or employment association, under any given Promotion of Employment Subproject; which meets the eligibility criteria set forth in the Operational Manual to receive or benefit from Subproject Funds.
27. “Subproject Evaluation Committee” or “SEC” means the committee referred to in Part 1.1. of the Project nominated based on criteria set forth in the Operational Manual by each Prioritized Territory.
28. “Subproject Funds” means a non-refundable contribution made out of the proceeds of the Loan from the Borrower, through SHR, to a Subproject Beneficiary for the financing of a Subproject.
29. “Territorial Governance Subprojects” means any of the following demand-driven activity or investment which meets the criteria set forth in the Operational Manual to receive Subproject Funds: (i) provision of legal and technical support and priority studies to complement or revise planning instruments or facilitate improved resource access and management; (ii) carrying out of basic infrastructure works and purchase and application of technologies for planning, coordination and communication among actors, management and administration of public investment and service provision; (iii) carrying out of capacity building and institutional strengthening programs for IPAM and local government and organizational leaders and representatives, including women; (iv) acquisition of critical equipment for governance, and organizational support; and (v) strengthening of key State institutions to deliver on legally established mandates with IPAM populations.
30. “Territorial Intervention Strategy” or “TIS” means the strategy prepared by the territorial-level dialogue platform referred to in Part 1.1(a) of the Project for each Prioritized Territory, which includes, *inter alia*: (a) a stakeholder mapping of key IPAM stakeholders; (b) stocktaking, updating, and validation of existing development planning tools, including the articulation of a territorial vision for well-being and priorities for Subproject financing; (c) an assessment of existing territorial planning instruments, identification of opportunities for strengthening community economies, barriers to financial inclusion, barriers to access, permanence and pertinence in higher education, and key barriers faced for good governance, food sovereignty and productive development; (d) identification of potential Subprojects to be financed under Part 2 of the Project; and (e) incentive criteria by which to evaluate and select the potential Subprojects, all as set forth in the Operational Manual.