Loan Agreement

(Additional Financing for Social Protection System Project)

between

UNITED MEXICAN STATES

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between UNITED MEXICAN STATES duly represented by its Ministry of Finance and Public Credit (Secretaria de Hacienda y Crédito Público) ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") for the purpose of providing additional financing for the Part of the Project described in Schedule 1 to this agreement ("Project").

WHEREAS, the Borrower has informed the Bank that the proceeds of the Loan (as set forth in the table in Section III.2 of Schedule 2 to this Agreement and for purposes of supporting the Project), shall be used in conformity with the requirements of the Borrower's income, budgetary and public debt laws and the terms of this Agreement.

NOW THEREFORE, 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. Noting that the Borrower has informed the Bank that the proceeds of the Loan shall be used in conformity with the requirements of the Borrower's income, budgetary and public debt laws and the terms of this Agreement, but without limitation to the provisions of Section 8.01 of the General Conditions, the Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of three hundred million Dollars ($300,000,000) as such amount may be converted from time to time through a Currency Conversion ("Loan"), to assist the Borrower in financing the Project.

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement. Unless the Borrower's Representative designated in Section 6.01 of this Agreement otherwise informs the Bank, the Borrower's Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the NAFIN's Director(a) de Organismos Financieros Internacionales or any person or persons whom such representative 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.

2.04. The Commitment Charge payable by the Borrower shall be equal to 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 February 15 and August 15 in each year.

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

2.08. (a) If on any given day, the Total Exposure exceeds the Standard Exposure Limit (as said terms are defined in sub-paragraphs (b)(ii) and (b)(iii) of this Section), the Borrower shall pay to the Bank a surcharge at the rate of one half of one percent (0.5%) per annum of the Allocated Excess Exposure Amount (as defined in sub-paragraph (b)(i) of this Section) for each said day ("Exposure Surcharge"). The Exposure Surcharge (if any) shall be payable semi-annually in arrears on each Payment Date.

(b) For purposes of this Section the following terms have the meanings set forth below:

(i) "Allocated Excess Exposure Amount" means for each day during which the Total Exposure exceeds the Standard Exposure Limit, the product of: (A) the total amount of said excess; and (B) the ratio of all (or, if the Bank so determines, a portion) of the Loan to the aggregate amount of all (or the equivalent portions) of the loans made by the Bank to the Borrower and to other borrowers guaranteed by the Borrower that are also subject to an exposure surcharge, as said excess and ratio are reasonably determined from time to time by the Bank.

(ii) "Standard Exposure Limit" means the standard limit on the Bank's financial exposure to the Borrower, which, if exceeded, would subject the Loan to the Exposure Surcharge, as determined from time to time by the Bank.

(iii) "Total Exposure" means for any given day, the Bank’s total financial exposure to the Borrower, as reasonably determined by the Bank.
ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, and for the purposes of this Agreement, the Borrower, through SEDESOL (through CNP), shall carry out the Part of the Project set forth in Schedule 1 to this Agreement all in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Event of Suspension consist of the following, namely, that any of the parties to the Contrato de Mandato and/or the BANSEFI Agreement, shall have failed to perform any of their obligations under the Contrato de Mandato and/or under the BANSEFI Agreement, respectively, and that in the opinion of the Bank, such failure materially or adversely affects the objectives of the Project.

4.02. The Additional Event of Acceleration consists of the following, namely that any event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Bank to the Borrower.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) that the Contrato de Mandato shall have been duly executed by the parties thereto.

(b) that the Borrower, through SEDESOL (through CNP) shall have issued the notice (Oficio) set forth in Section I.E.2 of Schedule 2 to this Agreement.

5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a), there shall be furnished to the World Bank the following opinions:

(a) the Borrower, through SHCP and SEDESOL (through CNP) shall issue two separate legal opinions—one for SHCP and one for SEDESOL (through CNP)- satisfactory to the Bank, by counsel acceptable to the Bank, indicating that the Contrato de Mandato has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower, and is legally binding upon the Borrower in accordance with the Contrato de Mandato’s terms; and

(b) NAFIN has issued a legal opinion satisfactory to the Bank, by NAFIN’s counsel satisfactory to the Bank, indicating that the Contrato de Mandato
has been duly authorized or ratified by, and executed and delivered on behalf of, NAFIN, and is legally binding upon NAFIN in accordance with the Contrato de Mandato's terms.

5.03. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. Except as provided in Section 2.02 of this Agreement, the Borrower’s Representative is the Titular de la Unidad de Crédito Público of SHCP. The authorized representative to make requests for Conversions or for an IBRD Hedge (as defined in the Hedging Guidelines) on behalf of the Borrower shall be: (a) the Titular de la Unidad de Crédito Público of SHCP or any person or persons whom he or she shall designate in writing for this particular purpose; or (b) NAFIN’s Director(a) de Organismos Financieros Internacionales.

6.02. For purposes of Section 10.01 of the General Conditions, as applicable:

the Borrower’s address is:

Secretaria de Hacienda y Crédito Público
Unidad de Asuntos Internacionales de Hacienda
Insurgentes Sur 1971, torre III, piso 3
Colonia Guadalupe Inn
01020 México City
Mexico

and

the Borrower’s Electronic Address is:

E-mail:
uaih_shcp@hacienda.gob.mx

6.03. For purposes of Section 10.01 of the General Conditions, as applicable:

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

the Bank’s Electronic Address is:
AGREED at Mexico City, as of the Signature Date.

UNITED MEXICAN STATES

By

[Signature]

Authorized Representative

Name: Juan Pablo Newton Aguilar
Title: Titular de la Unidad de Crédito Público
Date: Marzo 26, 2018

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

[Signature]

Authorized Representative

Name: Justa U. Kern
Title: Acting Country Director
Date: March 22, 2018
SCHEDULE 1

Project Description

The objectives of the Project are to support the Borrower’s effort to: (i) increase access of PROSPERA Beneficiaries to social and productive programs; and (ii) develop instruments for an integrated social protection system.

The Project consists of the Original Project. The following Part of the Project may be supported by the Loan:


(a) Promoting the investment in human capital through the provision of PROSPERA Conditional Support to PROSPERA Beneficiaries for:

(i) education, pursuant to Section 3.6.1 (Componente Educativo), or its successor thereto satisfactory to the Bank, of the Operational Rules.

(ii) health and nutrition, as referred to in Section 3.6.2 (Componente de Salud) and Section 3.6.3 (Componente Alimentario), or their successors thereto satisfactory to the Bank, of the Operational Rules, but excluding any in-kind support referred to under Sections 3.6.2 (b) of the Operational Rules.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. For purposes of carrying out the Part of the Project set forth in Schedule 1 to this Agreement, and except as the Borrower, through SEDESOL (through CNP) and the Bank may otherwise agree, throughout Project implementation, the Borrower, through SEDESOL (through CNP) shall, under its overall coordination:

   (a) Maintain a council comprised of representatives of SEDESOL, SHCP, SEP, SS, SE, STPS, SAGARPA and CNP responsible of, *inter alia*, general guidance on the implementation of the *PROSPERA* Program;

   (b) Maintain a technical committee comprised of representatives of SHCP, SEDESOL, SEP, SS, SE, STPS, SAGARPA, IMSS and CNP responsible of, *inter alia*, providing, supervision, transparent operation and performance review for the *PROSPERA* Program, including the approval of the Operational Rules;

   (c) Provide the health and education services related to the *PROSPERA* Program through SEP, SS, and IMSS; and

   (d) Maintain State level committees (with the participation of, *inter alia*, SEDESOL, SEP, Salud and IMSS), which will, *inter alia*, supervise and monitor the implementation of the *PROSPERA* Program at the State level.

2. The Borrower, through SEDESOL (through CNP), shall ensure that the *PROSPERA* Beneficiaries comply with the obligations set forth under Section 3.8 (*Derechos, compromisos, corresponsabilidades, suspensiones y bajas de las familias beneficiarias*), or its successor thereto satisfactory to the Bank, of the Operational Rules, and listed in the Operational Manual.

B. Contrato de Mandato

1. The Borrower, through SHCP and SEDESOL (through CNP), shall enter into a contract (*Contrato de Mandato*) with NAFIN, satisfactory to the Bank, whereby:

   (a) NAFIN agrees to: (i) act as financial agent of the Borrower with respect to the Loan, meaning that, *inter alia*, NAFIN agrees to represent the Borrower *vis-à-vis* the Bank for purposes of submitting Loan withdrawal applications to the Bank in form and substance sufficient to justify
disbursement by the Bank to the Borrower of Loan proceeds and agrees, if required by the Borrower (through SHCP), to maintain and operate the Designated Account (referred to in the Disbursement and Financial Information Letter and the additional instructions cited in Section 2.01(b) of the General Conditions), all of this in compliance with the provisions of this Agreement; and: (ii) abide by the Anti-Corruption Guidelines;

(b) the Borrower, through SEDESOL (through CNP), agrees to carry out the Part of the Project set forth in Schedule 1 to this Agreement, in accordance with the provisions of this Agreement, including the IPP, the Anti-Corruption Guidelines, and the Operational Manual;

(c) the Borrower, through SHCP, shall have the right to, in case of fraud or corruption (as defined in the Anti-Corruption Guidelines) provide for the early termination of the Contrato de Mandato, or temporarily suspend its effects, or, if applicable, require the Restitution of an amount equivalent to the funds transferred to NAFIN under said Contrato de Mandato; and

(d) the Borrower, through SEDESOL (through CNP), agrees to cooperate fully with NAFIN to ensure that NAFIN and SEDESOL (through CNP) are able to comply with all their obligations referred to in this Agreement.

2. The Borrower shall exercise its rights and carry out its obligations under the Contrato de Mandato in such a manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank may otherwise agree, the Borrower, through SHCP and SEDESOL (through CNP) shall not amend, terminate, waive or fail to enforce any provision of the Contrato de Mandato. In case of any conflict between the terms of the Contrato de Mandato and those of this Agreement, the terms of this Agreement shall prevail.

C. BANSEFI Agreement and Payment Agent Agreements

1. The Borrower, through SEDESOL (through CNP), shall, for purposes of carrying out the Part of the Project set forth in Schedule 1 to this Agreement:

(a) maintain, throughout the implementation of the Part of the Project set forth in Schedule 1 to this Agreement, the BANSEFI Agreement with contents satisfactory to the Bank, whereby BANSEFI, shall agree to distribute the PROSPERA Conditional Support to the PROSPERA Beneficiaries.

(b) exercise its rights and carry out its obligations under the BANSEFI Agreement in such a manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan.
(c) not amend, suspend, terminate, waive or fail to enforce any provision of the BANSEFI Agreement in such a manner so as to affect materially and adversely, in the opinion of the Bank, the ability of the Borrower to comply with its Project related obligations set forth in this Agreement (including the provisions related to the Anti-Corruption Guidelines). In case of any conflict between the terms of the BANSEFI Agreement and those of this Agreement, the terms of this Agreement shall prevail.

2. For purposes of carrying out the Part of the Project set forth in Schedule of the Project, the Borrower, through SEDESOL (through CNP) shall ensure that BANSEFI:

(a) prior to the distribution of PROSPERA Conditional Support to the PROSPERA Beneficiaries by each Payment Agent, shall have entered into a separate agreement with said Payment Agent (the Payment Agent Agreement), with contents satisfactory to the Bank, including, inter alia, the obligation of: (i) each Payment Agent to distribute, on behalf of BANSEFI, the PROSPERA Conditional Support to the PROSPERA Beneficiaries; and (ii) each Payment Agent and BANSEFI to comply with the Anti-Corruption Guidelines.

(b) shall exercise its rights and carry out its obligations under each Payment Agent Agreement in such a manner as to protect the interests of the Borrower, BANSEFI and the Bank and to accomplish the purposes of the Loan.

(c) shall not amend, suspend, terminate, waive or fail to enforce any provision of the Payment Agent Agreement in such a manner so as to affect materially and adversely, in the opinion of the Bank, the ability of the Borrower to comply with its Project related obligations set forth in this Agreement (including the provisions related to the Anti-Corruption Guidelines). In case of any conflict between the terms of each Payment Agent Agreement and those of this Agreement, the terms of this Agreement shall prevail.

D. Operational Manual

1. The Borrower, through SEDESOL (through CNP) shall carry out the Part of the Project set forth in Schedule 1 to this Agreement in accordance with the provisions of a manual (the Operational Manual) satisfactory to the Bank, containing, inter alia: (i) specific provisions on detailed arrangements for the carrying out of the Project; (ii) the procurement, financial management and disbursement requirements thereof; (iii) the performance indicators; (iv) the Operational Rules; (v) the IPP; and (vi) the Anti-Corruption Guidelines.
2. The Borrower through SEDESOL (through CNP) shall not amend or waive or fail to enforce any provision of the Operational Manual without the Bank’s prior written approval. In case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

E. Anti-Corruption

1. The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines. In this regard, the Borrower, through SEDESOL (through CNP) or through any other entity as the Borrower may deem appropriate, shall, *inter alia*, ensure compliance with paragraph 9 (d) of the Anti-Corruption Guidelines as follows:

   (a) by requiring BANSEFI, to take appropriate measures to prevent, inform on, respond to and investigate corrupt, fraudulent, collusive, coercive and obstructive practices with respect to their payment of PROSPERA Conditional Support;

   (b) by allowing the Bank to inspect accounts, records and other documents of BANSEFI relating to the Project upon the Bank’s request and in the company of CNP representatives;

   (c) by allowing the Bank, at its request, to have such accounts, records and other documents audited by or on behalf of the Bank, using the Bank’s terms of reference for such purpose, with the collaboration of the Borrower, through SEDESOL (through CNP);

   (d) by agreeing to suspend or terminate BANSEFI’s right to process Bank financed proceeds derived from the Loan or from any other agreement with the Bank, if the Bank has declared BANSEFI ineligible under paragraph 11 of the Anti-Corruption Guidelines; and

   (e) by agreeing to obtain Restitution from BANSEFI of any amount of the Loan with respect to which fraud and corruption has occurred,

   all of the above pursuant to audit, transparency, control, restitution and information sharing clauses within the BANSEFI Agreement, the Operational Rules and/or any other means (including, but not limited to the Borrower's rights under the Federal Budget and Fiscal Responsibility Law, and the Federal Public Debt Law).

2. Without limitation upon the provisions of Section I.E.1 of Schedule 2 to this Agreement, the Borrower, through SEDESOL (through CNP), shall: (a) issue a notice (*Oficio*) to BANSEFI (the ACG Notice) in a manner acceptable to the Bank, including (i) a copy of the Anti-Corruption Guidelines; and (ii) exhorting BANSEFI to comply with the Anti-Corruption Guidelines when managing Loan
proceeds (as disbursed in accordance with the provisions set forth in this Agreement).

F. Safeguards.

The Borrower, through SEDESOL (through CNP), shall carry out the Project in accordance with the IPP.

Section II. Project Monitoring Reporting and Evaluation

The Borrower 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

1. 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: (a) finance Eligible Expenditures; and (b) pay: (i) the Front-end Fee; and (ii) each Interest Rate Cap or Interest Rate Collar premium; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the table set forth below.

2. Without limitations to paragraph 1 above, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account on or after the Effective Date and pay to itself the Front-end Fee payable pursuant to Section 3.01 of the General Conditions. The remaining proceeds of the Loan shall be disbursed in Dollars unless otherwise agreed between the Borrower and the Bank and so reflected in the Disbursement and Financial Information Letter. Consistently with Section 2.05 of the General Conditions, the Borrower may use an amount equivalent to the amount in Dollars provided under this Agreement to finance Eligible Expenditures:
### Table 1: Distribution of Loan Expenditures

<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) <em>PROSPERA</em> Conditional Support under the Part of the Project set forth in Schedule 1 to this Agreement</td>
<td>299,250,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Front-end Fee</td>
<td>750,000</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>300,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

3. Notwithstanding the provisions of paragraph 1 above, no withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed $60,000,000 may be made for payments made prior to this date but on or after the date twelve (12) month prior to the Signature Date, for Eligible Expenditures under Category (1).

4. The Closing Date is June 30, 2021.


SCHEDULE 3

Commitment-Linked Amortization Repayment Schedule – Bullet Repayment

The Borrower shall repay the principal amount of the Loan in full on August 15, 2032.
APPENDIX

Section I. Definitions

1. "ACG Notice" means the notice issued by the Borrower, through CNP, to BANSEFI referred to in section I.E.2 of Schedule 2 to this Agreement.

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. "BANSEFI" means Banco del Ahorro Nacional y Servicios Financieros, S.N.C., a Mexican development bank created pursuant to the BANSEFI Organic Law (or any successor thereto acceptable to the Bank).

4. "BANSEFI Agreement" means the agreement entered into between the Borrower, through CNP, and BANSEFI on January 2, 2017, and referred to in Section I.C.1(a) of Schedule 2 to this Agreement, and any other renewal or amendment thereof, whereby BANSEFI will continue to make available to each PROSPERA Beneficiary the PROSPERA Conditional Support in accordance with the provisions of this Agreement, and under terms and conditions satisfactory to the Bank.

5. "BANSEFI Organic Law" means the Borrower’s law Ley Orgánica del Banco del Ahorro Nacional y Servicios Financieros published on June 1, 2001 in the Official Gazette, and said term includes the regulations to said law, as said law and regulations have been amended to the date of this Agreement.

6. "Category" means a category set forth in the table in Section III.1 of Schedule 2 to this Agreement.

7. "CNP" means Coordinación Nacional de PROSPERA Programa de Inclusión Social, a deconcentrated unit (órgano desconcentrado) within SEDESOL responsible for the implementation of the PROSPERA Program as created by the Borrower’s Decree published in the Official Gazette on September 5, 2014 (or any successor thereto acceptable to the Bank).

8. "Contrato de Mandato" means the contract between the Borrower, through SHCP and SEDESOL (through CNP), and NAFIN, referred to in Section I.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time.
9. "Federal Budget and Fiscal Responsibility Law" means the Borrower's *Ley Federal de Presupuesto y Responsabilidad Hacendaria*, as said law and its subsequent amendments have been published in the Official Gazette.

10. "Federal Public Debt Law" means the Borrower's *Ley Federal de Deuda Pública*, as said law and its subsequent amendments have been published in the Official Gazette.


13. "IMSS" means *Instituto Mexicano del Seguro Social*, a decentralized public entity of the Borrower, with separate legal personality, separate budget and fiscal autonomy, created pursuant to the Borrower’s Social Insurance Law, or any successor thereto acceptable to the Bank.

14. "IPP" means the Borrower’s indigenous peoples plan dated July 30, 2014 and published August 26, 2014 as said plan may be updated, from time to time, with the prior written consent of the Bank.

15. "NAFIN" means *Nacional Financiera, S.N.C.*, I.B.D, a Mexican development bank serving as the Borrower’s financial agent for purposes of the Loan, or any successor thereto.

16. "Official Gazette" means the Borrower’s *Diario Oficial de la Federación*.

17. "Operational Manual" means the Borrower’s manual dated December 5, 2017 satisfactory to the Bank, referred to in Section I.D.1 of Schedule 2 to this Agreement, as such manual may be amended from time to time with the Bank’s prior approval.

18. "Operational Rules" means the Borrower’s operational rules for the *PROSPERA* Program published in the Official Gazette on December 29, 2016, as these may be amended from time to time.

19. "Original Loan Agreement" means the loan agreement for the Social Protection System Project between the Borrower and the Bank dated November 19, 2014 (Loan No. 8447-MX), as amended.
20. "Original Project" means the Project described in Section I of Schedule 1 to the Original Loan Agreement.

21. "Payment Agent" means any entity contracted by BANSEFI to assist in the carrying out of the Part of the Project set forth in Schedule 1 to this Agreement, and collectively referred to as "Payment Agents".

22. "Payment Agent Agreement" means any of the agreements referred to in Section I.C.2(a) of Schedule 2 to this Agreement, and any other renewal or amendment thereof satisfactory to the Bank, and collectively referred to as "Payment Agent Agreements".

23. "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.

24. "PROSPERA Beneficiary" means any family living in poverty, identified in accordance with the methodology set forth in Section 3.2.1, 3.3 and 3.4, or any successor thereto acceptable to the Bank, of the Operational Rules, collectively referred to as "PROSPERA Beneficiaries".

25. "PROSPERA Conditional Support" means a non-reimbursable contribution made out of the proceeds of the Loan to a PROSPERA Beneficiary, but excluding any unconditional support (apoyos sin corresponsabilidad) referred to in Section 3.5.2, or any successor thereto acceptable to the Bank, of the Operational Rules.

26. "PROSPERA Program" means the Borrower’s program to assist poor families through the provision of conditional support on compliance with conditions referred to in the Operational Rules (or any successor thereto acceptable to the Bank).

27. "Restitution" means the refund to the Borrower of the portion of the equivalent amount of the Loan with respect to which fraud and corruption has occurred, as set forth in the Anti-Corruption Guidelines.

28. "SAGARPA" means Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación, the Borrower’s Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food, or any successor thereto.

29. "SE" means Secretaría de Economía, the Borrower’s Ministry of Economy or any successor thereto.

30. "SEDESOL" means Secretaría de Desarrollo Social, the Borrower’s Social Development Ministry, or any successor thereto.
31. “SEP” means Secretaría de Educación Pública, the Borrower’s Public Education Ministry or any successor thereto.

32. “SHCP” means Secretaría de Hacienda y Crédito Público, the Borrower’s Ministry of Finance and Public Credit or any successor thereto.

33. “Social and Productive Programs” means any program of the Borrower, the States or the Municipalities, which supports: (i) closing gaps in access to health, nutrition, education, housing and other social services; (ii) generating income in rural areas; and/or (iii) labor in urban areas.

34. “SS” means Secretaría de Salud, the Borrower’s Health Ministry, or any successor thereto.

35. “State” means any of the thirty two political subdivisions of the Borrower and the Ciudad de México, collectively referred to as “States”.


37. “Signature Date” means the latest of the two dates on which the Borrower and the Bank signed this Agreement and such definition applied to all references to “the date of the Loan Agreement” in the General Conditions.