LOAN NUMBER 8785-CL

Loan Agreement

(Strengthening of State Universities in Chile Project)

between

REPUBLIC OF CHILE

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

December 14, 2017
LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between the REPUBLIC OF CHILE ("Borrower") and the 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 fifty million one hundred twenty-six thousand Dollars ($50,126,000), 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 Minister of Education.

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 Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.

2.06. The Payment Dates are June 15 and December 15 in each year.

2.07. 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, through MINEDUC (and within MINEDUC through DIVESUP), shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.
ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Effectiveness Deadline is the date one hundred and twenty (120) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. Except as provided in Section 2.02 of this Agreement, the Borrower’s Representative is its Minister of Finance.

5.02. For purposes of Section 10.01 of the General Conditions, the Borrower’s address is:

Ministry of Finance
Teatinos 120
Santiago, Chile

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: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391
AGREED at Lima, Peru, on behalf of the Bank, and at Santiago, Chile, on behalf of the Borrower.

REPUBLIC OF CHILE

Authorized Representative
Name: Nicolas Eyraguirre
Title: Ministry of Finance
Date: December 14, 2017

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Authorized Representative
Name: Alberto Rodriguez
Title: Director
Date: October 30, 2017

Countersigned on behalf of the
Treasure General of the Republic of Chile

Authorized Representative
Name: German Trigolett
Title: Treasurer General
Date: January 12, 2018

Countersigned on behalf of the
Controller General of the Republic of Chile

Authorized Representative
Name: Dorothy Pérez Gualand
Title: Controller General (s)
Date: February 21, 2018
SCHEDULE 1

Project Description

The objectives of the Project are to improve quality and equity within State Universities and to strengthen their institutional capacity to address regional and national development challenges.

The Project consists of the following parts:

Part 1: Technical Assistance for Strengthening the Borrower’s State Universities Sector

Provision of technical assistance, training and software development to improve the Borrower’s State Universities Sector, including:

(a) Improvement of the Borrower information systems at central government and State Universities level, through, *inter alia*: (i) design of a Central Information System; (ii) installation of new information systems and/or improvement of existing ones; (iii) improvement of coordination mechanisms of existing information systems among State Universities and/or with MINEDUC; (iv) development of standardized monitoring reports that aggregate data at the university, regional and national levels; and (v) provision of training for the better use of information systems and drafting of periodic monitoring reports;

(b) Enhancement of the knowledge base on education and regional/national development linkages through, *inter alia*: (i) the carrying out of the Pertinence Diagnostic; (ii) carrying out of Regional Diagnostics; (iii) carrying out of Academic Offering Reports; and (iv) provision of technical assistance to improve the institutional capacity of State Universities to update the curricula of existing programs according to regional needs;

(c) Capacity building for the development of ISDPs, through *inter alia*: (i) establishment of technical committees in each State University to prepare said ISDP; (ii) carrying out of assessments on the expected financial implications of these plans in the short, medium, and long-term budget allocation of expected resources; (iii) provision of training and capacity building to State Universities’ staff for the development of long-term objectives, activities, and indicators; and (iv) improvement of coordination activities among State Universities, MINEDUC and key stakeholders;

(d) Strengthening of the institutional management capacity of State Universities through, *inter alia*: (i) carrying out of diagnostic reports on the management and planning capacity of State Universities; (ii) carrying out capacity building activities for managers and relevant administrators, such as training, workshops, and technical assistance; and (iii) development of online management tools for monitoring progress in management, administration and planning;

(e) Development of Early-Warning Systems to profile/score students according to their probability of dropping out and/or fall behind in academic progression through, *inter alia*: (i) data collection, analysis and reporting tools aimed at identifying students at risk of future dropout, of low academic readiness and in vulnerable groups; and (ii) development
of coordination mechanisms to connect students at risk with available institutional
counseling and tutoring services;

(f) Carrying out of impact evaluations on selected interventions, including Career
Services and Remedial Programs; and

(g) Strengthening of quality assurance mechanisms, through the provision of technical
assistance and training to State Universities’ internal quality assurance units.

Part 2: Support to the Establishment of Networks in State Universities

Financing of payments under the EEPs in support of State Universities for:

(a) The establishment of Structural Networks in new identified priority areas and the
improvement of coordination and monitoring activities in existing Structural Networks.

(b) The establishment of Thematic Networks.

Part 3: Support to the Implementation of Institutional Strengthening Development Plans

Financing of payments under the EEPs in support of State Universities to diagnose, develop
and implement each ISDP, including:

(a) Provision of support to improve school-university-job transition in State
Universities including, inter alia: (i) improve academic readiness through Remedial
Programs, information provision on higher education academic and job offers, and
vocational counseling for late-secondary and early-higher-education students; (ii) decrease
drop-out rates and improve the career progression and graduation; (iii) improve the
employability of women; (iv) foster a better university-to-job transition by implementing,
inter alia, apprenticeship programs, graduate tracking systems, and career counseling
programs with a focus on vulnerable and underrepresented segments of the population; and
(v) improve teaching training and update the curricula to deliver programs that are more
responsive to development priority sectors and local demand.

(b) Provision of support to strengthen research and innovation capacity at State
Universities including, inter alia: (i) improvement of State Universities’ human capital for
research and innovation; (ii) acquisition of research equipment and goods and provision of
services; (iii) development of partnerships with the private sector, regional governments,
foreign institutions and research centers; and (iv) improvement of the capacity of State
Universities to disseminate research outputs and prepare and submit research publications
and patents applications.

(c) Provision of support to the institutional management and operations of State
Universities to prepare and implement ISDPs and plans based on the Regional Diagnostics,
including: (i) collection, use and dissemination of university data; (ii) strengthening the
planning, financial and procurement management capacity; and (iii) reviewing of academic
management and programs and permanent quality assurance mechanisms.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Borrower, through MINEDUC, shall operate and maintain within DIVESUP at all times during the implementation of the Project, staff in adequate numbers and with appropriate experience and qualifications, all satisfactory to the Bank, as further detailed in the Project Operational Manual, for purposes of assisting the MINEDUC in the overall coordination and implementation of the Project, including fiduciary responsibilities.

2. The Borrower, through MINEDUC, shall carry out the Project in accordance with a manual ("Project Operational Manual"), satisfactory to the Bank, which shall include the rules, methods, guidelines, standard documents and procedures for the carrying out of the Project, including the following: (a) the detailed description of the Project activities and the institutional arrangements of the Project; (b) the description of DLIs and the criteria, detailed rules and procedures for DLIs implementation and monitoring; (c) the DLI Verification Protocols; (d) the Project accounting, auditing, reporting, financial, procurement and disbursement procedures; (e) the monitoring indicators for the Project; (f) the detailed Project costs and financing; (g) the model of the Inter-institutional Agreements; and (h) the IPPF. In the event that any provision of the Project Operational Manual shall conflict with this Agreement, the terms of this Agreement shall prevail.

3. In order to facilitate the execution of the Project, and upon selection of a State University, the Borrower, through MINEDUC, shall enter into an agreement with said State University ("Inter-Institutional Agreement"), under terms and conditions acceptable to the Bank, which shall include, inter alia, MINEDUC and the respective State University’s responsibilities under the Project.

B. Safeguards.

1. The Borrower, through MINEDUC, shall carry out the Project in accordance with the provisions of the Indigenous Peoples Planning Framework.

2. The Borrower, through MINEDUC, shall ensure that the terms of reference for any consultancy in respect of any Project activity shall be satisfactory to the Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the applicable Bank Safeguards Policies, as applied to the advice conveyed through such technical assistance.
Section II. Project Monitoring Reporting and Evaluation

A. The Borrower shall furnish to the Bank each Project Report not later than two (2) months after the end of each calendar semester, covering the calendar semester.

B. Without limitation to the provisions of Section 5.08(b) of the General Conditions and Section II.A. of this Schedule, the Borrower, through MINEDUC, shall after the third year of Effective Date:

1. carry out a mid-term review with the Bank on the overall progress in the execution of the Project and on the achievement of the Project objectives, including a review of the existing DLIs to determine if any adjustment or replacement of any DLI is needed; and

2. thereafter make the required modifications, all in a manner acceptable to the Bank and with the approval of MINEDUC and the Borrower’s Ministry of Finance as the case may be.

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, through MINEDUC, may withdraw the proceeds of the Loan to: (a) finance Eligible Expenditures; and (b) pay: (i) the Front-end Fee; and (ii) each Interest Rate Cap or Interest Rate Collar premium as applicable; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Eligible Expenditure Programs under Parts 2 and 3 of the Project</td>
<td>50,000,685</td>
<td>Up to 100% subject to the provisions of Part B of this Section</td>
</tr>
<tr>
<td>(2) Front-end Fee</td>
<td>125,315</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions</td>
</tr>
<tr>
<td>(3) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 4.05(c) of the General Conditions</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>50,126,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

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 $10,000,000 may be made for payments made twelve (12) months prior to this date, for Eligible Expenditures provided that the Borrower, through MINEDUC, has furnished evidence, in form and substance satisfactory to the Bank, that the DLIs 1 and 2 (as set forth in Schedule 4 to this Agreement) have been satisfactorily met, all in accordance with the applicable provisions of this Agreement and as further elaborated in the Project Operational Manual and in the Disbursement and Financial Information Letter;

(b) for payments made under Category (1) unless: (i) the Borrower, through MINEDUC, has furnished evidence, in form and substance satisfactory to the Bank, of EEPs incurred, as presented in the corresponding EEPs Spending Report; and (ii) the Bank has determined, on the basis of the evidence furnished by the Borrower, through MINEDUC, as set forth in the Verification Protocols, that the DLIs have been satisfactorily achieved, as further elaborated in the Project Operational Manual and in the Disbursement and Financial Information Letter.

2. Notwithstanding the provisions of paragraphs B.1(b) of this Section, if the Bank is not satisfied that a DLI under Category (1) has been achieved, or partially achieved, the Bank may at any time, and by notice to the Borrower, through MINEDUC, decide, in its sole discretion, to:

(a) In respect of Scalable DLIs:

(i) authorize the withdrawal of a reduced amount of the unwithdrawn proceeds of the Loan allocated to the Scalable DLI which, in the opinion of the Bank, corresponds to the degree of achievement of said Scalable DLI calculated as set forth in the Verification Protocols;

(ii) authorize that the unwithdrawn amount corresponding to the portion of the allocated amount not disbursed due to partial achievement of any Scalable DLI be carried forward to the immediately subsequent withdrawal, pending further achievement of the respective Scalable DLI; or

(iii) cancel all or a portion of the proceeds of the Loan then allocated to said Scalable DLI.

(b) In respect of any DLI which is not a Scalable DLI:

(i) withhold the unwithdrawn proceeds of the Loan then allocated to said DLI until the Bank is satisfied that said DLI has been fully achieved; or

(ii) (A) at the Borrower’s request, through MINEDUC, and providing there is a justification acceptable to the Bank, reallocate all or a portion of the proceeds of the Loan then allocated to said DLI to any other DLI; (B) adjust or replace said DLI for another DLI; or (C) cancel all or a portion of the proceeds of the Loan then allocated to said DLI.
3. The Closing Date is December 30, 2022.

Section IV. Other Undertakings

The Borrower, through MINEDUC, shall submit to the Bank, for prior review and approval, the Terms of Reference for the activities to be carried out under Part 1 (a) (i), (e) and (f) of the Project.
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").

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each June 15 and December 15</td>
<td></td>
</tr>
<tr>
<td>Beginning June 15, 2027</td>
<td></td>
</tr>
<tr>
<td>through December 15, 2028</td>
<td>25%</td>
</tr>
</tbody>
</table>
**SCHEDULE 4**

Disbursement-Linked Indicators, by expected calendar year of completion \(^1\)

<table>
<thead>
<tr>
<th>Objectives</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DL1 1</td>
<td>DL1 5</td>
<td>DL1 9</td>
<td>DL1 13</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SPC has been established and is operational as set forth in the Verification Protocols</td>
<td>18 ISDPs are approved by the SPC and adopted by each State University as set forth in the Verification Protocols</td>
<td>At least 5% increase in the share of full-time faculty with Ph.D.s in State Universities as set forth in the Verification Protocols</td>
<td>At least 12 State Universities accomplish 70% of the corresponding ISDP annual targets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Value: US$5.0 M)</td>
<td>(Scalable)</td>
<td>(Value: US$2.5 M)</td>
<td>(Scalable)</td>
<td>(Scalable)</td>
</tr>
<tr>
<td>Improved Quality of State Universities</td>
<td>DL1 3</td>
<td>DL1 6</td>
<td>DL1 10</td>
<td>DL1 14</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Definition of quality standards for Career Services is approved by the SPC and disseminated to at least 12 State Universities, as set forth in the Verification Protocols</td>
<td>At least 10 State Universities offer Career Services that comply with quality standards defined by SPC as set forth in the Verification Protocols</td>
<td>Central Information System is operational at each State University at set forth in the Verification Protocols</td>
<td>At least 20% of Last-Year Students are provided quality Career Services at set forth in the Verification Protocols</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Value: US$5.0 M)</td>
<td>(Scalable)</td>
<td>(Value: US$2.5 M)</td>
<td>(Scalable)</td>
<td>(Scalable)</td>
</tr>
</tbody>
</table>

\(^1\) Calendar years of completion of DLIs are indicative; DLIs may be achieved prior to the expected completion date set out in Schedule IV or after said date.
<table>
<thead>
<tr>
<th>Improved Equity of State Universities</th>
<th>DL1 4</th>
<th>DL1 7</th>
<th>DL1 11</th>
<th>DL1 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definition of quality standards for Remedial Programs is approved by the SPC and disseminated to at least 12 State Universities, as set forth in the Verification Protocols</td>
<td>(Value: US$5.0 M)</td>
<td>(Value: US$2.500685 M)</td>
<td>(Value: US$2.5 M)</td>
<td>(Value: US$2.4 M)</td>
</tr>
<tr>
<td>DL1 12</td>
<td>DL1 8</td>
<td>DL1 12</td>
<td>DL1 16</td>
<td></td>
</tr>
<tr>
<td>Pertinence Diagnostic is completed and disseminated to at least 12 State Universities, as set forth in the Verification Protocols</td>
<td>At least 5 Thematic Networks are operational as set forth in the Verification Protocols</td>
<td>At least 4 Thematic Networks have met 70% of their annual performance targets as set forth in the Verification Protocols</td>
<td>At least 70% of all regional or national Development Projects have achieved at least 70% of their annual targets as set forth in the Verification Protocols</td>
<td></td>
</tr>
<tr>
<td>(Value: US$5.0 M)</td>
<td>(Value: US$2.5 M)</td>
<td>(Value: US$2.0 M)</td>
<td>(Value: US$2.6 M)</td>
<td></td>
</tr>
<tr>
<td>Estimated disbursement</td>
<td>10 M</td>
<td>10 M</td>
<td>10.000685 M</td>
<td>10 M</td>
</tr>
</tbody>
</table>
APPENDIX

Section I. Definitions

1. “Academic Offering Reports” means a report which includes data collection, surveys’ results and studies that identify local priority areas for new academic programs at State Universities.

2. “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.

3. “Approved Budget Lines” means the following budget lines: (i) Convenio Marco Universidades Estatales; (ii) Plan de Fortalecimiento Universidades Estatales; and (iii) Educación Superior Regional, reflected in Partida 09, Capítulo 01, Programa 29, subtítulo 24 of MINEDUC annual budget approved by the Borrower’s Public Sector Budget Law for the year 2017 (Ley de Presupuestos del Sector Público Año 2017), and the equivalent budget lines approved in the respective annual Borrower’s Public Sector Budget Laws for the following years of Project implementation.


5. “Career Services” means services and programs that aim to improve university-to-job transition for students in State Universities.

6. “Category” means a category set forth in the table in Section III.A. of Schedule 2 to this Agreement.

7. “Central Information System” means a centralized information system at MINEDUC that inter-operates with the information systems of each State University to gather, process, and organize comparable updated data on educational inputs, processes and outputs and which includes indicators that monitor the performance of the targets set in the ISDP (for all States Universities).

8. “Development Project” means a national or regional research project, one of which at least shall be included in each ISDP, and which includes an annual implementation plan with annual objectives, performance indicators, and targets.

9. “Disbursement-Linked Indicators” or “DLIs” means the set of indicators set forth in Schedule 4 to this Agreement, and for which the operational definitions and respective verification mechanisms are included in the Verification Protocols and in Project Operational Manual.

10. “DIVESUP” means División de Educación Superior, MINEDUC’s Division of High Education, or any successor thereto acceptable to the Bank.

11. “Early-Warning Systems” means the information systems described in Part 1(e) of the Project.
12. "EEPs Spending Report" means the report prepared by the Borrower, through MINEDUC, in accordance with the Disbursement and Financial Information Letter and set forth in the Project Operational Manual, on the spending status of the EEPs in relation to the Approved Budget Lines.

13. "Eligible Expenditure Programs" or "EEPs" means a set of defined expenditures, acceptable to the Bank, within the Approved Budget Lines which are related to transfers to State Universities for payment of non-procurable expenditures related to the activities under Parts 2 and 3 of the Project, as further described in the Disbursement and Financial Information Letter and in the Project Operational Manual (and these expenditures constitute a subset of the Eligible Expenditures defined in the General Conditions).


15. "Indigenous Peoples Planning Framework" or "IPPF" means the Borrower's framework, acceptable to the Bank (included in the Project Operational Manual), published both in the MINEDUC's website (www.mecesup.cl) on August 11, 2017 and in the Bank's website on August 15, 2017, setting forth 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, as said framework may be updated and/or amended from time to time with the agreement of the Bank.

16. "Inter-institutional Agreements" means the agreements referred to in Section I.A.3 of Schedule 2 to this Agreement.

17. "ISDP" or Institutional Strengthening Development Plan means a long-term (10-year) plan developed by each State University under the Project that will include a set of objectives, activities, and yearly achievement targets to improve the quality, relevance, and efficiency of said State University, and at least one Development Project.

18. "Last-Year Students" means all students enrolled in their last year of studies in the State Universities which have Career Services standards that comply with the verification process for DLI 6 set forth in the Verification Protocols.


20. "Pertinence Diagnostic" means a study prepared by MINEDUC providing a comprehensive diagnostic profile of every State University with a focus on their linkages to regional and national development.

21. "Ph.D." means Doctor of Philosophy or an equivalent academic degree.

22. "Project Operational Manual" means the Borrower's manual dated September 6, 2017, prepared by the Borrower, through MINEDUC, referred to in Section I.A.2. of Schedule 2 to this Agreement, as said manual may be amended from time to time by the Borrower, through MINEDUC, with the agreement of the Bank.
23. “Regional Diagnostic” means a report that identifies regional development priorities of the Borrower’s regional economies and their implications on the education and training offerings at State Universities.

24. “Remedial Program” means a program that reduces student dropout and delays in academic progression.

25. “Scalable DLIs” means DLIs 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16, which, in case of non-achievement, or partial achievement thereof, may be disbursed proportionally to its degree of achievement and carried forward to a subsequent withdrawal period as set forth in Section III.B.2 (a) of Schedule 2 to this Agreement.

26. “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. The dates on which the Borrower’s Treasurer General and Controller General countersigned this Agreement are not considered for purposes of establishing the Signature Date.

27. “State Universities” or “SU” means any university of state character created by law in the Borrower’s territory.

28. “State Universities Sector” means the State Universities and all central and regional entities and regional governments that relate to State Universities.

29. “Strengthening Plan Committee” or “SPC” means a committee in charge of the coordination, approval, supervision and follow-up of the initiatives and projects proposed by State Universities that are financed under the Project, to be created by Law, Decree or MINEDUC’s Resolution, as applicable.

30. “Structural Network” means a network that includes at least nine (9) State Universities to develop and implement cooperatively policies, activities, and programs to address common issues such as curriculum reform, academic progression, institutional quality assurance mechanisms, and social inclusion to be selected by MINEDUC in coordination with the SPC and according to the criteria established by the SPC and acceptable to the Bank.

31. “Thematic Network” means a regional or national network that includes at least three (3) State Universities, and preferably one external stakeholder, and that serves to promote the development of research, innovation, and value chains for sectors of the economy (e.g. mining, fishing) and/or themes (e.g. climate change), always based on addressing a key development challenge, to be selected according to the criteria established by the SPC and acceptable to the Bank.

32. “Verification Protocols” means the set of protocols setting forth the actions and mechanisms required for verification of DLIs, agreed with the Bank and included in the Project Operational Manual and in the Disbursement and Financial Information Letter, as the same may be amended from time to time with the agreement of the Bank.