

Date: 22-Jun-2024

H.E. Marlon Ochoa Minister of Finance Ministry of Finance Tegucigalpa, M.D.C. Republic of Honduras

Re: Credit Number IDA 6401-HN

(Social Protection Integration Project)

Third Amendment to the Financing Agreement

Excellency,

We refer to the Financing Agreement ("Agreement") between the Republic of Honduras ("Recipient") and the International Development Association ("Association"), dated July 17, 2019, as amended, for the above-referenced project ("Project"). Capitalized terms used in this letter ("Amendment Letter") and not defined herein have the meaning ascribed to them in the Agreement.

We also refer to your letters dated December 21, 2023 and April 12, 2024, requesting the Association to amend the Agreement to, among others: (a) introduce changes to the Project description; (b) modify the Project implementation arrangements; (c) reallocate the proceeds of the Credit among the Categories of Eligible Expenditures; and (d) extend the Closing Date.

We are pleased to inform you that the Association agrees to amend the Agreement as follows:

- 1. Article 3.01 of the Agreement is hereby amended in its entirety to read as follows:
 - "3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall: (a) carry out Part 1(b) of the Project through PRS with the assistance of BANADESA; (b) carry out Part 2 of the Project through PRS with the assistance of SEDESOL and UTP; (c) carry out Part 3 of the Project through PRS; and (d) cause the Coordinating Authority, to carry out Part 4 of the Project, all in accordance with the provisions of Article V of the General Conditions."
- 2. Article 4.01 of the Agreement is hereby amended in its entirety to read as follows:
 - "4.01. The Additional Event of Suspension consists of the following, namely that BANADESA shall have failed to comply with any of its obligations under the BANADESA Agreement related to the implementation of Part 1(b) of the Project."
- 3. Schedule 1 to the Agreement is hereby amended in its entirety as described in Attachment 1 to this Amendment Letter.

- 4. Section I.A.3 of Schedule 2 to the Agreement is hereby amended to read in its entirety as follows:
 - "3. To facilitate the implementation of Part 2 of the Project, the Recipient, through PRS, no later than three (3) months after the effectiveness of this Amendment Letter, shall enter into a separate technical coordination agreement ("Interagency Coordination Agreement") with the Relevant Agency, under terms and conditions acceptable to the Association and as further described in the Project Operational Manual."
- 5. Section I.B of Schedule 2 to the Agreement is hereby amended to read in its entirety as follows:

"B. BANADESA Agreement

- 1. For purposes of carrying out Part 1(b) of the Project, and unless the Association shall otherwise agree, the Recipient, through PRS, shall enter into a separate coordination agreement with BANADESA ("BANADESA Agreement") under terms and conditions acceptable to the Association, which shall include, *inter alia:* BANADESA's obligation to: (a) provide CCTs to Eligible Beneficiaries in accordance with the provisions of the Project Operational Manual; and (b) comply with the pertinent obligations set forth in this Schedule, including compliance with the Anti-Corruption Guidelines.
- 2. The Recipient, through PRS, shall exercise its rights and carry out its obligations under the BANADESA Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Recipient and the Association may otherwise agree in writing, the Recipient, through PRS, shall not abrogate, amend, suspend, waive, or otherwise fail to enforce the BANADESA Agreement or any provision thereof.
- 3. In case of any conflict between the terms of this Agreement and the BANADESA Agreement, the provisions of this Agreement shall prevail."
- 6. Section I.C of Schedule 2 to the Agreement is hereby amended to read in its entirety as follows:

"C. Project Operational Manual

The Recipient, through PRS, shall carry out the Project, in accordance with the provisions of a manual (the "Project Operational Manual"), which shall include, inter alia: (a) the criteria for identification, registration and selection of Eligible Beneficiaries; (b) the co-responsibilities to be complied with by Eligible Beneficiaries as conditions for the provision of the Incorporation CCTs, Food Security CCTs, Education CCTs, and Health CCTs; (c) the mechanisms for verification of compliance with co-responsibilities associated to the Incorporation CCT Co-responsibilities, Food Security CCT Co-responsibilities, Education CCT Co-responsibilities and Health CCT Co-responsibilities; (d) the description of the mechanism for the provision of CCTs; (e) the format of the Project unaudited interim financial reports and financial statements; (f) the terms of reference, functions and responsibilities for the personnel of PRS; (g) the detailed procedures

for coordination and collaboration among the relevant Recipient's institutions, and other stakeholders in the carrying out of the Project, including the Relevant Agencies; (h) Personal Data collection and processing requirements in accordance with good international practices; (i) the terms of reference for carrying out the Compliance Reviews of the CCTs and the Project financial audits; (j) the Project performance indicators; (k) the disbursement, procurement, and environmental and social management procedures for the Project; (l) the criteria and process for the selection of the municipalities under the Project; and (m) selection criteria for the provision of School Packages under Part 2(a) of the Project.

- 2. Except as the Recipient and the Association may otherwise agree in writing, the Recipient, through PRS, shall not, abrogate, amend, suspend, waive, or otherwise fail to enforce the Project Operational Manual or any provision thereof.
- 3. In case of any conflict between the terms of this Agreement and either the Project Operational Manual or the BANADESA Agreement, the provisions of this Agreement shall prevail."
- 7. The withdrawal table under Section III.A of Schedule 2 to the Agreement is hereby amended to read in its entirety as follows:

"Category	Amount of the Credit Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, consulting services, Training, and Operating Costs under Parts 2 and 3 for the Project	9,984,870.40	100%
(2) CCTs payments and BANADESA Operating Costs under Part 1(b) of the Project	20,015,129.60	100%
(3) Emergency Expenditures under Part 4 of the Project	0	100%
TOTAL AMOUNT	30,000,000"	

- 8. Section III.B.1(b)(i) of Schedule 2 to the Agreement is hereby amended to read in its entirety as follows:
 - "(b) For payments under Category (2), unless and until the Recipient, through PRS, has:
 - (i) entered into the BANADESA Agreement with BANADESA, under terms and conditions acceptable to the Association, and it is legally binding upon the Recipient and BANADESA in accordance with its terms; and"
- 9. Section III.B.2 of Schedule 2 to the Agreement is hereby amended to read in its entirety as follows:
 - "2. The Closing Date is December 31, 2025."
- 10. The Appendix to the Agreement is hereby amended in its entirety to read as set forth in Attachment 2 to this Amendment Letter.

Except as specifically amended herein, all other terms and conditions of the Agreement shall remain in full force and effect.

Please confirm your agreement to the foregoing amendments to the Agreement on behalf of the Recipient, by signing and dating the confirmation on the enclosed copy of this Amendment Letter and returning it to us. This Amendment Letter will become effective upon:(i) receipt by the Association of evidence satisfactory to the Association that the Second Amendment Letter to the Additional Financing Agreement to the Project has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled; (ii) the update of the Project Operational Manual in a manner acceptable to the Association; (iii) receipt by the Association of one fully executed original of this Amendment Letter; and (iv) the Association's dispatch of the notice to the Recipient confirming the fulfillment of the aforementioned conditions and declaring the effectiveness of this Amendment Letter. The Recipient and the Association agree that, in accordance with the revised definitions set forth in paragraphs 9 and 10 of the Appendix to the Agreement, payments of CCTs shall become effective as of April 5, 2023, upon declaring the effectiveness of this Amendment Letter.

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Please also note that the restructuring paper which reflects the Association's approved Project modifications dated June 10, 2024 will be disclosed on its external website.

Sincerely

INTERNATIONAL DEVELOPMENT ASSOCIATION

Michel Kerf
Country Director
Central America and the Dominican Republic
Latin America and the Caribbean Region

AGREED:

REPUBLIC OF HONDURAS

Authorized Representative

Marlon David Ochoa Martínez

Name:

Title: Secretary of Finance

Date: June 25th, 2024

SCHEDULE 1

Project Description

The objectives of the Project are to improve the outcomes of the CCT Program, including the CCT Program response to COVID-19, and to strengthen the integration of the social protection system for the extreme poor and the vulnerable.

The Project consists of the following parts:

Part 1: Strengthening the Conditional Cash Transfer Program

- (a) [Deleted and intentionally left blank].
- (b) Providing CCTs to Eligible Beneficiaries.

<u>Part 2: Institutional Strengthening for the CCT Program and Integration of the Social Protection System</u>

- (a) Strengthening the CCT Program delivery system through, *inter alia*: (i) carrying out activities to strengthen the effectiveness and transparency of the CCT Program payment mechanisms; (ii) strengthening the existing Beneficiary Care System, including a grievance redress mechanism; (iii) updating the PRS Information System ("SIRES"); (iv) strengthening the CCT Program communications strategy and developing and implementing a communications campaign; (v) designing an urban and a rural transition strategy of the CCT Program; (vi) carrying out the monitoring and evaluation of the CCT Program; (vii) promoting the CCT Program's alignment with the Recipient's Growth Plan (*Plan Crecer*); (viii) providing School Packages for selected students and teachers; (ix) redesigning the structure of the urban component of the CCT Program; and (x) carrying out activities to standardize the operation of the CCT Program and improve its compliance verification system.
- (b) Strengthening the Recipient's institutional capacity to integrate the social protection system through, *inter alia*: (i) providing technical assistance to update and implement the Recipient's existing social protection policy framework; (ii) strengthening the quality of the SIRBHO and financing its update and certification; (iii) strengthening the institutional capacity of the Social Development Observatory; (iv) updating the existing instruments to identify Eligible Beneficiaries; (v) providing technical assistance to support the development of policy instruments as mandated by cabinet decisions; (vi) capacity strengthening for results-based management; and (vii) conducting knowledge exchanges with peer countries on best practices of social protection policies and instruments; and (viii) strengthening the institutional capacity of the UTP.

Part 3: Project Management

Supporting the PRS in the coordination, implementation management and supervision (including, fiduciary aspects and monitoring and evaluation, and reporting of Project activities and results), including the carrying out of Project audits.

Part 4: Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

APPENDIX

Definitions

- 1. "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.
- 2. "Association Safeguards Policies" means, the Operational Policies (Ops) and Bank Procedures (BPs) of the Bank, namely OP/BP 4.01 (Environmental Assessment), OP/BP 4.04 (Natural Habitats), OP/BP 4.09 (Pest Management), OP/BP 4.10 (Indigenous Peoples), OP/BP 4.11 (Physical Cultural Resources), OP/BP 4.12 (Involuntary Resettlement), OP/BP 4.36 (Forests), and OP/BP 4.37 (Safety of Dams); they can be found at https://policies.worldbank.org.
- 3. "BANADESA" means *Banco Nacional de Desarrollo Agrícola*, the Recipient's National Bank for Agricultural Development, established and operating pursuant to Decree Law number (903), issued by the Military Government Council in the Cabinet of Ministers, dated March 24, 1980, as amended by Legislative Decree number 31-92, dated March 5,1992 published in the Official Gazette No. 26,913, on April 06, 1992, or any successor thereto acceptable to the Association.
- 4. "BANADESA Agreement" means the agreement referred to in Section I.B of Schedule 2 to this Agreement, entered into between the Recipient, through PRS, and BANADESA.
- 5. "BANADESA Operating Costs" means costs associated with the delivery of CCT payments, made by BANADESA to Eligible Beneficiaries, to be financed out of the Credit proceeds based on unit cost estimated per transaction completed and calculated under a methodology acceptable to the Association as detailed in the Project Operational Manual.
- 6. "Basis Adjustment to the Interest Charge" means the Association's standard basis adjustment to the Interest Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association and expressed either as a positive or negative percentage per annum.
- 7. "Basis Adjustment to the Service Charge" means the Association's standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association and expressed either as a positive or negative percentage per annum.
- 8. "Beneficiary Care System" means *Modulo de Atención al Participante*, the Recipient's beneficiary care system under the CCT Program, which provides CCT related services.
- 9. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

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- 10. "CCTs" means conditional cash transfers related to initial joining benefit (incorporation), food security, education, and health.
- 11. "CCT Program" or "*Programa de Transferencias Monetarias Condicionadas*" means, the Recipient's conditional cash transfer program on incorporation, food security, health, and education whose principal objective is to create new opportunities for extreme poor families, established pursuant to the Recipient's Executive Decree PCM 08-2022, dated May 2, 2022 and published in the Recipient's Official Gazette on May 2, 2022, which included the creation of the Red Solidaria Program (*Programa de la Red Solidaria*, "PRS"), and by Ministerial Accord No. 036-2022 dated and published on October 31, 2022, as the same may be amended from time to time with the agreement of the Association.
- 12. "CCT Program Technical Committee" means the committee referred to in the CCT Program Operational Manual approved by Ministerial Accord 036-2022 dated and published on October 31, 2022, or any successor thereto acceptable to the Association.
- 13. "CERC Manual" means the manual referred to in Section D.1(a) of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Project Operational Manual.
- 14. "Closing Date" means the date specified in Section III.B.2 of Schedule 2 to this Agreement (or such other date as the Association shall establish, upon request from the Recipient, by notice to the Recipient) after which the Association may, by notice to the Recipient, terminate the right of the Recipient to withdraw from the Credit Account.
- 15. "Compliance Review" means the review performed by independent auditors or firm under terms of reference, both acceptable to the Association, based on the application of agreed-upon procedures on a representative sample of CCT transactions, as set forth in Section IV.1 of Schedule 2 to this Agreement.
- 16. "Concessional Financing" means, without limitation to the definition of said term in paragraph 19 of the General Conditions, the Credit extended by the Association to the Recipient on the terms referred to in Article II to this Agreement and in the General Conditions.
- 17. "Contingent Emergency Response Part" means any activity or activities to be carried out under Part 4 of the Project to respond to an Eligible Crisis or Emergency.
- 18. "Coordinating Authority" means the Recipient's entity, ministry or agency responsible for coordinating and implementing Part 4 of the Project.
- 19. "Education CCT" means a conditional cash transfer, in an amount calculated as set forth in the Project Operational Manual, made out of the proceeds of the Financing to an Eligible Beneficiary who complies with the Education CCT Co-responsibilities, in accordance with the criteria and procedures set forth in the Project Operational Manual.
- 20. "Education CCT Co-responsibilities" means the Eligible Beneficiary's co-responsibilities included in the Project Operational Manual, including that children from 1st to 12th grade (primary and secondary levels): (a) be enrolled in school; and (b) attend classes (unless, due to a cause acceptable to the Association, the Recipient has mandated temporary school closure and ceased to request this co-responsibility, under the CCT Program).

- 21. "Eligible Beneficiary" means any individual living in the Recipient's rural and urban areas of the Recipient's departments, who meets the eligibility to benefit from a CCT, and who has been selected through public and transparent mechanism, all set forth in the Project Operational Manual.
- 22. "Eligible Emergency" means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
- 23. "Emergency Action Plan" means the plan referred to in Section D of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
- 24. "Emergency Expenditures" means any of the eligible expenditures set forth in the CERC Manual referred to in Section D of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
- 25. "Food Security CCT" means a conditional cash transfer, in an amount calculated as set forth in the Project Operational Manual, made from the proceeds of the Financing to an Eligible Beneficiary that complies with the Food Security Co-Responsibilities of the CCT, in accordance with the criteria and procedures set forth in the Project Operational Manual.
- 26. "Food Security CCT Co-responsibilities" means the Eligible Beneficiary's coresponsibilities included in the Project Operational Manual, including having Eligible
 Beneficiary sign a letter of agreement to use the resources for the purchase of basic
 products included in the National Institute of Statistics' basic basket (unless, due to cause
 acceptable to the Association, the Eligible Beneficiary has temporarily ceased to apply for
 the co-responsibilities listed above, under the CCT Program).
- 27. "General Conditions" means the "International Development Association General Conditions for IDA Financing, Investment Project Financing", dated December 14, 2018.
- 28. "Growth Plan" means *Plan Crecer* Program, a comprehensive early childhood development program of the Recipient, formerly named *Criando con Amor* (Raising Kids with Love), established pursuant to Executive Decree No. PCM 020-2015 dated May 11, 2015, duly published in the Recipient's Official Gazette on June 24, 2015. The Growth Plan aims to promote and strengthen family values on protecting the integral development of children from zero (0) to six (6) years old, including their need for social protection, in a timely and efficient manner. It involves the active participation of families through community organization, and creation/utilization of local early childhood development services with an inter-institutional approach.
- 29. "Health CCT" means a conditional cash transfer, in an amount calculated as set forth in the Project Operational Manual, made out of the proceeds of the Financing to an Eligible Beneficiary who complies with the Health CCT Co-responsibilities, in accordance with the criteria and procedures set forth in the Project Operational Manual.
- 30. "Health CCT Co-responsibilities" means the Eligible Beneficiary's co-responsibilities included in the Project Operational Manual, including that: (a) children between zero (0) and five (5) years old who attend preventive health check-ups at the frequency set forth in the Project Operational Manual; and (b) women complete their pre and post-natal check-

- ups as set forth in the Project Operational Manual, (unless, due to a cause acceptable to the Association, the Recipient has temporarily ceased to request the co-responsibilities mentioned above, under the CCT Program).
- 31. "Incorporation CCT" means a conditional cash transfer, in an amount calculated as set forth in the Project Operational Manual, made from the proceeds of the Financing to an Eligible Beneficiary that complies with the Incorporation Co-responsibilities of the CCT, in accordance with the criteria and procedures set forth in the Project Operational Manual.
- 32. "Incorporation CCT Co-responsibilities" means the Eligible Beneficiary's co-responsibilities included in the Project Operational Manual, including having Eligible Beneficiary sign a letter of agreement to participate in the CCT Program (unless, due to cause acceptable to the Association, the Eligible Beneficiary has temporarily ceased to apply for the co-responsibilities listed above, under the CCT Program).
- 33. "Inter-agency Coordination Agreement" means any of the agreements referred to in Section I.A.3 of Schedule 2 to this Agreement, entered into between the Recipient, through PRS and a Relevant Agency.
- 34. "IPP" means *Plan Especial para los Comunidades Pueblos Indígenas y Afro Hondureñas* (*PPIAH*) para la Correcta Aplicación del Programa Presidencial de Transferencias Monetarias Condicionadas: "Bono Vida Mejor", the Recipient's Indigenous Peoples and Afro Honduran Communities Plan, dated February 28, 2019, updated and published on the Recipient's territory on February 28, 2019 and on the Association's website on February 28, 2019, acceptable to the Association, as set forth in the Project Operational Manual, as said plan may be amended from time to time by agreement between the Recipient and the Association.
- 35. "National Institute of Statistics" means the Recipient's institute of statistics established pursuant to Decree No. 86-2000 dated July 8, 2000, to coordinate the national statistical system and to ensure official statistics are carried out in an integrated, coordinated, rationalized manner, and under common regulations, or any successor or successors thereto acceptable to the Association.
- 36. "Operating Costs" means with respect to Parts 2, and 3 of the Project, reasonable costs, as shall have been approved by the Association, for the incremental expenses incurred on account of Project implementation, consisting of, communication costs, rental of office spaces, office equipment, supplies and maintenance, minor office refurbishing, and equipment maintenance, utilities, document duplication/printing, consumables, vehicle operation and maintenance, bank fees, travel cost, and *per diem* for Project staff, including staff from the Relevant Agencies, for travel linked to the implementation of the Project, (but excluding consulting' services and salaries of officials of the Recipient's civil service), all as approved by the Association.
- 37. "Personal Data" means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata, and factors specific to the physical, physiological, genetic, mental, economic, cultural, or social identity of an individual.

- 38. "Procurement Regulations" means, for purposes of paragraph 87 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated September 2023.
- 39. "Project Operational Manual" means the manual for the implementation of the Project, acceptable to the Association, referred to in Section I.C of Schedule 2 to this Agreement, as the same may be amended from time to time by agreement between the Recipient, through PRS, and the Association.
- 40. "PRS Information System" or "SIRES" (*Sistema de Informacion de Red Solidaria*, as abbreviated in Spanish), means the PRS management information system which includes the CCT Program.
- 41. "Red Solidaria Program" or "PRS" means the Program of the Recipient's Ministry of Social Development and the Project Implementing Entity, or any successor thereto acceptable to the Association, created by Executive Decree PCM 08-2022, dated May 2, 2022, as a decentralized and autonomous entity of SEDESOL in charge of the design, execution, supervision, and administration of social programs and projects for vulnerable populations.
- 42. "Relevant Agency" means SEDUC, SESAL, SEDESOL, UTP, or any other agency or entity as agreed by the Recipient and the Association.
- 43. "Safeguard Instruments" means the IPP, the SEP, and the Social Assessment, as the same may be amended from time to time by agreement between the Recipient and the Association.
- 44. "School Packages" means a package, provided to an Eligible Beneficiary and/or a teacher, consisting, among others, of a backpack with school essentials supplies such as pens, pencils, notebooks, paper, a raincoat, and a hat as set forth in the Project Operational Manual.
- 45. "SEDESOL" means the Recipient's Ministry of Social Development (*Secretaria de Desarollo Social*) created through Article 11 of the Recipient's Executive Decree PCM 05-2022, dated April 6, 2022 (published in the Recipient's Official Gazette on April 6, 2022), or any successor thereto acceptable to the Association. According to the Recipient's Executive Decree PCM 19-2022 dated August 9, 2022 and published in the Official Gazette on August 11, 2022, SEDESOL is in charge of designing social protection policies and programs and their oversight.
- 46. "SEDUC" or "Secretaria de Educación" means the Recipient's Secretariat of Education, or any successor thereto acceptable to the Association.
- 47. "SEFIN" or "Secretaría de Estado en el Despacho de Finanzas" the Recipient's Ministry of Finance, or its successor acceptable to the Association
- 48. "SEP" means "Plan de Participación y Consulta Social" and refers to the Recipient's Stakeholder Engagement Plan, published on the Recipient's territory on February 28, 2019 and on the Association's website on February 28, 2019, acceptable to the Association, as said plan may be amended from time to time by agreement between the Recipient and the Association.

- 49. "SESAL" or "Secretaria de Salud", means the Recipient's Secretariat of Health, or any successor thereto acceptable to the Association.
- 50. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.
- 51. "SIRBHO" means the Recipient's Information System and Beneficiary Registry housed in the Social Development Observatory, which collects and stores the information of the beneficiaries that enroll to benefit from the Recipient's social programs.
- 52. "Social Assessment" means the Recipient's Evaluación Social para la Preparación del Proyecto de Integración de Protección Social del Programa Presidencial de Transferencias Monetarias Condicionadas: "Bono Vida Mejor" published on the Recipient's territory on February 28, 2019 and on the Association's website on February 28, 2019, acceptable to the Association, as said assessment may be amended from time to time by agreement between the Recipient and the Association.
- 53. "Social Development Observatory" means the Recipient's social development information unit established within SEDESOL, pursuant to Article 11 of the Recipient's Executive Decree PCM 05-2022 dated April 6, 2022 (published in the Recipient's Official Gazette on April 6, 2022), with the responsibilities and attributions set forth in Article 6 of the Recipient's Executive Decree PCM 019-2022 dated August 9, 2022, and published in the Recipient's Official Gazette on August 11, 2022. The Social Development Observatory is responsible for analyzing and evaluating on a permanent and continuous basis, the Recipient's poverty levels and the various factors related to it to be included in social programs.
- 54. "Training" means expenditures (other than those for consulting' services and non-consulting services) for: (a) reasonable travel, room, board, and *per diem* expenditures incurred by trainers and trainees in connection with their training and by training facilitators; (b) tuition and course fees; (c) training facility rentals; and (d) training material preparation, acquisition and reproduction expenses, all as approved by the Association.
- 55. "UTP" means *Unidad Técnica Presidencial*, the Presidential Technical Unit in the Secretariat of the Presidency of the Recipient created by Ministerial Agreement No.061-SEP-2023, dated May 12, 2023, published in the Official Gazette "*La Gaceta*" or any successor thereof acceptable to the Association.