Loan Agreement

(Tertiary Education Finance for Results Project III)

between

REPUBLIC OF CHILE

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
LOAN AGREEMENT

Agreement, as of the Signature Date (as defined in the Appendix to the Loan Agreement) between the REPUBLIC OF CHILE ("Borrower") and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Bank and the Borrower 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 forty million Dollars ($40,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of paragraph 2.07 of Article II of this Agreement ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Borrower, through MINEDUC, may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.

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 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 Fixed Spread; provided, that upon a Conversion 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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 June 15 and December 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 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 from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable 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.

(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.

(c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall carry out the Project, through MINEDUC, in accordance with the provisions of Article V of the General Conditions.

3.02. Without limitation upon the provisions of paragraph 3.01 of this Article III 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 Pursuant to Section 7.02 (m) of the General Conditions, the Additional Event of Suspension consists of the following, namely, that any TEI shall have failed to perform any of its obligations under the respective Subproject Agreement, as the case may be.

4.02 Pursuant to Section 7.06 (f) of the General Conditions, the Additional Event of Acceleration consists of the following, namely that any of the events specified in paragraph 4.01 of this Article IV of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Bank to the Borrower.

ARTICLE V — TERMINATION

5.01. Without prejudice to the provisions of Section 9.04 of the General Conditions, the Effectiveness Deadline is the date one hundred and twenty (120) days after the Signature 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 September 13, 2013.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower’s Representative is its Minister of Finance.

6.02. The Borrower’s Address is:
Ministry of Finance
Teatinos 120
Santiago, Chile
Facsimile: (56-2) 671-3814

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: INTBAFRAD
Telex: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391

-4-
AGREED at Santiago, Chile on behalf of the Bank on August 24th, 2012, and at Santiago, Chile on behalf of the Borrower on August 29th, 2012.

REPUBLIC OF CHILE

MINISTERIO DE HACIENDA

By [Signature]

MINISTERIO DE HACIENDA

By [Signature]

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By [Signature]

Authorized Representative

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

By [Signature]

Authorized Representative

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

By [Signature]

Authorized Representative

Date: 21 Mar, 2013
SCHEDULE 1

Project Description

The objective of the Project is to improve quality and relevance for students in tertiary education by strengthening the link between funding of tertiary education institutions and accountability for performance.

The Project consists of the following parts:

Part 1: Performance Agreements

Provision of support to TEIs to strengthen the link between funding and accountability for performance, through the carrying out of Performance Subprojects.

Part 2: Policy Support and Project Management

(a) Provision of policy support and studies needed for the design and implementation of the tertiary education reforms and potential institutional arrangements.

(b) Provision of support to DIVESUP in the administration, monitoring, coordination and supervision of the Project.
SCHEDULE 2

Project Execution

Section I.  Implementation Arrangements

A. Institutional Arrangements

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

2. The Borrower, through MINEDUC, shall, and shall cause the respective TEIs to, carry out the Project (including the Subprojects) in accordance with the Operational Manual, satisfactory to the Bank, 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: (a) the detailed description of the Project activities and the institutional arrangements of the Project; (b) criteria and methods for the selection of TEIs; (c) the Project administrative, accounting, auditing, reporting, financial (including cash flow aspects in relation thereto), procurement and disbursement procedures; (d) the criteria, guidelines and procedures for the approval, implementation and monitoring of Performance Subprojects, including specifications regarding Eligible Expenditures to be financed under the Performance Subprojects, targets for measuring the progress on the objectives of each Performance Subproject, together with remedies to be applied for not complying with said targets; (e) the terms and conditions of Grants; (f) the monitoring indicators for the Project; and (g) the IPPF. In the event that any provision of the Operational Manual shall conflict with this Agreement, the terms of this Agreement shall prevail.

B. Anti-Corruption

The Borrower, through MINEDUC, shall, and shall cause the TEIs to, ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Performance Subprojects

For the purposes of carrying out Part 1 of the Project, the Borrower, through MINEDUC, shall:

(1) after having selected a Performance Subproject in accordance with the criteria, guidelines and procedures set forth in the Operational Manual,
and prior to the carrying out of said Performance Subproject by the pertinent TEI, enter into an agreement with said TEI ("Subproject Agreement"), for the provision of a Grant for the implementation of a Subproject, under terms and conditions approved by the Bank and included in the Operational Manual.

(2) ensure that each Subproject Agreement includes the terms and conditions set forth in the Operational Manual, including the Borrower’s rights to protect its interests and those of the Bank, including the right to: (a) suspend or terminate the right of the pertinent TEI to use the proceeds of the Grant, or obtain a refund of all or any part of the amount of the Grant then withdrawn, upon TEI’s failure to perform any of its obligations under the Subproject Agreement, including failure to reach the agreed targets for the fulfillment of the objectives of the pertinent Subproject; and (b) require each TEI to: (i) carry out its pertinent Performance Subproject and comply with its objectives with due diligence and efficiency and in accordance with sound technical, educational, economic, financial, managerial 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 Indigenous Peoples Planning Framework; (ii) provide, promptly as needed, the resources required for the carrying out of the Performance Subproject; (iii) procure the goods, works, Non-Consulting Services and consultants’ services to be financed out of the Grant in accordance with the provisions of this Agreement; (iv) specify funding commitments for implementation as per the costing of proposed activities, including the amounts to be financed out of the proceeds of the Grant; (v) maintain a simplified financial management system and records in accordance with consistently applied accounting standards acceptable to the Bank; (vi) specify Grant disbursement provisions based on targets met; (vii) at the Bank’s or the Borrower’s request, have the resulting financial statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and promptly furnish the statements as so audited to the Borrower and the Bank; and (viii) enable the Borrower and the Bank to inspect the Performance Subprojects, its operation and any relevant records and documents.

(3) 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 shall not assign, amend, abrogate, waive, terminate or fail to enforce any Subproject Agreement or any provisions thereof.

-8-
D. Safeguards

1. The Borrower, through MINEDUC, shall and shall cause the TEIs to: (a) implement the Project in accordance with the IPPF, when applicable; (b) comply with the procedures detailed in said IPPF for screening, evaluation, implementation and monitoring of Performance Subprojects; and (c) implement the pertinent indigenous peoples development plans, in accordance with their terms and in a manner acceptable to the Bank.

2. The Borrower, through MINEDUC, shall, and shall cause the TEIs to ensure that any works to be financed under the Performance Subprojects do not involve any Resettlement.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

The Borrower, through MINEDUC, 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 performance indicators acceptable to the Bank and 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 sixty days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower, through MINEDUC, shall maintain or cause to be maintained 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 MINEDUC, shall prepare and furnish to the Bank not later than 45 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 MINEDUC, 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, or such other period agreed with the Bank. 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 table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and Non-consulting Services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>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 table specifies the methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Selection based on Consultant’s Qualifications</td>
</tr>
<tr>
<td>(b) Quality-based Selection</td>
</tr>
<tr>
<td>(c) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(d) Least Cost Selection</td>
</tr>
<tr>
<td>(e) Procedures set forth in Paragraphs 5.1 to 5.5 of the Consultants Guidelines for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(f) Single Source Selection</td>
</tr>
<tr>
<td>(g) Sole Source Procedures for the selection of Individual Consultants set forth in paragraph 5.6 of the Consultant Guidelines</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**

(a) In addition and without limitation to any other provisions set forth in this Section or the Procurement Guidelines, the following principles of procurement shall expressly govern all procurement of goods, Non-Consulting Services and works under National Competitive Bidding procedures:

(i) The lowest evaluated bid shall be selected for contract award.

(ii) There shall be no prescribed minimum number of bids to be submitted in order for a contract to be subsequently awarded.

(iii) *ChileCompra*, provided that the bidding documents are acceptable to the Bank.

(iv) The *Mercado Público* Framework Agreements (MPFA) may be used as an alternative to Shopping, as determined by the Bank, provided that: (A) the specific MPFA does not restrict foreign competition, and is limited to a maximum duration of 3 (three) years; and (B) the maximum aggregate amount for the use of an specific MPFA by each TEI set in the procurement plan is in no
case higher than the applicable Shopping maximum amount, and shall be agreed with the Bank.

(b) In addition and without limitation to any other provisions set forth in this Section or the Consultant Guidelines, the following principles of procurement shall expressly govern all employment of consultants:

(i) There shall be no prescribed minimum number of proposals to be submitted in order for a contract to be subsequently awarded.

(ii) For small assignments not exceeding US$200,000 equivalent, the procedures of ChileCompra may be followed as a consultants' selection method acceptable to the Bank.

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 “World Bank Disbursement Guidelines for Projects” dated May 2006 and available to the public on the Bank’s website www.worldbank.org, 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 maximum 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 (inclusive of taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, Non-consulting Services, Scholarships, Training and Operating Costs required for Performance Subprojects, under Part 1 of the Project</td>
<td>38,000,000</td>
<td>Up to 100% of the amounts disbursed under the relevant Grant</td>
</tr>
<tr>
<td>(2) Consultants’ services, Non-consulting Services, goods, Operating Costs and Training (except those covered by Category (1) above) required for Part 2 of the Project</td>
<td>1,900,000</td>
<td>Up to 100%</td>
</tr>
<tr>
<td>(3) Front-end Fee</td>
<td>100,000</td>
<td>Amount payable pursuant to Paragraph 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(4) Interest Rate Cap or Interest Rate Collar premium</td>
<td>-0-</td>
<td>Amount due pursuant to Paragraph 2.07 (c) of this Agreement</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td>40,000,000</td>
<td></td>
</tr>
</tbody>
</table>

1. For the purposes of this Section:

(a) the term “Operating Costs” means: (i) for Category (1), the reasonable expenses incurred by the TEs as a result of the implementation of Performance Subprojects, including: national and international transportation, personnel and equipment insurance, *per diem*, registration fees, honoraria, staff salaries, pedagogical expenses, maintenance and services, basic services, taxes, permits and patents; and (ii) for Category (2), the reasonable and necessary incremental expenditures related to the operation of the Project and incurred on account of Project implementation, monitoring, evaluation, coordination and supervision, which would not have been incurred absent the Project, including: (A) maintenance and operation of equipment and vehicles procured or used for the management of the Project; (B) salaries paid to staff hired for the purposes of the Project, other than the Borrower’s regular staff’s salaries and honoraria; (C) travel costs and per diems; (D) consumable office
(b) the term “Training” means expenditures (other than those for consultants’ services) incurred by the Borrower to finance reasonable transportation costs and *per diem* of trainees and trainers (if applicable), accommodations, catering, rental of training facilities, as well as training materials and equipment under the Project; and

(c) the term “Scholarships” means reasonable expenditures, acceptable to the Bank (as the same are determined in accordance with the provisions set forth in the Operational Manual), in respect of the cost of tuition, living allowance, insurance, books and learning materials, and/or transportation costs and *per diem* (as the case maybe), to be granted to selected TEIs as part of any given Performance Subproject.

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the Signature Date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $4,000,000 equivalent may be made for payments made prior to this date but on or after December 1, 2011, for Eligible Expenditures under Categories (1) and (2).

2. The Closing Date is October 31, 2016.
SCHEDULE 3

Amortization Schedule

1. 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"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each June 15 and December 15 Beginning December 15, 2016 through June 15, 2020</td>
<td>12.5%</td>
</tr>
</tbody>
</table>

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

   (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

   (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as
withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.
Definitions


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


4. “Conversion Guidelines” means, for a Conversion, the “Guidelines for Conversion of Loan Terms” issued from time to time by the Bank and in effect at the time of the Conversion, and available to the public on the Bank’s website www.worldbank.org.

5. “DIVESUP” means the Borrower’s División de Educación Superior, the Borrower’s division of higher education within MINEDUC, or any successor thereof.


7. “Grant” means a grant made out of the proceeds of the Loan from the Borrower to a selected TEI, for the partial financing of a Performance Subproject, as the case may be, subject to the specific terms and conditions set forth in the Operational Manual.

8. “Indigenous Peoples Planning Framework or IPPF” means the Borrower’s framework dated January 26, 2012, published and available to the public on MINEDUC’s website (www.mecesup.cl) on January 27, 2012, which is satisfactory to the Bank, detailing measures to mitigate potential adverse impacts on indigenous peoples as a result of activities under Part 1 of 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, when applicable.
9. “Mercado Público Framework Agreement or MPFA” means the bidding procedure set forth in ChileCompra whereby the goods that could be purchased from qualified providers, selected in open competition by the Borrower’s purchasing directorate, are listed in a catalogue with the authorized terms and conditions (including prices) of such goods for purchases by any of the Borrower’s agencies.


11. “MINEDUC” means Ministerio de Educación, the Borrower’s ministry of education.

12. “Non-consulting Services” means the costs of services for which the physical aspects of the activity predominate, are bid and contracted on the basis of performance of measurable physical outputs, and for which performance standards can be clearly identifies and consistently applied.

13. “Operational Manual” means the manual dated January 24, 2012 for the operation of the Project, published and available to the public on MINEDUC’s website (www.mecesup.cl) and referred to in Section I.A.2 of Schedule 2 to this Agreement. The Operational Manual may be amended from time to time with the Bank’s non-objection.

14. “Performance Subproject” means a subproject to be carried out by a TEI under Part I of the Project, aimed at supporting institutional or corporate changes impacting the Borrower’s tertiary education system, further described in the Operational Manual and to be partially financed with a Grant under a Subproject Agreement.


16. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated January 20, 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.
17. “Resettlement” means the impact of an involuntary taking of land under the Project, which taking causes affected persons to have their: (i) standard of living adversely affected; or (ii) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed adversely affected, temporarily or permanently; or (iii) access to productive assets adversely affected, temporarily or permanently; or (iv) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently.

18. “Signature Date” means the latest of the two dates on which the Borrower and the Bank signed the Loan Agreement and such definition applied to all references to “the date of the Loan Agreement” in the General Conditions. Countersignature dates by the Borrower’s Treasurer General and Controller General are not considered for purposes of establishing the Signature Date.

19. “Subproject Agreement” means any of the agreements, as specified in Section I.C of Schedule 2 to this Agreement.

20. “TEI” means any of the Borrower’s public and private tertiary education institutions, including technical training centers, professional institutes and universities.