

Date: 09-Dec-2023

His Excellency  
 Jerson Rogelio Posada Molina  
 Minister of Finance  
 Ministry of Finance  
 Boulevard de Los Héroes No. 1231  
 San Salvador  
 Republic of El Salvador

**Re: Growing Up and Learning Together: Comprehensive Early Childhood Development in El Salvador Project (Loan No. 9067-SV)**  
**and**  
**Additional Financing for the Growing Up and Learning Together: Comprehensive Early Childhood Development in El Salvador Project (GPE Grant No TF0B9765-ES)**

We refer to the Loan Agreement between the Republic of El Salvador and the International Bank for Reconstruction and Development (“Bank”) for the Growing Up and Learning Together: Comprehensive Early Childhood Development in El Salvador Project (“Project”) dated May 24, 2021 (“Loan Agreement”), as amended to date; and the Grant Agreement between the Republic of El Salvador and the Bank, providing an Additional Financing for the Project, dated December 22, 2022 (“Grant Agreement”). The capitalized terms used in this letter (“Amendment Letter”) and not defined herein have the respective meanings ascribed to them in the Loan Agreement and the Grant Agreement.

In response to your letters dated October 21 and 25, 2022, January 25, 2023, and September 18, 2023, as well as further discussions with the Bank, requesting to: (i) activate the Contingent Emergency Response (CER) Part under de Project; (ii) the adjustment of the implementation arrangements under Part 3(a)(iii) of the Project; and (iii) the adjustment under the Grant Agreement of the estimated completion dates of the Performance Based Conditions, we are pleased to inform you that the Bank concurs with your request. Accordingly, the Loan Agreement and the Grant Agreement are amended as follows:

*Third Amendment to the Loan Agreement*

- A. The Project Development Objective included in the first paragraph of Schedule 1 is hereby adjusted to include the language related to the Contingent Emergency Response Part under the Project, hereby the Project Description is replaced in its entirety to read as follows:

“The Project Development Objectives are to: (i) improve Early Childhood Care and Education (ECCE) teaching practices nationwide; (ii) upgrade physical learning environments of selected ECCE centers; (iii) strengthen institutional capacity for education sector management, and (iv) in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.”

B. Section I.F is hereby added to Schedule 2 to the Loan Agreement to read as follows:

“F. Interinstitutional Agreement

1. To facilitate the implementation of Part 3(a)(iii) of the Project, the Borrower, through MINEDUCYT, shall enter into an agreement with the ILP (the “Interinstitutional Agreement”), in terms and conditions acceptable to the Bank, and thereafter maintain said Interinstitutional Agreement throughout Project implementation.
2. The Borrower, through MINEDUCYT, shall ensure that the Interinstitutional Agreement, includes, *inter alia*:
  - (a) the obligation of the ILP to provide technical, legal, and administrative assistance to MINEDUCYT, for the regularization of property registration where ECCE Official Centers operate;
  - (b) the obligation of the ILP to carry out its activities under Part 3(a)(iii) of the Project in accordance with the ESS and the Environmental and Social Instruments;
  - (c) the obligation of the ILP to carry out its activities under Part 3(a)(iii) of the Project in accordance with the Project Operational Manual;
  - (d) the obligation of the ILP to comply with the Anti-Corruption Guidelines;
  - (e) the obligation of MINEDUCYT, through *Dirección Jurídica*, to carry out monthly verification of the Outputs corresponding to the deed writing and registration of documents, with respect to the regularization of property registration where ECCE Official Centers operate;
  - (f) the obligation of MINEDUCYT to prepare reports of the Outputs mentioned in literal (e) above, (MINEDUCYT Output Report) of such scope and detail as set forth in the Project Operational Manual covering the pertinent month; and
  - (g) the obligation of MINEDUCYT to reimburse ILP the Outputs that have been verified and delivered by *Dirección Jurídica* and the Independent Verification Agent, as set forth in the Project Operational Manual.
3. The Borrower, through MINEDUCYT, shall exercise its rights under the Interinstitutional Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan.
4. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, waive, terminate, or fail to enforce any provision under the Interinstitutional Agreement.
5. Notwithstanding the foregoing, in the event of a conflict among the provisions of the Interinstitutional Agreement and those of this Agreement, the provisions of this Agreement shall prevail.”

C. Section I.G is hereby added to Schedule 2 to the Loan Agreement to read as follows:

“G. Independent Verification Agent

1. For purposes of Part 3.a(iii) of the Project, the Borrower, through MINEDUCYT, shall:

- (a) no later than forty-five (45) calendar days after the Effective Date of this Amendment, engage an Independent Verification Agent with qualifications and experience, and under terms of reference acceptable to the Bank; and
- (b) cause the Independent Verification Agent to: (i) carry out monthly technical verifications of the Outputs corresponding to the registry and cadastral investigations; legal classification; surveying and preparation of plans; and technical descriptions, with respect to the regularization of property registration where ECCE Official Centers operate, as set forth in the Project Operational Manual; and (ii) within five (5) days after the end of each month prepare and furnish to MINEDUCYT, Independent Verification Reports of such scope and detail as set forth in the Project Operational Manual covering the pertinent month.”

D. The table set forth under Section III.A of Schedule 2 to the Loan Agreement is hereby amended to read in its entirety as follows:

<b>Category</b>	<b>Amount of the Loan Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, consulting services, Operating Costs, and Training for Part 1 (except for Part 1(b)(v) and Part 1(b)(vi)), Part 2, and Part 4 of the Project (except for Part 4(a)(iii), Part 4(a)(iv), and Part 4(b)(ii)).	95,445,238	100%
(2) Emergency Expenditures for Part 5 of the Project.	16,730,531	100%
(3) Front-end Fee.	625,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions
(4) Goods, works, non-consulting services, consulting services, Operating Costs, and Training for Part 3 of the	135,866,055	100%

Project (except for Part 3(a)(iii)).		
(5) Outputs and Operating Costs for Part 3(a)(iii) of the Project	1,333,176	100%
TOTAL AMOUNT	250,000,000	

E. Section III.B of Schedule 2 to the Loan Agreement is hereby amended to add literal (d) as follows:

- “(d) for payments of Eligible Expenditures under Category (5) of the Project, unless and until:
- (i) the Interinstitutional Agreement referred to in Section I.F. of Schedule 2 to this Agreement has been entered into in a manner acceptable to the Bank; and
  - (ii) unless and until the Bank has received the Independent Verification Report and the MINEDUCYT Output Report confirming the delivery of the Outputs, as set forth in Section I.F.2(f) and Section I.G.1(b) of this Schedule, in form and content, and following the requirements established in the Project Operational Manual and the Disbursement and Financial Information Letter, acceptable to the Bank.

F. Section I of the Appendix is amended to add/modify the following definitions, and subsequent definitions are renumbered accordingly:

- “*Dirección Jurídica*” means MINEDUCYT’s legal department, or any successor thereto acceptable to the Bank.
- “Independent Verification Agent” means the independent verification agent referred to in Section I.G.1(a) of Schedule 2 of this Agreement.
- “Independent Verification Report” means the independent verification report referred to in Section I.G.1(b) of Schedule 2 of this Agreement.
- “ILP” means *Instituto de Legalización de la Propiedad*, the Borrower’s Property Legalization Institute, or any successor thereto acceptable to the Bank.
- “Interinstitutional Agreement” means the agreement between the MINEDUCYT and ILP, referred to in Section I.F. of Schedule 2 to this Agreement.
- “Operating Costs for Part 3(a)(iii)” means the publication of documents and registry fees related to the regularization of property registration incurred by ILP.
- “Outputs” means the following processes provided by ILP: (i) registry and cadastral investigations; (ii) legal classification; (iii) surveying and preparation of plans; (iv) technical descriptions; and (v) deed writing and registration of documents, to be financed in connection with the verified achievement of said Outputs based on unit cost and verification protocols defined per Output as set forth in the Project Operational Manual.

First Amendment to the Grant Agreement

- A. The Project Development Objective included in the first paragraph of Schedule 1 is hereby adjusted to include the language related to the Contingent Emergency Response Part under the Project, hereby the Project Description is replaced in its entirety to read as follows:

“The Project Development Objectives are to: (i) improve Early Childhood Care and Education (ECCE) teaching practices nationwide; (ii) upgrade physical learning environments of selected ECCE centers; (iii) strengthen institutional capacity for education sector management; and (iv) in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.”

- B. The table set forth in Schedule 3 to the Grant Agreement is hereby amended to read in its entirety as follows:

Related Part of the Project	PBC	Estimated Date of completion (months after the Effective Date)	Amount of the Grant Allocated (Expressed in Dollars)
<b>PBC 1:</b> Families have received Children Literature Books and Supporting Materials to foster reading at home.  (Part 1(b)(v)(d))	<b>Target.1:</b> 10,000 Families have received children’s literature books and Supporting Materials.	<b>18</b>	<b>PBC 1.1:</b> 70.24 per Family, up to 500,000
	<b>Target 2:</b> 27,500 Families have received children’s literature books and Supporting Materials.	<b>30</b>	<b>PBC 1.2:</b> 70.24 per additional Family, up to 1,300,000
	<b>Target 3:</b> 62,500 Families have received children’s literature books and Supporting Materials.	<b>40</b>	<b>PBC 1.3:</b> 70.24 per additional Family, up to 2,590,000  <b>Total: 4,390,000</b>
<b>PBC 2:</b> Knowing My Achievements standardized tests have been revised to assure a gender equity	<b>Target 1:</b> the First Revision of the language and mathematics Knowing My Achievements Tests for each grade between 3 <sup>rd</sup> grade of primary and 2 <sup>nd</sup> year of high school has been completed.	<b>18</b>	<b>PBC 2.1:</b> 325,000

<p>perspective and have been applied to the Totality of the Students from 3<sup>rd</sup> grade to 2<sup>nd</sup> year of high school in all public schools.</p> <p>Part 4(a)(iii)(A)</p>	<p><b>Target 2:</b> the First Round of application of the 18 revised Knowing My Achievements Test has been completed for the Totality of the Students in all grades between 3<sup>rd</sup> grade of primary and 2<sup>nd</sup> year of high school.</p>	<p><b>18</b></p>	<p><b>PBC 2.2:</b> 675,000</p> <p>(a) 405,000 for 75% of the Totality of the Students; and</p> <p>(b) 54,000 for every additional 2% of the Totality of the Students, up to a coverage of 85% of the Totality of the Students, adding up to 675,000.</p>
	<p><b>Target 3:</b> the Second Round of application of the 18 revised Knowing My Achievements Test has been completed for the Totality of the students in each grade between 3<sup>rd</sup> grade of primary and 2<sup>nd</sup> year of high school.</p>	<p><b>30</b></p>	<p><b>PBC 2.3:</b> 575,000</p> <p>(a) 345,000 for 75% of the Totality of the Students; and</p> <p>(b) 46,000 for every additional 2% of the Totality of the Students, up to a coverage of 85% of the Totality of the Students, adding up to 575,000.</p>
	<p><b>Target 4:</b> the Second Revision of the language and mathematics Knowing My Achievements Test for each grade between 3<sup>rd</sup> grade of primary</p>	<p><b>40</b></p>	<p><b>PBC 2.4.:</b> 85,000</p>

	<p>and 2<sup>nd</sup> year of high school have been completed.</p> <p><b>Target 5:</b> the Third Round of application of the Newly Revised Knowing My Achievements Tests has been completed for all grades between 3<sup>rd</sup> grade of primary and 2<sup>nd</sup> year of high school.</p>	<p><b>40</b></p>	<p><b>PBC 2.5:</b> 340,000</p> <p>(a) 204,000 for 75% of the Totality of the Students; and</p> <p>(b) 27,200 for every additional 2% of the Totality of the Students, up to a coverage of 85% of the Totality of the Students, adding up to 340,000.</p> <p><b>Total: 2,000,000</b></p>
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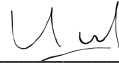
Please confirm your agreement with the foregoing, on behalf of the Republic of El Salvador, by signing and dating this Amendment Letter in the spaces provided below. The provisions set forth in this Amendment Letter shall become effective on the date of the last signature, upon receipt by the Bank of a fully executed Amendment Letter.

*[remainder of page intentionally left blank]*

Please also note that the Restructuring Paper dated November 28, 2023, that reflects the above changes will be disclosed on the Bank's external website.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT



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Michel Kerf  
Country Director  
Central America Countries  
Latin America and the Caribbean Region

CONFIRMED AND AGREED:

REPUBLIC OF EL SALVADOR

By: Jerson Rogelio Posada Molina  
Authorized Representative

Name: Jerson Rogelio Posada Molina

Title: Minister of Finance

Date: 18-Jan-2024