Loan Agreement

(Higher Education Quality Improvement Project)

between

REPUBLIC OF PERU

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated January 15, 2013
LOAN AGREEMENT

Agreement dated January 15, 2013, between REPUBLIC OF PERU ("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) constitute an integral 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, on the terms and conditions set forth or referred to in this Agreement, the amount of twenty five million Dollars ($25,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement ("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 IV 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 Borrower’s Minister of Economy and Finance or the Borrower’s Director of Indebtedness and Public Treasury (DGTP), or any person whom any of them shall designate in writing.

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount. The Borrower shall pay the Front-end Fee not later than 60 days after the Effective Date.

2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, that upon Cot version of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.
2.05. The Payment Dates are February 15 and August 15 in each year.

2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

ARTICLE III—PROJECT

3.01. The Borrower through COSUSINEACE, declares its commitment to the objective of the Project. To this end, the Borrower shall carry out the Project through the UCP, a unit with financial, economic and administrative independence within COSUSINEACE, all in accordance with the provisions of Article V of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.
ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Event of Suspension consists of the following, namely, that the Borrower or any other authority having jurisdiction shall have taken any action for the restructuring, dissolution or disestablishment of COSUSINEACE or the UCP or for the suspension of its operations, so as to affect materially and adversely, in the opinion of the Bank, the Project and the ability of the Borrower through COSUSINEACE and/or UCP to perform any of its obligations under this Agreement.

4.02. The Additional Event of Acceleration consists of, namely that, any of the events specified in Section 4.01 of this Agreement occurs.

ARTICLE V
EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following, namely that the UCP has been established within COSUSINEACE as provided in Section I.A.1 of Schedule 2 to this Agreement.

5.02. Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is the date nine (90) days after the date of this Agreement, but in no case later than the eighteen (18) months after the Bank's approval of the Loan which expire on June 4, 2014.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower's representative is its Minister of Economy and Finance, provided that the Borrower's Director of Indebtedness and Public Treasury may, by him or herself, represent the Borrower to sign amendments to this Agreement which are considered of an administrative and non-financial nature. The signing by such Director of an amendment shall constitute a representation by the Borrower that any such amendment is considered to be administrative and non-financial in nature.

6.02. The Borrower's Address is:

Ministry of Economy and Finance
Jr. Junín 319
Lima, Perú
Facsimile: (511) 62 1-9921
6.03. The Bank's Address is:

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

Cable address: INTBAF RAD
Tel-Ex: 248423(MCI) or 1-202-477-6391
Facsimile: 64 45(MCI)

AGREED at Lima, Peru, as of the day and year first above written.

REPUBLIC OF PERU

By

Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to improve the Borrower’s higher education quality assurance system through the promotion of self and external evaluations, the financing of Improvement Plans, and the provision of information.

The Project consists of the following parts:

Part 1: Development of Methods, Instruments, Norms and Capacity for Evaluation and Accreditation

Strengthening the capacity of COVENEOU, CONEACES, HEIs and EEFAs to handle their respective responsibilities within the quality assurance system, through:

(a) the enhancing of COVENEOU and CONEACE’s management, planning and evaluation capacity by developing standards, norms and procedures for evaluation and accreditation, including those for the supervision of the EEFAs.

(b) the strengthening of the capacity of: (i) HEIs to engage in both internal and external evaluation processes; and (ii) EEFAs to undertake external evaluations, including learning from other experiences at the regional and international levels.

(c) the provision of support for the technical and administrative management of the Project.

Part 2: Development and Consolidation of a Higher Education Quality Assurance Information System

Developing and consolidating a higher education quality assurance information system for the systematic gathering, processing and dissemination of reliable data regarding higher education quality assurance as well as graduates’ performance in the labor market, through:

(a) the development and consolidation of an observatory of the accreditation process of the Borrower’s higher education (Acreditación Perú), responsible for the organization and dissemination of information on standards, criteria, indicators, EEFAs, as well as the evaluation and accreditation procedures by degree programs and HEIs.
(b) the establishment of an observatory of higher education graduates (Futuro Profissionais), responsible for systematically collecting, processing and disseminating statistical information about the performance of higher education graduates in the labor market, and providing information regarding employability and salaries of graduates from different programs and HEIs.

(c) the carrying out of several studies aiming at a better understanding of the Borrower's higher education, including *inter alia*: (i) the development of a methodology and initial data collection to carry out an evaluation regarding the long-term effects of the introduction of a quality assurance system; (ii) in-depth socio-cultural assessment, in the framework of the IPPF; (iii) assessing the role of information in the choice of post-secondary education; and (iv) the effect of accreditation in the Borrower's higher education system.

Part 3: Fund for Quality Enhancement

Promoting the improvement of the quality and relevance of academic programs and HEIs, through the establishment of the FEC and its two windows of financing, including the carrying out of the following activities:

(a) external evaluation of IEESs (institution-wide and for technical programs in health and education) by the EEFA of their choice, after completion of self-evaluation.

(b) implementation of Improvement Plans for both IEESs and universities (including programs within HEIs), based on the results of the self and external evaluation.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower, through COSUSINEACE, shall:

   (a) implement the Project through an independent unit within COSUSINEACE (the UCP), responsible for the management, coordination, supervision, monitoring and evaluation (except the evaluations referred to in Section I.A.3 of this Schedule), and fiduciary management of the Project;

   (b) ensure that not later than 3 months after the Effective Date the UCP has a structure, responsibilities, the necessary budget and key staff assigned with functions, experience, responsibilities and qualifications acceptable to the Bank, as described in the Operational Manual; and

   (c) for the purposes of Part 3 of the Project:

      (i) establish and maintain a committee (the CTF) responsible, inter alia, for the selection and approval of Improvement Plans under Part 3 of the Project, and composed by seven members, including a representative from MEF, as described in the Operational Manual; and

      (ii) designate within the UCP, a technical secretariat (the STF) responsible, inter alia, for: (A) carrying out of pre-evaluation processes for Improvement Plan proposals; (B) supporting HEIs in the elaboration of final Improvement Plans; (C) supporting HEIs on the monitoring and implementation of Improvement Plans, as described in the Operational Manual.

2. Not later than 90 days after the Effective Date, the Borrower, through COSUSINEACE-UCP, shall establish, and thereafter maintain during the implementation of the Project, a steering committee (CDP) composed by representatives from COSUSINEACE (CONEAU and CONEACES), MINEDU and MEF, with functions and responsibilities acceptable to the Bank, included, inter alia, the responsibility of providing general Project oversight and coordination, as set forth in the Operational Manual.
3. Not later than nine months after the Effective Date, the Borrower, through COSUSINEACE-UCP, shall create an external advisory council (the CAE) composed by a group of six recognized international and local authorities in their respective fields, with functions and responsibilities acceptable to the Bank, including the carrying out of yearly evaluations of the Project, as well as a mid-term and a final evaluation of Project implementation, as described in the Operational Manual.

B. Anti-Corruption

The Borrower, through COSUSINEACE-UCP, shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Safeguards and Operational Manual

The Borrower through COSUSINEACE-UCP, shall carry out the Project in accordance with:

(a) The IPPF; and

(b) the Operational Manual, which shall include the rules, methods, guidelines, standard documents and procedures for the carrying out of the relevant Parts of the Project, including the following: (i) the detailed description of project activities and the detailed institutional arrangements of the Project, including the composition and terms of reference of both the CDP and the CAE; (ii) the criteria and methods for the selection of HIIs and IEESs under the Project; (iii) detailed criteria for selecting, evaluating and ranking Improvement Plans under Part 3(b) of the Project; (iv) the Project administrative, accounting, auditing, reporting, financial (including cash flow aspects in relation thereto), procurement and disbursement procedures; (v) the monitoring indicators for the Project; (vi) a list of authorized EEFAs; (vii) the IPPF; and (viii) a summary of the local provisions governing worker health and safety, and disposal of materials in the carrying out of Minor Works under Part 3(b) of the Project. In the event that any provision of the Operational Manual shall conflict with this Agreement, the terms of this Agreement shall prevail.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

The Borrower, through COSUSINEACE-UCP shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the
indicators set forth in the Operational Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than 30 days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower, through COSUCINEACE-UCP, shall maintain a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Borrower, through COSUCINEACE-UCP, shall prepare and furnish to the Bank not later than 30 days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.

3. The Borrower, through COSUCINEACE-UCP shall have the Financial Statements of the Project audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.
B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding procedures.

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
</tbody>
</table>

C. Particular Methods of Procurement of Consultants’ Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-Based Selection</td>
</tr>
<tr>
<td>(b) Selection based on the Consultants’ Qualifications</td>
</tr>
<tr>
<td>(c) Single-source Selection of consulting firms</td>
</tr>
<tr>
<td>(d) Least Cost Selection</td>
</tr>
<tr>
<td>(e) Selection under Fixed Budget</td>
</tr>
<tr>
<td>(f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(g) Single-Source Procedures for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>
D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

E. Special Provisions

1. In addition and without limitation or restriction to any other provisions set forth in this Section or the Procurement Guidelines, the following provisions shall govern the procurement of goods, works and non consulting services with National Competitive Bidding ("NCB") procedures:

   (a) Foreign bidders shall not be required to be locally registered as a condition of participation in the selection process.

   (b) No reference value shall be required for publication in the bidding documents or used for the purpose of bid evaluation.

   (c) Award of contracts shall be based exclusively on price and, whenever appropriate, shall take into account factors that can be quantified objectively, and the procedure for such quantification shall be disclosed in the invitation to bid.

   (d) Foreign bidders shall be allowed to submit a bid under NCB without restriction and shall not be subject to any unjustified requirement which will affect their ability to bid such as, but not limited to, the requirement to authenticate (legalizar) their bidding documents or any documentation related to such bidding documents with either Peruvian Consulates, the Ministry of Foreign Affairs, or any Peruvian authorities, as a prerequisite for bidding.

   (e) The Borrower, through the COSUCINEACE-UCP, shall use standard bidding documents and standard evaluation formats, all satisfactory to the Bank.

2. In addition and without limitation or restriction to any other provisions set forth in this Section or the Consultant Guidelines, the following provisions shall govern all employment of consultants:

   (a) Foreign consultants shall not be required to be locally registered as a condition of participation in the selection process.

   (b) Foreign consultants shall not be required to authenticate (legalizar) any documentation related to their participation in the selection process with
Peruvian Consulates, the Ministry of Foreign Affairs, or any Peruvian authorities, as a condition of participation in said selection process.

(c) The Borrower, through COSUCINEACE-UCP, shall use standard requests for proposals and standard evaluation formats, all satisfactory to the Bank.

(d) Foreign consultants, either individuals or firms, shall not be required to pay fees to the Peruvian Consultants' Association that are different from those required for Peruvian consultants.

(e) No consultant hired for the Project, at the time he or she is carrying out his or her contractual obligations as consultant, may hold civil service office or any other position in any agency of the Borrower, nor shall such consultant have any right to re-entry into any such office or position upon the conclusion of his or her consulting services.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "Work Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Minor Works, non-consulting services, consultants' services, Training and Operational Costs for Part 1 of the Project</td>
<td>3,796,891</td>
<td>100% of Eligible Expenditures</td>
</tr>
<tr>
<td>(2) Goods, Minor Works, non-consulting services, consultants' services, Training and Operational Costs for Part 2 of the Project</td>
<td>2,485,572</td>
<td>100% of Eligible Expenditures</td>
</tr>
<tr>
<td>(3) Goods, Minor Works, non-consulting services, consultants' services, Training and Operational Costs for Part 3 of the Project</td>
<td>18,717,537</td>
<td>100% of Eligible Expenditures</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td>25,000,000</td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this Section:

(a) the term “Operating Costs” means the reasonable incremental operational costs (which would not have been incurred absent the Project), related to Project technical and administrative management monitoring and supervision required under the Project, including *inter alia*, office equipment and supplies, travel costs (including accommodations, transportation costs and *per diem*), printing services, communication costs, utilities, operation and maintenance of office equipment and facilities, and logistics services;

(b) the term “Training” means expenditures (other than those for consultants’ and non-consultant services incurred by COSUSINEACE (CONEAU and CONEACES), and HEI: in connection with the carrying out of training, seminars, and workshops, including the reasonable travel costs (e.g. accommodations, transportation costs and *per diem, inter alias*) of trainees and trainers (if applicable), catering, rental of training facilities and equipment, logistics and printing services, as well as training materials and equipment under the Project; and
(c) the term “Minor Works” means expenditures incurred by HEIs in connection with the refurbishment of existing infrastructure (i.e. installation of equipment in existing buildings, covering or painting of surfaces less than 50 m²) under Part 3(b) of the Project.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

   (a) from the Loan Account until the Bank has received payment in full of the Front-end Fee;

   (b) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $1,000,000 equivalent may be made for payments made prior to this date but on or after September 7, 2012, for Eligible Expenditures; or

   (c) for payments under Category (3), unless: (i) the CTF and STF units referred to in Section I.A.1 (c) of this Agreement are in place and staffed in a manner acceptable to Bank; and (ii) the Project information system referred to in Section IV.C of Schedule 2 to this Agreement is implemented in a manner satisfactory to the Bank.

2. The Closing Date is April 1, 2018.

C. Other Undertakings

The Borrower, through COSUSIN-ACE-UCP shall design and implement a Project information system, acceptable to the Bank, for the purposes of recording, controlling, reporting and monitoring Project transactions and issuance of the financial reports required for the Project.
SCHEDULE 3

Amortization Schedule

The Borrower shall repay the principal amount of the Loan in full on August 15, 2030.
APPENDIX

Section I. Definitions


2. “CAE” means Comité Asesor Externo, the committee of international and national experts referred to in Section I.A.3 of Schedule 2 to this Agreement.

3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

4. “CDP” means Comité Dirección del Proyecto, the committee referred to in Section I.A.2 of Schedule 2 to the Loan Agreement.

5. “CONEACES” means Consejo de Evaluación, Acreditación y Certificación de la Calidad de la Educación Superior No Universitaria, the Borrower’s council for the evaluation, accreditation and certification of the quality of non-university higher education institutions established pursuant to the Borrower’s Law No. 28740 dated December 1, 2005 and published on May 23, 2006, as said law has been amended to the date of this Agreement.

6. “CONEAU” means Consejo de Evaluación, Acreditación y Certificación de la Calidad de la Educación Superior Universitaria, the Borrower’s council for the evaluation, accreditation and certification of the quality of university higher education institutions, established pursuant to the Borrower’s Law No. 28740 dated December 1, 2005 and published on May 23, 2006, as said law has been amended to the date of this Agreement.


8. “COSUSINACE” means Consejo Superior del Sistema Nacional de Evaluación, Acreditación y Certificación de la Calidad Educativa, the Borrower’s higher council of the national system for evaluation, accreditation and certification of the quality of education, an specialized technical agency ascribed to the Borrower’s Ministry of Education with financial, technical and administrative autonomy, established pursuant to the Borrower’s Law No. 28740 dated December 1, 2005 and published on May 23, 2006 as said law has been amended to the date of this Agreement.
9. "CTF" means Comisión Técnica del Fondo, the FEC's Fund Technical Commission referred to in Section I.A.1(c)(i) of Schedule 2 to this Agreement.


11. "FEC" Fondo de Estímulo de la Calidad, the fund for the improvement of the quality and relevance of academic programs under Part 3 of the Project.


13. "HEI" means a Higher Education Institution participating in the Project and located in the territory of the Borrower, including universities and IEES, selected following the criteria set forth in the Operational Manual.

14. "IEES" means Institutos y Escuelas de Educación Superior, higher education institutes and schools (except universities), participating in the Project and located in the territory of the Borrower, selected following the criteria set forth in the Operational Manual.

15. "Improvement Plan" means either a program improvement plan (Plan de Mejora de Carreras) or an institutional improvement plan (Plan de Mejora Institucional), prepared by a HEI and based on the results of the external evaluations, eligible for financing under Part 3(b) of the Project, following the procedures set forth in the Operational Manual.

16. "Indigenous Peoples' Planning Framework or IPPF" means the Borrower's framework dated September 21, 2012, acceptable to the Bank, published and available to the public on the website www.coneau.gob.pe, and included in the Operational Manual detailing measures to mitigate any adverse impact on indigenous peoples as a result of any activity carried out under the Project and to ensure that they benefit from the Project, including procedures for the preparation and implementation of the pertinent indigenous peoples development plans.

17. "MEF" means Ministerio de Economía y Finanzas, the Borrower's Ministry of Economy and Finance.

18. "MINEDU" means Ministerio de Educación, the Borrower's Ministry of Education.
19. "Operational Manual" means the Borrower’s manual satisfactory to the Bank dated October 5, 2012, referred to in Section I.C (b) of Schedule 2 to this Agreement, as such manual may be amended from time to time with the Bank’s prior approval, and such term includes any schedules to the Operational Manual, including the IPPF.


21. "Procurement Plan" means the Borrower’s procurement plan for the Project, dated October 5, 2012 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

22. "STF" means Secretaría Técnica del Fondo, the FEC’s Fund Technical Secretariat referred to in Section I.A.1(c) (ii) of Schedule 2 to this Agreement.

23. "UCP" means Unidad Coordinadora del Proyecto, the Borrower’s Project Coordination Unit within COSUSINEACE referred to in Section I.A.1 (a) of this Agreement.