
LOAN NUMBER 9555-EC

Loan Agreement

(Ecuador: Emergency Resilient Reconstruction Project)

between

REPUBLIC OF ECUADOR

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT



SUBSECRETARÍA DE FINANCIAMIENTO PÚBLICO

REGISTRO N°: 740

FECHA: 13 septiembre de 2023

PAGINA N°: 000 0000 39

REGISTRO DE LA DEUDA PÚBLICA

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF ECUADOR (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of one hundred fifty million Dollars (\$150,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest rate is the Reference Rate plus the Variable Spread¹ or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Borrower elects to apply the Automatic Rate Fixing Conversion to the Loan. Accordingly, without limitation upon the provisions of Article IV of the General Conditions and unless otherwise notified by the Borrower to the Bank in accordance with the provisions of the Conversion Guidelines, the interest rate basis applicable to the aggregate principal amount of the Loan withdrawn during two consecutive Interest Periods shall be converted from the initial Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread for the full maturity of such amount in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

¹ Only Variable Spread is available due to FSL suspension effective April 1, 2021.

- 2.07. The Payment Dates are March 1 and September 1 in each year.
- 2.08. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower through MTOP shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Operational Manual (including but not limited to its financial management chapter) has been prepared and adopted, through a ministerial agreement, by the Borrower through MTOP in form and substance satisfactory to the Bank; and
 - (b) the Borrower through MTOP in coordination with MEF and NPS has issued the priority opinion (*dictamen de prioridad*) for the entire Project.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower's Representative is the Borrower's Minister of Economy and Finance.
- 5.02. For purposes of Section 10.01 of the General Conditions:
- (a) the Borrower's address is:

Ministry of Economy and Finance
Av. Amazonas y Pereira, Plataforma Financiera
Quito, Ecuador
 - (b) the Borrower's Electronic Address is:

E-mail: documentosmef@finanzas.gob.ec
- 5.03. For purposes of Section 10.01 of the General Conditions:
- (a) the Bank's address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

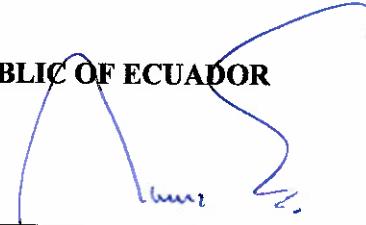
(b) the Bank's Electronic Address is:

Facsimile: 1-202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF ECUADOR

By



Authorized Representative

Name: Laura Victoria Conzatti Q

Title: SUBSECRETARÍA DE FINANCIAMIENTO P(S)

Date: 12/09/2023



SUBSECRETARÍA DE FINANCIAMIENTO PÚBLICO

REGISTRO N°: 0740
FECHA: 13 de septiembre 2023
PAGINA N°: 000000039

REGISTRO DE LA DEUDA PÚBLICA

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By



Authorized Representative

Name: ISSAM ABOUSLEIMAN

Title: COUNTRY DIRECTOR

Date: September 12, 2023

SCHEDULE 1

Project Description

The objective of the Project is to restore connectivity and improve infrastructure resilience and road safety in areas affected by Natural Hazards.

The Project consists of the following parts:

Part 1: Infrastructure Recovery and Resilience Interventions

- 1.1. **Infrastructure Recovery Interventions.** (a) Eligible Activities to restore lost connectivity of transport infrastructure in the territory of the Borrower due to damage caused by an Eligible Disaster, which may include, *inter alia*, designs, construction, rehabilitation, improvement, supervision, project management, and audits of civil works, and other investments directly related to the foregoing; and (b) Land Compensation Payments.
- 1.2. **Resilience Interventions.** (a) Eligible Activities to increase the resilience of Highly Vulnerable Transport Infrastructure to Natural Hazards, which may include, *inter alia*, designs, civil works (for example, slope stabilization and revegetation, drainage installation or improvement, and increasing road elevation), works supervision, acquisition of equipment, consultancy services; and (b) Land Compensation Payments.
- 1.3. **Activities to Complement Recovery and Resilience Interventions.** Capacity building, technical assistance, and Training to foster community participation, infrastructure efficiency and resilience, and road safety in areas where Eligible Activities are undertaken, including, *inter alia*, road safety audits and implementation of their recommendations, fostering participation of community members (including women) and microenterprises in Eligible Activity implementation and post-reconstruction maintenance, and community emergency response.
- 1.4. **Acquisition of equipment for emergency response and preventive maintenance.** Acquisition, overhaul, and maintenance of equipment for emergency response, and for evaluation, preventive maintenance, and reconstruction, including, *inter alia*, (a) in the case of emergency response, dump trucks, backhoe loaders, loaders, excavators, temporary bridges, temporary culverts, generators, lighting, and communications equipment; and (b) in the case of evaluation, preventive maintenance, and reconstruction, pavement and vulnerable zone evaluation equipment such as deflectometers, laser profilometers, roughness meters, and construction execution equipment such as motor graders, finishers, road rollers, asphalt mixers, asphalt distributors, and recycling machines.

Part 2: Project Management and Institutional Strengthening for Resilience

- 2.1 **Asset management system and planning tools.** (a) The design and/or purchase, development, implementation, and operationalization of a software-based transportation infrastructure asset management system to help MTOP manage the lifecycle of its transportation-related infrastructure and assets, including inventory management, condition assessment, performance monitoring, scheduled maintenance and repair,

budgeting, forecasting, reporting, and analytics; (b) Training of MTOP staff for the implementation and use of this system; and (c) improvement of the MTOP geoportal and development of tools for open data and information sharing.

- 2.2 **Capacity building activities, including training, knowledge exchanges, guidelines, and manuals on relevant topics.** Capacity building and technical assistance activities for civil servants in agencies of the Borrower (such as MTOP, ANT, and CTE), civil society organizations, media, private firms, and other stakeholders that are directly or indirectly involved in the implementation of activities or policies related to the Project objective, including, *inter alia*, (a) Training, workshops, knowledge exchange visits, and drafting of guidelines and manuals on topics such as community participation, efficiency, climate resilience and adaptation, circular economy, road safety, gender, an emergency response; and (b) technical assistance for updating relevant technical regulations issued by MTOP.
- 2.3 **Project Management Support.** Activities to support Project administration and management, including procurement, financial, environmental, social, and technical management as well as monitoring and evaluation, including Operating Costs, Project external audits, and contracting of the Project Management and Technical Support Firm and the Environmental and Social Framework Support Firm.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Project Implementation Team

The Borrower, through MTOP, shall:

- (a) maintain at all times during implementation of the Project, a project implementation team with functions, responsibilities and resources, and staffed with personnel exclusively dedicated to the Project in number and with qualifications, experience and functions acceptable to the Bank, including, *inter alia*, (i) a project coordinator, (ii) two planning specialists, (iii) three civil engineer/transport specialists, (iv) a communications specialist, (v) a financial management specialist, (vi) a financial analyst, (vii) a procurement expert, (viii) an environmental specialist, (ix) a social specialist, (x) an environmental and social coordinator, and (xi) a legal expert, all in number and with terms of reference and qualifications acceptable to the Bank all as further specified in the Operational Manual; and
- (b) without limiting the generality of paragraph (a) above, no later than thirty (30) days after the Effective Date, contract for or appoint a civil servant of the Borrower to each of the PIT team members described in limbs (i) through (x) of paragraph (a) above.

2. Project Management and Technical Support Firm; and Environmental and Social Framework Support

The Borrower through MTOP shall, no later than ninety (90) days after the Effective Date (and, in accordance with Section III.B.1(b) below, as a condition of any withdrawal under Category (a)), hire, and thereafter maintain at all times during the execution of the Project:

- (a) a project management and technical support firm to support MTOP in the design and implementation of Project activities, including support with engineering, gender, road safety, resilience, and other technical relevant topics (the "Project Management and Technical Support Firm"); and
- (b) an environmental and social framework support consultancy firm to support MTOP in environmental and social risk and impact management, including: (i) elaboration of environmental and social instruments referred to under the ESCP; (ii) capacity building of MTOP in environmental and social risk management matters; (iii) supporting MTOP in carrying out consultations, monitoring, and management of grievances; (iv) coordination with technical teams to address emerging environmental and social implementation issues; and (v) facilitation of

other participatory processes beyond environmental and social risks (the “Environmental and Social Framework Support Firm”);

in each case with terms of reference and qualifications acceptable to the Bank all as further specified in the Operational Manual.

3. **Operational Manual**

- (a) The Borrower, through MTOP, shall carry out the Project in accordance with an operational manual satisfactory to the Bank (the “Operational Manual”), including, *inter alia*: (i) institutional arrangements; (ii) operation of the PIT and involved MTOP departments; (iii) roles, responsibilities, and terms of reference of key PIT staff members, the Project Management and Technical Support Firm, and the Environmental and Social Framework Support firm; (iv) eligibility requirements for Eligible Activities; (v) Project planning and monitoring and evaluation; (vi) social and environmental management, reporting, communication, and human resources; (vii) procurement; (viii) administrative processes and financial management; (ix) grievance procedures; and (x) procedures for amending the Operational Manual.
- (b) The Borrower, through MTOP, shall not amend, suspend, abrogate, repeal, or waive any provision of the Operational Manual without the prior written approval by the Bank.
- (c) In case of conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail

4. **Use of Security and Military Forces or Agencies in Project Implementation**

The Borrower shall ensure that no Loan proceeds are used for any expenditures relating to activities carried out by security and military forces or agencies. The Borrower shall also ensure that no activities under the Project are implemented by, or with the involvement of, security forces or agencies, including the military.

5. **Bank Pre-Approval of Eligible Activities.** The Borrower, through MTOP, shall obtain the Bank’s prior written approval of each Eligible Activity that is proposed to be included in the Project.

D. Environmental and Social Standards

- 1. **Environmental and Social Standards.** The Borrower, through MTOP, shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
- 2. **Environmental and Social Commitment Plan.** Without limitation upon paragraph 1 above, the Borrower, through MTOP, shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Borrower, through MTOP, shall ensure that:

- (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. **Inconsistencies with the ESCP.** In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. **Monitoring and Reporting.** The Borrower, through MTOP, shall ensure that:
- (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, *inter alia*, cases of sexual exploitation and abuse (SEA), sexual harassment (SH), and accidents that result in death, serious or multiple injuries, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. **Grievance Redress Mechanism.** The Borrower, through MTOP, shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank, as set out in the ESCP.
6. **Obligations in Bidding Documents and Contracts for Civil Works.** The Borrower, through MTOP, shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors, and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment

and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

Section II. Project Monitoring Reporting and Evaluation

The Borrower, through MTOP, 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

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, and Training under Part 1 of the Project (other than Land Compensation Payments)	125,000,000	100%
(2) Goods, non-consulting services, consulting services, Operating Costs, Training, and Project external audits under Part 2 of the Project (other than Land Compensation Payments)	15,000,000	100%
(3) Land Compensation Payments	10,000,000	100%
TOTAL AMOUNT	150,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed sixty million Dollars (\$60,000,000) may be made for payments made prior to this date but on or after July 9, 2022, for Eligible Expenditures under Categories (1) and (2), *provided* that an environmental and social compliance assessment has been carried out with respect to such Eligible Expenditures in accordance with the ESCP and in form and substance satisfactory to the Bank; or

- (b) under Category (1) until:
 - (i) the ESMF, RPF, SEP, LMP, and IPPF have been prepared, consulted, disclosed, and adopted as provided for under the ESCP; and
 - (ii) the Project Management and Technical Support Firm and the Environmental and Social Framework Support firm have been hired, in each case with terms of reference and qualifications acceptable to the Bank all as further specified in the Operational Manual.

2. The Closing Date is June 30, 2028.

Section IV. Other Undertakings

A. Budget Inclusion and Multi-Year Certification

- 1. The Borrower, through MTOP in collaboration with MEF and NPS, shall manage the budget's inclusion in the Annual Investment Plan in a timely manner and ensuring timely budget allocation for the project implementation.
- 2. The Borrower, through MTOP in collaboration with MEF and NPS, shall ensure that multi-year certification is issued for the cost of each activity to be implemented under the Project (including the cost of all contracts required to implement such activity) and for the respective implementation period.

SCHEDULE 3

Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share").

Level Principal Repayments

Principal Payment Date	Installment Share
On each March 1 and September 1 Beginning September 1, 2031 through September 1, 2042	4.17%
On March 1, 2043	4.09%

APPENDIX

Section I. Definitions

1. “ANT” means the Borrower’s National Transit Agency (*Agencia Nacional de Tránsito*), or any successor thereto.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 6 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. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “CTE” means the Borrower’s Transit Commission of Ecuador (*Comisión de Tránsito del Ecuador*), or any successor thereto.
5. “Declaration of Emergency” means *Declaratoria de Emergencia*, a declaration of emergency issued by a competent governmental authority at the local, municipal, provincial, regional, or national level through a resolution (*resolución*), as set forth in the Organic Law of the National System for Public Contracting (*Ley Orgánica del Sistema Nacional de Contratación Pública*) or any other applicable law or regulation.
6. “Eligible Activities” means any activity under Part 1.1 or Part 1.2 of the Project that meets the applicable eligibility requirements under the Operational Manual.
7. “Eligible Disaster” refers to any Natural Disaster—national or localized in scope—that affects the Borrower’s transportation infrastructure and that occurred in or after 2022 and that triggers at least one of the following declarations: a Declaration of Emergency or State of Emergency.
8. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated May 16, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Borrower shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
9. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African

Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.

10. “Environmental and Social Framework Support Firm” has the meaning provided in Section I.A.2(b) of Schedule 2 to this Agreement.
11. “ESMF” means the environmental and social management framework to be prepared in accordance with the ESCP, and in line with the Environmental and Social Standards.
12. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, December 21, 2020, April 1, 2021, and January 1, 2022).
13. “IPPF” means the indigenous peoples policy framework to be prepared in accordance with the ESCP, and in line with the Environmental and Social Standards.
14. “Highly Vulnerable Transport Infrastructure” means transport infrastructure in the territory of the Borrower that is exposed to Natural Hazards, and that poses, or upon the occurrence of a Natural Hazard likely would pose an imminent threat to lives, assets, or the environment.
15. “Land Compensation Payments” means expenditures incurred in financing the cost of providing cash compensation and/or cash assistance resulting from land acquisition under the Project in accordance with the RPF and any RAP required thereunder.
16. “LMP” means the labor management procedures to be prepared in accordance with the ESCP, and in line with the Environmental and Social Standards.
17. “MEF” means the Borrower’s Ministry of Economy and Finance (*Ministerio de Economía y Finanzas*) or any successor thereto.
18. “MTO” means the Borrower’s Ministry of Transportation and Public Works (*Ministerio de Transporte y Obras Públicas*) or any successor thereto.
19. “Natural Hazards” means: (i) geological hazards, defined as extreme natural events originating in the Earth’s crust, such as earthquakes, volcanic eruptions, tsunamis or tidal waves, and landslides (as a secondary event after an earthquake); (ii) hydrometeorological hazards, defined as natural events such as heavy rains and flooding caused by rainfall; and (iii) an intensified El Niño phenomenon causing heavy rains, floods, storm surges, or landslides caused by rainfall.
20. “NPS” means the Borrower’s National Planning Secretariat (*Secretaría Nacional de Planificación*) or any successor thereto.

21. “Operating Costs” means the reasonable costs of incremental recurrent expenditures (other than for consulting services and Training) incurred by the PIT in connection with Project implementation which would not have been incurred absent the Project, including, *inter alia*, consumable items, utilities and supplies, office supplies, communications expenses, salaries of contractual and temporary staff, and accommodation, transport, and per diem for staff, but excluding salaries, fees, honoraria, bonuses, and any other salary supplements of members of the Borrower’s civil service.
22. “Operational Manual” means the manual described in Section I.A.3 of Schedule 2.
23. “PIT” means the Project implementation team to be established within MTOP pursuant to its ministerial agreement (*acuerdo ministerial*) approving the Operational Manual and referred to in Section I.A.1(a) of Schedule 2 to this Agreement.
24. “Procurement Regulations” means, for purposes of paragraph 84 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
25. “Project Management and Technical Support Firm” has the meaning provided in Section I.A.2(a) of Schedule 2 to this Agreement.
26. “RAP” means any resettlement action plan that may be required for Project activities, in accordance with the RPF, the ESCP, and in line with the Environmental and Social Standards.
27. “RPF” means the resettlement policy framework to be prepared in accordance with the ESCP, and in line with the Environmental and Social Standards.
28. “SEP” means the stakeholder engagement plan to be prepared in accordance with the ESCP, and in line with the Environmental and Social Standards.
29. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
30. “State of Emergency” means *Estado de Excepción*, a state of emergency declared with respect to a Natural Disaster by the President of the Borrower in all or part of the Borrower’s territory, through an executive decree (*decreto ejecutivo*), pursuant to Article 164 of the National Constitution, and notified by the President to the National Assembly and the Constitution Court within forty-eight (48) hours following the signing of the decree.
31. “Training” means the reasonable costs of: (i) training materials and rental of training facilities and equipment; (ii) tuition fees, travel and per-diem of trainers and trainees; and (iii) any other expenses related to training (including study tours and workshops) to be carried out under the Project.