

Theme	Actions required	Resources and Responsibilities	Source of funding	Schedule: preparation and implementation	Actual implementation indicator
2.7 Subcontractor Labour Force	measures, and emergency preparedness and response), code of conduct (including issues relating to sexual harassment, abuse and exploitation), forced labor, child labor, worker grievance system, and applicable requirements for contractors, subcontractors and companies supervisors.				EMAPAG annual E&S monitoring report received by AFD
2.8 The local workforce	Ensure businesses support the hiring of women, young adults, women and vulnerable persons in project-affected communities	EMAPAG / Project Implementation Unit	N/A	Before work and during the construction phase	AFD non-objection notice on tender documents and works contracts EMAPAG annual E&S monitoring report received by AFD
2.9 Complaint Mechanism	Adoption and availability of complaint mechanisms for riparian communities, employees, subcontractors and persons authorized to travel to work sites, according to ESMF with specific focus on gender violence.	Contractors and subcontractors	Project	Before work and during the construction phase	AFD non-objection notice on tender documents and works contracts EMAPAG annual E&S monitoring report received by AFD
3. Resource Efficiency, Pollution Prevention and Control					
3.1 Energy saving	Integration of pollution prevention/management measures provided for by the ESMFs in the project	EMAPAG / Project Implementation	Project	Before the work phase and during the construction	AFD non-objection notice on tender
3.2 Water Consumption					
3.3 Raw materials					
3.4 Air Pollution					

Theme	Actions required	Resources and Responsibilities	Source of funding	Schedule: preparation and implementation	Actual implementation indicator
3.5 Hazardous and non-hazardous waste management		Unit		phase	documents and works contracts
3.6 Chemicals and Hazardous Management					EMAPAG E&S monitoring report received by AFD
4. Community Health and Safety					
4.1 Infrastructure and Equipment Design and Security					
4.2 Service Security					
4.3 Road Traffic and Safety					
4.4 Ecosystem Services					
4.5 Community Disease Exposure	Implementation of specific measures to prevent hazards and accidents during works (dust, noise, construction machinery traffic, service interruptions, etc...), as specified in ESMPs.	Contractors / Subcontractors	Project	Before and during the work phase	AFD non-objection notice on tender documents and works contracts
4.6 Hazardous Materials Management and Safety	Implementation of ESMP/MGAS recommendations				Annual E&S monitoring report received by AFD
4.7 Emergency Preparedness and Response					
4.8 Security Personnel					
5. Land acquisition, land use restrictions and involuntary resettlement					
5.1 Rights-of-way (when applicable)	Observe the exclusion criteria associated with Physical and Economic Displacement as established in the ESMP/MGAS Establish rights-of-way agreements only in cases where technical solutions that would have avoided such measure proved to be unfeasible.	EMAPAG	EMAPAG	Before the work phase and during construction phase	EMAPAG annual E&S monitoring report received by AFD AFD non-objection notice on rights-of-way agreements

Theme	Actions required	Resources and Responsibilities	Source of funding	Schedule: preparation and implementation	Actual implementation indicator
5.2 Grievance Mechanism	Implementation of a Grievance Mechanism to respond and facilitate the resolution of grievances related to the use of right of way.	EMAPAG	EMAPAG	Before the work phase and during construction phase	ESMF and E&S annual report
7. Information dissemination and stakeholder participation					
7.1 Stakeholder identification and analysis	Implementation of ESMF/MGAS	EMAPAG	Project	Throughout the project	E&S annual monitoring report received by AFD
7.2 Resolution of Complaints	For communication, develop a strategy for the different stakeholders of the project and the populations bordering the project investments.				
7.3 Disclosure of Information					
7.4 Significant Consultation					

SCHEDULE 9 – FORM OF FOLLOW-UP REPORT OF THE PROJECT' INDICATORS

	Results chain	Objectively Verifiable Indicators	Reference situations / target values on the Technical Completion Date	Sources and means of verification	Critical assumptions (context-related or programmatic)
General Objective	Improve access to drinking water and sanitation services, as well as the health conditions of the population of Guayaquil, preserve its environment and contribute to adaptation of the area to climate change	<ul style="list-style-type: none"> - Coverage rate of city's inhabitants in the provision of drinking water by a public network - Coverage rate of city's inhabitants in the service of sewerage networks by a public network 	REF 89% TARGET 96% REF 75% TARGET 81%	<ul style="list-style-type: none"> - Interagua annual reports - Semi-annual monitoring reports on implementation 	No deterioration of security conditions in Guayaquil that could impact the attractiveness of procurement processes
Specific objective 1 (SO1)	Extension of sewerage networks in the northwest sector of Guayaquil	Number of people gaining access to a safely managed sanitation service in the response zone	REF 0 TARGET 121 024	<ul style="list-style-type: none"> - Semi-annual implementation monitoring reports - Work supervision reports - Interagua annual reports 	No delays in the works schedule Commissioning of Sistema 3 (Mi Lote Wastewater Treatment Plant and associated pumping stations) and construction of Conectividad
Expected achievements	R1: construction of sewerage networks in the Flor de Bastion district (LPI1+LPI2 + Quebrada)	<ul style="list-style-type: none"> - Linear of built networks - Number of intra-home connections made - Number of people gaining access to safely managed sanitation service 	108 km 12 324 61 620		Revised design to exclude population displacement and limit land impact and social risks Conduct procurement process to recruit good quality companies
	R2: construction of intra-home connections in LPI6	<ul style="list-style-type: none"> - Number of intra-home connections made - Number of people gaining access to safely managed sanitation service 	2662 13310		Conduct procurement process to recruit good quality companies
	R3: Construction of sewerage networks in the Pascuales district	<ul style="list-style-type: none"> - Linear of built networks - Number of intra-home connections made - Number of people gaining access to safely managed sanitation service 	71 km 9 218 46 094		<ul style="list-style-type: none"> - Revised design to exclude population displacement and limit land impact and social risks - Conduct procurement processes to recruit good quality firms;

	Results chain	Objectively Verifiable Indicators	Reference situations / target values on the Technical Completion Date	Sources and means of verification	Critical assumptions (context-related or programmatic)
Specific objective 2 (SO2)	Extension of drinking water networks in the Northwest sector of Guayaquil (part of Monte Sinai 2)	- Number of people connected to the drinking water system	REF: 0 TARGET: 44 510	- Semi-annual monitoring reports on implementation - Work supervision reports - Interagua annual reports	No deterioration of security conditions in Guayaquil that could impact the attractiveness of procurement processes Conduct procurement processes to recruit good quality companies
Expected achievements	R1: construction of drinking water networks in part of Monte Sinai 2	- Linear of built networks - Number of people gaining access to safe managed drinking water service	95 km 44 510		- Revised design to exclude population displacement and limit land impact and social risks - Conduct procurement processes to recruit good quality firms
Specific objective 3 (SO3)	Improving access to hygiene by installing sanitary facilities for the poorest households and women heads of households	Number of people gaining access to a safely managed sanitation service in the response zone	REF: 0 TARGET: 33 (estimate based on what LPI5-LPI6 gave as results)		- No deterioration of safety conditions that could impact the attractiveness of procurement processes
Expected achievements	R1: implementation of a household targeting protocol with gender approach and financing of the installation of sanitary facilities in targeted households	- Protocol completion	1	Validation of the protocol by AFD	- Establishment of a process for socialization of the project and recruitment of labour from targeted neighbourhoods
	R2: Installation of sanitary equipment in addition to intra-home connections	- Number of beneficiary households	TARGET: 33	- Semi-annual monitoring reports on implementation - Work supervision reports - Interagua annual reports	

	Results chain	Objectively Verifiable Indicators	Reference situations / target values on the Technical Completion Date	Sources and means of verification	Critical assumptions (context-related or programmatic)
Specific objective #4 (SO5)	Hygiene awareness for beneficiaries of water and sanitation connections with a gender approach	- Number of new drinking water and sanitation users made aware (gender participation differentiation)	REF 0 TARGET 165 534		- No deterioration of safety conditions that could impact the attractiveness of procurement processes
Expected achievements	R1: Communication/ awareness/ marketing actions for new users of drinking water and sanitation services (activities carried out with gender equality in mind)	- Number of people made aware of hygiene issues - Number of internet campaigns/ videos	REF 0 TARGET 165 534 TARGET : 4	- Semi - annual monitoring reports on implementation - Workshop attendance sheets	
Specific objective 5 (SO5)	EMAPAG improves its internal and external gender policy	- Number of new drinking water and sanitation users made aware (gender participation differentiation)	REF 0 TARGET To be defined during diagnosis	Semi - annual Implementation Monitoring Reports	
Expected achievements	R1: EMAPAG carries out a gender diagnosis on its internal and external policy	Diagnostics Completion	REF 0 TARGET 1	Approval of the diagnosis by AFD	- Involvement of internal EMAPAG staff outside the PMU
	R2: Implementation of gender inequality reduction actions within EMAPAG	-Number of gender equality promotion initiatives -Percentage of staff who attended the sessions	REF To be defined during the diagnosis TARGET To be defined during the diagnosis		- Involvement of internal EMAPAG staff outside the PMU
	R3: Establishment of a mentoring program to facilitate women's access to leadership positions	-Number of women who received mentoring	To be defined during the diagnosis		Involvement of the EMAPAG management
	R4: development of guidelines for the integration of gender inequality reduction in EMAPAG projects, particularly in the Northwest neighbourhoods of Guayaquil	-Formalisation of a procedural document	1	Procedural document	No deterioration of security conditions to be able to carry out field investigations
	R5: Awareness and training campaigns on inequalities and gender violence in the intervention areas of EMAPAG	-Number of workshops completed - Percentage of staff who attended awareness and training campaigns	REF To be defined during the diagnosis TARGET To be defined during the diagnosis	Workshop Support Sheets	No deterioration of safety conditions to be able to carry out training and workshops

	Results chain	Objectively Verifiable Indicators	Reference situations / target values on the Technical Completion Date	Sources and means of verification	Critical assumptions (context-related or programmatic)
	<i>R6:</i> training of female chief of households in plumbing	-Number of female chief of households trained	To be defined during the diagnosis	Training Assistance Sheets Number of training certificates issued	No deterioration of safety conditions to be able to carry out training and workshops
	<i>R7:</i> training of women beneficiaries of the project for the development of commercial activities permitted by access to water services	-Number of women trained	To be defined during the diagnosis	Training Assistance Sheets Number of training certificates issued	- No deterioration in safety conditions to enable training and workshops to be carried out
Specific objective 6 (SO6) (optional)	The implementation of actions to protect the El Salado Mangrove				
Expected achievements	<i>R1:</i> Restoration and preservation actions				
	Restoration of the El Salado mangrove	-Areas benefiting from biodiversity conservation/restoration programmes	REF 0 TARGET: To be defined	Annual monitoring reports on implementation Supervision missions of AFD	Recruitment of an NGO/design office competent for the implementation of the project Cooperation of partner entities and resident communities
	Implementation of agro-ecological practices on farms	-Number of family farms in conversion to agro-ecological systems	Nc/ha TARGET: to be defined		
	<i>R2:</i> Capacity building for monitoring activities in mangrove	-Number of actors that have benefited from capacity building	TARGET: to be defined		
	The entities in charge of monitoring (to be specified) have additional means of monitoring activity in mangrove				
	<i>R3:</i> local populations are made aware of the importance of mangrove ecosystems services, the stakes and methods to ensure its preservation	-Percentage of local population having participated in awareness workshops Number of awareness tools produced (workshops, information leaflets...)	REF 0 TARGET: 50% REF 0 TARGET: 5		

Aggregate indicators	Indicator value	Unit of measure
SDG 6.1.1: Number of people receiving safe drinking water services	44 510	number of people

SDG 6.2.1: Number of people receiving a safely managed sanitation service	121 024	number of people
Number of people made aware of hygiene issues	165 534	number of people

SCHEDULE 10-1 TRANSACTION INFORMATION NOTICE



ECUADOR Drinking Water and Sanitation Program of Guayaquil



The Guayaquil Water and Sanitation Program builds on the initial AFD water and sanitation project in Guayaquil. The proposed funding of 60 million USD to EMAPAG, the municipality owned water and wastewater company, is a joint financing effort by AFD and the Spanish Cooperation under the European co-financing agreement JEFIC. This initiative aims to provide drinking water and sanitation services to residents in the disadvantaged neighbourhoods of Guayaquil. Additionally, the project includes a grant to support EMAPAG in implementing a gender inequality reduction plan within the public company and its areas of operation.

CONTEXT

The rapid population growth in Guayaquil is causing accelerated and uncontrolled urbanization in the northwest part of the city. Although efficient, the water infrastructure is unable to keep up with the urbanization of these neighborhoods. The capacities of the main infrastructure (water supply lines, wastewater collectors, and treatment plants) are quickly being exceeded and need reinforcement to meet the increasing demand. Additionally, the informal development of these neighborhoods necessitates the subsequent installation of public services to improve living conditions. In alignment with the ongoing AFD project in these neighborhoods, this project will address the need to strengthen and expand the drinking water and sanitation infrastructure.

This project significantly contributes to the Sustainable Development Goals by reducing inequalities in access to basic services, decreasing gender inequalities, protecting natural environments and biodiversity, reducing greenhouse gas emissions, and adapting to climate change. Furthermore, it is the first project co-instructed under the JEFIC European cooperation agreement, highlighting the commitment of European development actors to unite their efforts to achieve the SDGs.

DESCRIPTION

The main objective of the project is to provide efficient water and sanitation services in the most disadvantaged neighborhoods of Guayaquil to improve their living conditions and generate economic opportunities. The technical cooperation component aims to reduce gender inequalities within EMAPAG and among the project's final beneficiaries. The project includes: (i) the construction of 284 km of water supply and sanitation networks serving approximately 166,000 inhabitants; (ii) works for improvement of the operation of the wastewater treatment Plant Mi Lote; (iii) a program of actions for the protection of the "El Salado" mangrove located south of Guayaquil, to combat sea level rise and coastal erosion; and (iv) the implementation of a gender inequality reduction plan (PAG).

COUNTRY ECUADOR

Date of signature of the agreement
November 2025 (to be confirmed)

Sector
Water and sanitation

Location
Ecuador

Duration of funding
20 years

Financing tool
Non-sovereign loan

Amount of funding
40,000,000 USD - AFD
20 000 000 USD - Aecid/Fonprode

Beneficiary and project owner
EMAPAG

Main Sustainable Development
Goals targeted



Project code: CEC 1046

SCHEDULE 10 - INFORMATION THAT THE LENDER IS AUTHORIZED EXPRESSLY TO DISCLOSE ON THE LENDER'S WEBSITE (IN PARTICULAR ON ITS OPEN DATA PLATFORM)

Information relating to the Project:

Number and name in AFD's book;

Description;

Operating sector;

Place of implementation;

Expected project starting date;

Expected Technical Completion Date; and

Status of implementation updated on a semi-annual basis.

Information relating to the financing of the Project

Kind of financing (loan, grant, co-financing, delegated funds);

Principal amount of the Facility;

Total amount drawn on annual basis;

Drawdown amounts planning on a three year basis; and

Amount of the Facility which has been drawn down (updated as the implementation of the Project goes).

Other information

Transaction information notice attached to this Schedule; and

The summary of the Project evaluation, the content of which is defined in Article 11.21(*Project Evaluation*).

RESULTS

The project aims to improve the living conditions of disadvantaged populations in Guayaquil (approximately 166,000 people), reduce gender inequalities, protect biodiversity by decreasing the volumes of wastewater discharged into natural environments, and preserve mangroves. It will also reduce greenhouse gas emissions by eliminating numerous septic tanks.

STAKEHOLDERS AND OPERATING PROCEDURE

EMAPAG will fully execute the project, utilizing the AFD project management unit responsible for the first project, which will be enhanced with additional experts and training. Specialized consulting firms recruited through international tenders will handle the design and supervision of the works. The constructed facilities will be integrated into the Interagua concession perimeter, ensuring their operation and maintenance.

FINANCING PLAN

The total project cost is estimated at approximately 70.3 million USD. It is financed by a 60 million USD loan through AFD (40 million USD) and Spanish Cooperation (20 million USD) under the JERIC agreement. This loan is accompanied by a 150,000 EUR AFD grants. EMAPAG's counterpart contribution is estimated at around 10.1 million USD, covering operating costs, taxes, and compensations.

SCHEDULE 11 - SOFR TERMS

1. Replacement of Term SOFR	Clause 5.3 (<i>Permanent Replacement of Screen Rate</i>)	<p>If a Screen Rate Replacement Event affecting Term SOFR has occurred:</p> <p>(a) the applicable Replacement Benchmark will be the SOFR Index Average; and</p> <p>(b) the Replacement Benchmark Adjustment Margin will be the applicable SOFR Adjustment Margin.</p> <p>The replacement of the Screen Rate by the Replacement Benchmark and Replacement Benchmark Adjustment Margin and related replacement terms and conditions shall be effective as from the applicable Screen Rate Replacement Longstop Date or, if earlier, the date notified by the Lender to the Borrower.</p>
2. Unavailability or replacement of SOFR Index Average	Clause 5.3 (<i>Permanent Replacement of Screen Rate</i>)	<p>If (i) SOFR Index is not available on the date of the replacement of Term SOFR or (ii) a Screen Rate Replacement Event affecting SOFR Index has occurred after the SOFR Index Average has replaced Term SOFR:</p> <p>(a) the applicable Replacement Benchmark will be Compounded SOFR; and</p> <p>(b) the Replacement Benchmark Adjustment Margin will continue to be the applicable SOFR Adjustment Margin.</p> <p>The replacement of the Screen Rate and related replacement terms and conditions shall be effective as from the applicable Screen Rate Replacement Longstop Date or, if earlier, the date notified by the Lender to the Borrower.</p>
3. Unavailability or replacement of SOFR	Clause 5.3 (<i>Permanent Replacement of Screen Rate</i>)	<p>If (i) SOFR is not available on the date of the replacement of either Term SOFR or the SOFR Index Average or (ii) a Screen Rate Replacement Event affecting SOFR has occurred after Compounded SOFR has replaced Term SOFR or the SOFR Index Average, the general provisions of Clause 5.3 (<i>Permanent Replacement of Screen Rate</i>) shall apply.</p>
4. Determination of applicable rate and interest amount	Clause 4.2 (<i>Calculation and Payment of Interest</i>)	<p>If Term SOFR has been replaced by SOFR Index Average and/or Compounded SOFR following the occurrence of one or several Screen Rate Replacement Events (as defined in Clause 6.3 (<i>Permanent Replacement of Screen Rate</i>)), the amount of interest payable by the Borrower on a relevant Payment Date and for a relevant Interest Period will be determined on or no later than five (5) Business Days following the last day of the Observation Period.</p>

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5. Temporary unavailability of SOFR	Clause 5.2 (Unavailability of Screen Rate on a Quotation Day and temporary replacement of Screen Rate)	N/A
6. Definitions		<p>In relation to an Interest Period, the percentage rate per annum (rounded to five (5) decimal places) calculated by the Lender as set out below:</p> $\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{DailyRate}_i \times n_i}{\text{dcc}} \right) - 1 \right] \times \frac{\text{dcc}}{d}$ <p>where:</p> <p>"d₀" means the number of US Government Securities Business Days in the Observation Period relating to that Interest Period;</p> <p>"i" means a series of whole numbers from one to d₀, each representing the relevant US Government Securities Business Day in chronological order in the Observation Period relating to that Interest Period;</p> <p>"DailyRate;" means for any US Government Securities Business Day "i" in the Observation Period relating to that Interest Period, the SOFR Daily Rate for that US Government Securities Business Day "i";</p> <p>"n_i" means, for any US Government Securities Business Day "i", the number of calendar days from, and including, that US Government Securities Business Day "i" up to, but excluding, the following US Government Securities Business Day;</p> <p>"dcc" means 360; and</p> <p>"d" means the number of calendar days in that Observation Period relating to that Interest Period.</p>

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Fed SOFR Average:		In relation to a certain tenor, compounded average of SOFR administered by the Federal Reserve Bank of New-York (or any other person which takes over the administration of that rate) for the relevant tenor.
Lookback Period:		[Fifteen (15)] US Government Securities Business Days
Observation Period:		In relation to an Interest Period, the period from and including the day falling the applicable Lookback Period prior to the first day of that Interest Period and ending on, but excluding, the day falling the applicable Lookback Period prior to the last day of that Interest Period.
SOFR Adjustment Margin:		In relation to a certain tenor, the percentage rate per annum notified by the Lender to the Borrower on the basis of the historical spread between Term SOFR and Fed SOFR Average for the relevant tenor or (if any) any other applicable spread as recommended by any Relevant Nominating Body or the industry solution recommended by professional associations in the banking sector or the market practice observed in a series of comparable financing transactions.
SOFR Daily Rate:		<p>In relation to any US Government Securities Business Day, the rate per annum that is:</p> <p>(a) SOFR for that US Government Securities Business Day; or</p> <p>(b) if SOFR is not available for that US Government Securities Business Day, the percentage rate per annum which is the aggregate of:</p> <ul style="list-style-type: none"> (i) the US Fed Rate for that US Government Securities Business Day; and (ii) the applicable US Fed Rate Adjustment; or <p>(c) if paragraph (b) above applies but the US Fed Rate for that US Government Securities Business Day is not available, the percentage rate per annum which is the aggregate of:</p> <ul style="list-style-type: none"> (i) the most recent US Fed Rate for a day which is no more than five (5) US Government Securities Business Days before that US Government Securities Business Day; and (ii) the applicable US Fed Rate Adjustment.

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		rounded, in either case, to five (5) decimal places, with 0.00005 being rounded upwards decimal places.
SOFR Index:		The value published by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) on the Federal Reserve Bank of New York's website, currently at [http://www.newyorkfed.org] (or any officially designated successor website) on or about 8:00 a.m. (New York City time) on any US Government Securities Business Day, provided that if the value originally published on or about 8:00 a.m. (New York City time) on any US Government Securities Business Day is subsequently corrected and such corrected value is published on or about 2:30 p.m. (New York City time) on the original date of publication, then such corrected value, instead of the value that was originally published, shall be deemed the SOFR Index in relation to such Interest Period.
SOFR Index Average:		<p>In relation to an Interest Period the rate calculated by the Lender in accordance with the following formula (rounded to five (5) decimal places, with 0.00005 being rounded upwards):</p> $SOFR\ Average = \left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1 \right) \times \left(\frac{360}{d_c} \right)$ <p>where:</p> <p>"SOFR Index_{Start}" means the SOFR Index value on the US Government Securities Business Day which is the Lookback Period prior to the first day of the relevant Interest Period;</p> <p>"SOFR Index_{End}" means the SOFR Index value on the US Government Securities Business Day which is the Lookback Period prior to the last day of the relevant Interest Period; and</p> <p>"d_c" means the number of calendar days in the Observation Period relating to such Interest Period,</p> <p>it being specified that if there is no publication of SOFR Index_{Start} or SOFR Index_{End} on the relevant index determination date, "SOFR Index Average" will be the Compounded SOFR as calculated by the Lender for the relevant Interest Period.</p>
US Fed Rate Adjustment:		means, when used in respect of the SOFR Daily Rate, the percentage rate per annum notified by the Lender to the Borrower on the basis of the historical spread between SOFR Index Average and the US Fed Rate or (if any) any other applicable spread as recommended by any Relevant Nominating Body or the industry solution recommended

		by professional associations in the banking sector or the market practice observed in a series of comparable financing transactions.
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**SCHEDULE 12- NON-EXHAUSTIVE LIST OF ENVIRONMENTAL AND SOCIAL
DOCUMENTS WHICH THE BORROWER PERMITS TO BE DISCLOSED IN
CONNECTION WITH ES COMPLAINTS-MANAGEMENT MECHANISM'S RULES OF
PROCEDURE**

- ◆ E&S Report
- ◆ Environmental and Social Impact Assessment (ESIA)
- ◆ Environmental and Social Management Plan (ESMP)
- ◆ Environmental and Social Management Framework (ESMF)

**SCHEDULE 13 – GUARANTEE AGREEMENT BETWEEN THE REPUBLIC OF ECUADOR
ACTING THROUGH THE MINISTRY OF ECONOMY AND FINANCE AND AFD**

THIS GUARANTEE AGREEMENT ("GUARANTEE AGREEMENT") IS DATED NOVEMBER 27, 2025 AND GRANTED BY:

- (1) The **REPUBLIC OF ECUADOR, REPRESENTED BY THE MINISTRY OF ECONOMY AND FINANCE OF THE REPUBLIC OF ECUADOR**, represented by Miguel Rodrigo Hernandez Cobos, in his capacity as Undersecretary of Public Financing and Risk Analysis and delegate of the Minister of Economy and Finance, who is duly authorized to sign this Agreement, ("**Ecuador**" or the "**Guarantor**");

in favour of

- (2) **AGENCE FRANCAISE DE DEVELOPPEMENT**, a French public entity governed by French law, with registered office at 5, Rue Roland Barthes, 75598 Paris Cedex 12, France, registered with the Trade and Companies Register of Paris under number 775 665 599, represented by Priscille de CONINCK, in her capacity as Director of AFD office in Ecuador, duly authorised to sign this Guarantee Agreement ("**AFD**" or the "**Beneficiary**"),

(here in after jointly referred to as the "**Parties**" and each a "**Party**");

in connection with the credit facility agreement (the "**Facility Agreement**") dated November 26, 2025, and entered into among **Empresa Municipal de Agua Potable y Alcantarillado de Guayaquil, EP EMAPAG EP (EMAPAG)**, as the borrower (the "**Borrower**"), and AFD as the lender (the "**Lender**");

WHEREAS

- (A) Pursuant to the Facility Agreement (as defined below), the Lender has agreed to extend to the Borrower a credit facility in a maximum aggregate amount of forty million US Dollars (USD 40,000,000) for the purposes therein specified upon the terms and subject to the conditions therein contained.
- (B) The Guarantor has agreed to enter into this Guarantee Agreement for the purpose of providing a personal and several guarantee to the Beneficiary, for the Borrower's payment obligations and certain other obligations under the Facility Agreement, in accordance with Articles 2288 and seq. of the French Civil Code and as detailed more fully herein (the "**Guarantee**").

IT IS AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions in this Guarantee Agreement

Unless otherwise defined in this Guarantee Agreement or a contrary indication appears, the capitalized terms used in this Guarantee Agreement shall have the meaning ascribed to them in the Facility Agreement;

"**Facility Agreement**" has the meaning given to that term in the preamble of this Guarantee Agreement;

"**Guaranteed Obligations**" has the meaning set forth in Clause 4.1 of this Guarantee Agreement;

"**Party**" means a party to this Guarantee Agreement;

"**Signing Date**" means the date of execution of this Guarantee Agreement by all the Parties.



SUBSECRETARÍA DE FINANCIAMIENTO PÚBLICO

REGISTRO N°: 800

FECHA: 27 de noviembre de 2025

PAGINA N°: 000000049

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1.2 Interpretation

The rules of interpretation set out in Schedule 1B of the Facility Agreement shall apply to this Guarantee Agreement *mutatis mutandis*.

1.3 Inconsistency

In the event of any inconsistency or conflict between the Facility Agreement and this Guarantee Agreement, the terms of this Guarantee Agreement shall prevail.

1.4 Clauses

Any reference in this Guarantee Agreement to a Clause is, unless otherwise stated, to a clause hereof.

1.5 Headings

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Guarantee Agreement.

1.6 Legislation

Any reference in this Guarantee Agreement to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

2. CONDITIONS PRECEDENT

No later than the Signing Date, the Guarantor shall provide to the Beneficiary all of the documents set out in Schedule 4 (*Conditions Precedent*) of the Facility Agreement.

3. REPRESENTATIONS AND WARRANTIES

3.1 Power and authority

The Guarantor represents and warrants that it has the power to enter into, perform and deliver the Guarantee Agreement and to perform all contemplated obligations. The Guarantor further represents and warrants that it has taken all necessary action to authorise its entry into, performance and delivery of the Guarantee Agreement.

3.2 Facility Agreement

The Guarantor represents to know perfectly and accept, and expressly ratifies the conditions, clauses, annexes and modalities of the Facility Agreement signed between the Borrower and the Beneficiary, a copy of which it has received.

4. GUARANTEE

4.1 Guarantee and Indemnity

The Guarantor irrevocably and unconditionally:

- (i) guarantees, as primary obligor and not as surety merely, to the Beneficiary the due and punctual observance and performance by the Borrower of the Borrower's payment

obligations under the Facility Agreement, as amended from time to time, when due and payable (whether at stated maturity or upon prepayment, acceleration or otherwise), including, without limitation, principal and interests, as well as any fees, prepayment or cancellation and other indemnities, late payment or default interests or additional expenses pertaining to the aforementioned obligations (collectively, the "**Guaranteed Obligations**");

- (ii) undertakes that, whenever the Borrower does not pay any Guaranteed Obligation when due and payable (or expressed to be so due and payable), the Guarantor shall pay to the Beneficiary the due amounts, in the currency prescribed in the Facility Agreement, as if it were the primary obligor, within thirty (30) calendar days of receipt of written demand therefor by the Beneficiary;
- (iii) undertakes that he shall pay or cause to be paid all taxes on or in connection with the payment of any and all amounts due under this Guarantee Agreement that are now or in the future levied or imposed by any authority or any jurisdiction through or out of which a payment is made;
- (iv) guarantees that all payments of principal, interest, fees and other amounts due under this Guarantee Agreement shall be made without deduction for or on account of any taxes, including any withholding tax. If a withholding tax is required by law or otherwise, the Guarantor undertakes to gross-up the amount of any such payment made pursuant to this Guarantee Agreement, to such amount which leaves the Beneficiary with an amount equal to the payment which would have been due and would have received if no payment of withholding tax had been required.
- (v) guarantees that all payments which the Guarantor is required to make under this Guarantee Agreement shall be made without any set-off, counterclaim or condition.

4.2 **Waiver of Notices, Claims and Prior Action**

The Guarantor hereby waives to the fullest extent permitted by any applicable law:

- (i) notice of acceptance of the Guarantee Agreement;
- (ii) notice of the creation, extension or accrual of any of the Guaranteed Obligations;
- (iii) notice of presentment, demand, dishonour, non-payment, protest, or other default with respect to any of the Guaranteed Obligations;
- (iv) except as otherwise specified herein, notice of any other nature whatsoever to any person; and
- (v) any requirement that the Beneficiary take any action or claim whatsoever against the Borrower or any other person.

4.3 **Consent**

The Guarantor hereby irrevocably consents that from time to time, and without further notice to or consent of the Guarantor, the Beneficiary may take any or all of the following actions without affecting or impairing the Guarantee Agreement or any of the Guarantor's obligations under the Guarantee Agreement:

- (i) extend, renew, modify, amend, compromise, settle or release the Guaranteed Obligations, or agree to any composition, forbearance or concession in respect thereof;

- (ii) release or compromise any liability of any person or persons with respect to the Guaranteed Obligations;
- (iii) exercise or refrain from exercising any of its rights or remedies under this Guarantee Agreement, the Facility Agreement or under law or equity; and
- (iv) act or fail to act in any manner which may deprive the Guarantor of its right to subrogation against the Borrower or its right to contribution against any party.

4.4 **Absolute Guarantee**

The Guarantee under this Guarantee Agreement is absolute and unconditional and will not be affected or impaired by:

- (i) any failure of the Borrower or the Guarantor to comply with any requirement of any law, regulation or order;
- (ii) any purported or actual assignment of contractual position, rights and/or obligations, or sale of a participation, under the Facility Agreement or any part thereof by the Beneficiary to any other person;
- (iii) the Facility Agreement or any of the Guaranteed Obligations being in whole or in part illegal, void, voidable, avoided, invalid, unenforceable or otherwise of limited force and effect; or
- (iv) any other circumstance or occurrence whatsoever that might otherwise constitute a defense available to, or discharge of, the Guarantor or any other guarantor or surety.

5. **WAIVERS BY THE GUARANTOR**

- 5.1 The Guarantor irrevocably and expressly waives any benefits of discussion and division as provided for in Articles 2305 and 2306 of the French Civil Code.

The Beneficiary shall be entitled to execute this Guarantee Agreement without introducing any prior claim or action against the Borrower or claiming the benefit of any other property or personal securities that the Beneficiary might own or obtain or claiming any right of set-off it might have.

- 5.2 The Guarantor undertakes not to initiate any claim or action against the Borrower, until full payment of all monies owed to the Beneficiary under the Guaranteed Obligations, in case of an extension or postponement of any payment date pertaining to any amount due or payable to the Beneficiary pursuant to the Facility Agreement, and consequently waives, until full payment of the Guaranteed Obligations, its rights as provided for in Article 2320 of the French Civil Code.
- 5.3 The Guarantor irrevocably and expressly waives any right of set-off it might have pursuant to Article 1347-6 of the French Civil Code, until full payment of the Guaranteed Obligations (whether due and payable or not).
- 5.4 The Guarantor undertakes not to claim, at any moment, the benefit of any lenient treatment, payment discharge, whether in whole or in part, or of any other measure imposed as part of any collective insolvency proceedings or any other similar procedure to any creditor of the Borrower to the extent permitted by Law.
- 5.5 As long as all monies owed to the Beneficiary under the Guaranteed Obligations will not have been paid in full, the Guarantor waives its right to initiate any action against the Borrower pursuant to Article 2308 of the French Civil Code and to benefit from any subrogation in the

rights of the Beneficiary towards the Borrower and undertakes not to initiate any claim or action that would result in competing claims from the Guarantor and the Beneficiary, notwithstanding the fact that the Guarantor has been released in whole or in part of its obligations hereby, as the case may be.

6. INFORMATION

- 6.1 The Guarantor acknowledges having sufficient information to assess the situation of the Borrower. The Guarantor hereby declares that it has not made the financial and legal situation of the Borrower or the existence and maintenance of other guarantees the determining condition of its consent under the present Guarantee Agreement.
- 6.2 The Guarantor shall immediately inform the Beneficiary of any event or circumstance that entails or might entail the early repayment of any credit, loan or other financial obligation binding upon the Guarantor, or when it is required to proceed with the aforementioned early repayment. The Guarantor will notify without delay to the Beneficiary, any modification in the legislation that governs its activity and any fact or event that could compromise the fulfilment of its obligations under this Guarantee Agreement.

7. PARTICULAR OBLIGATIONS

- 7.1 The Guarantor shall not take or permit to be taken any action which would prevent or interfere with the execution of the Project or the performance of the obligations of the Borrower under the Facility Agreement.
- 7.2 The Guarantor undertakes to take all necessary measures within the scope of its power and authority so that the Project financed under the Facility Agreement is carried out under the terms and the conditions foreseen in the Facility Agreement as well as the execution of all monetary obligations which are under the responsibility of the Borrower by virtue of the aforementioned contract.
- 7.3 ***Pari passu ranking***

The Guarantor undertakes (i) that the payment obligations assumed under this Guarantee Agreement shall at all times bear at least the same rank in order of priority of payment (*pari passu*) with the claims of all its other present unsecured and unsubordinated creditors or third party creditors guaranteed by the Guarantor and (ii) not to grant prior ranking or guarantees to any other lenders except if the same ranking or guarantees are granted by the Guarantor in favour of the Beneficiary, if so requested by the Beneficiary.

8. TERMINATION

Unless all monies owed by the Borrower under the Facility Agreement have been irrevocably and unconditionally paid in full to the Beneficiary, or unless with the prior written consent of the Beneficiary, this Guarantee Agreement shall not be terminated at any time.

9. NOTICES

9.1 Giving of Notice

Any notice or other communication given to a Party under or in connection with this Guarantee Agreement shall be:

- (a) in writing;

(b) delivered by hand, by pre-paid first-class post or other next working day delivery service, or by fax; and

(c) sent to:

(i) the Guarantor at:

MINISTERIO DE ECONOMIA Y FINANZAS, REPÚBLICA DEL ECUADOR

Address: Av. Amazonas entre Pereira y Unión Nacional de Periodistas.

Plataforma Gubernamental de Gestión Financiera. Pisos 10 y 11

Attention: Subsecretario de Financiamiento Público

With a copy to:

GENERAL ATTORNEY (Procuraduría General del Estado, República del Ecuador)

Address: Av. Amazonas N39-123 y Arizaga, Edificio Amazonas Plaza

Attention: Procurador General del Estado

(ii) the Beneficiary at:

AFD OFFICE FOR ECUADOR

Address: Av. Francisco de Orellana E12-12 y San Ignacio esquina, Edificio Seguros Latina, Torre San Ignacio, piso 3, Quito, Ecuador

Telephone: + (593 2) 601 7160

Attention: AFD Director for Ecuador

With a copy to:

AFD HEAD OFFICE

Address: 5, rue Roland Barthes – 75598 Paris Cedex 12, France

Telephone : + 33 1 53 44 31 31

Attention : Director of Latin America Department

or to any other address as is notified in writing by one Party to the other from time to time.

9.2 Delivery

Any notice, request or communication given or made or any document sent by a Party to the other Party in connection with this Agreement will only be effective:

(a) if delivered by hand, at the time it is left at the relevant address; and

- (b) if posted by pre-paid first-class post or other next working day delivery service, on the fifth (5th) Business Day after posting.

and, where a particular person or a department is specified as part of the address details provided under Clause 9.1 (*Giving of Notice*), if such notice, request or communication has been addressed to that person or department.

A notice or other communication given as described in Clause 9.1 or on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

9.3 Service of Documents

The provisions of article 9.2 (*Delivery*) above do not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

9.4 Electronic communications

- a) Any communication made by one person to another under or in connection with this Guarantee Agreement may be made by electronic mail or other electronic means if the Parties:
- (i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
 - (ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
 - (iii) notify each other of any change to their address or any other such information supplied by them.
- b) Any electronic communication made between the Parties will be effective only when actually received in a readable form.

10. GOVERNING LAW

This Guarantee Agreement is governed by French law.

11. DISPUTE RESOLUTION

Any dispute arising out of or in connection with this Guarantee Agreement shall be referred to and finally settled by arbitration under the Rules of Conciliation and Arbitration of the International Chamber of Commerce applicable on the Signing Date (the “ICC Rules”), by one or more arbitrators to be appointed in accordance with such ICC Rules. The provisions in the ICC Rules regarding the emergency arbitrator shall not apply.

The seat of arbitration shall be Paris and the language of arbitration shall be English.

This arbitration clause shall remain in full force and effect if this Guarantee Agreement is declared void or is terminated or cancelled and following expiry of this Guarantee Agreement. The Parties’ contractual obligations under this Guarantee Agreement are not suspended if a Party initiates legal proceedings against the other Party.

12. IMMUNITY

12.1 Scope of Immunity

The execution and delivery of this Guarantee Agreement by the Guarantor constitutes, and the Guarantor's performance of and compliance with its obligations under this Guarantee Agreement will constitute, a commercial transaction, being acts of commercial public credit (as provided under the laws of the Republic of Ecuador). The Guarantor agrees that it and its other assets which do not constitute Immune Property (as defined below) are subject to, and available for, the Proceedings (as defined below) and the Guarantor irrevocably and unconditionally waives any right which it has now or may subsequently acquire to assert any state immunity from or in any Proceedings in relation to the transactions described in this Agreement against it or its assets, or the assets of any state entity other than Immune Property and undertakes not to invoke any defense on the basis of any kind of immunity, for itself and/or its other assets which do not constitute Immune Property, with regard to any Proceedings.

12.2 Immune Property

Notwithstanding any term in this Guarantee Agreement, the following and only the following assets of the Guarantor, wherever located (the "Immune Property"), shall be entitled to immunity from enforcement or relief pursuant to any provision or legislation in any applicable jurisdiction, from any Proceedings:

- (a) any property which is used or designated for use in the performance of the functions of the diplomatic mission of the Republic of Ecuador or its consular posts;
- (b) property of a military character or used or designated for use in the performance of military functions;
- (c) property forming part of the cultural heritage of the Republic of Ecuador or part of its archives;
- (d) unexploited non-extracted natural resources in the Republic of Ecuador;
- (e) funds managed in the national Treasury Account;
- (f) assets and resources included in the external assets of the Central Bank of Ecuador and available international monetary reserves held by the Central Bank of Ecuador;
- (g) public domain assets used in providing public services in Ecuador;
- (h) national assets located in the territory of Ecuador and belonging to the Republic such as streets, bridges, roads, squares, beaches, sea and land located over 4,500 meters above sea level;
- (i) accounts of the Central Bank, whether they are held abroad or locally; and
- (j) public entities' deposits with the Central Bank, whether they are maintained abroad or locally.

In this Clause 12.3, "**Proceedings**" means:

- (a) any execution on judgment, enforcement of arbitral award, set-off, deduction, attachment prior to judgment, attachment in aid of execution to which the Guarantor or their respective assets may be entitled in any legal action or proceedings or arbitral proceedings;

- (b) any suit, jurisdiction of any arbitration institution or arbitral tribunal, judgment, arbitral award, pre-judgment, interim relief, execution or other enforcement of any award, relief or judgment; and
- (c) service of process upon the Guarantor or any agent of the Guarantor with respect to this Guarantee Agreement or any of the transactions contemplated hereby.

12.3 Scope

The provisions of this Clause 12 (*Immunity*) have been negotiated and agreed solely with respect to the transactions described in this Guarantee Agreement. In no event shall the definition or scope of Immune Property described in this Clause 12 (*Immunity*) be relied upon, utilized, admitted as evidence in any proceeding or construed by any third party (including any court, arbitrator or arbitral tribunal) to interpret any analogous provisions of any other agreement or instrument unrelated to the transactions contemplated in this Guarantee Agreement or relating to any other indebtedness of the Guarantor or the Republic of Ecuador.

Executed in three (3) originals, in Quito, on November 27, 2025

GUARANTOR

REPUBLIC OF ECUADOR REPRESENTED BY THE MINISTRY OF ECONOMY AND FINANCE OF THE REPUBLIC OF ECUADOR



Represented by: Miguel Rodrigo Hernández Cobos

in his capacity as: Undersecretary of Public Financing and Risk Analysis and delegate of the Minister of Economy and Finance

LENDER

AGENCE FRANÇAISE DE DÉVELOPPEMENT



Represented by: Priscille de CONINCK

in her capacity as: Director AFD Ecuador



SUBSECRETARÍA DE FINANCIAMIENTO PÚBLICO

REGISTRO N°: 800.

FECHA: 27 de noviembre 2025

PAGINA N°: 0000000 49

REGISTRO DE LA DEUDA PÚBLICA

MM
PDC

SCHEDULE 14 – STATEMENT OF INTEGRITY

Invitation of Bids/Proposals/Contract No. _____

To: _____

I *[Name]*, in my function as *[function/position held]* in *[name of the company]* and duly authorized representative for the signature of the contract to be signed for *[title of the call for tender or the contract]* hereby declare that we observe the highest standards of ethics during the procurement and, if we are successful in our tender, during the performance of the contract. We have not engaged nor will engage in, or have been convicted or sanctioned by any authority of Anti-Competitive Practices, Acts of Corruption, Fraud, Fraud against the Financial Interests of the European Union, Non-Cooperative Practices, Misuse of Co-financier's Funds or Assets, as well as any breach of any applicable anti-Money Laundering and counter-Terrorist Financing laws (hereafter referred to as "Prohibited Practices") including in particular any exclusion criteria as set out in Article 136 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union. Where convictions occurred, details of the conviction and remedial measures are provided. If such events should occur in the future, including if any instance of Prohibited Practices shall come to our attention, we hereby undertake to so inform EMAPAG, AFD and AECID immediately.

Moreover, neither our company nor any entity member of the joint venture or of the consortium or any one acting on our behalf, such as sub-contractors, is the subject of a current exclusion /has been the subject of any debarment, exclusion or other sanctioning decision by any of the Co-financiers, EU institutions and/or any major Multi-lateral Development Bank (including World Bank Group, African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development or Inter-American Development Bank) on the grounds of Prohibited Practices and we further undertake to immediately inform EMAPAG, AFD and AECID if this situation was to occur at a later stage. Where such a decision of exclusion has occurred, we commit to provide all necessary information and any remedial measures that have already been taken.

I also declare that neither our company nor any entity member of the joint venture, sub-contractor or of the consortium is currently included /has been included on the list of financial sanctions (including in particular the fight against financing of terrorism) adopted by the United Nations, the EU financial or any national sanction list which is binding for any of the Co-financiers and we further undertake to immediately inform EMAPAG, AFD and AECID if this situation were to occur at a later stage.

We acknowledge that in the event our company, sub-contractor or any entity member of the joint venture or of the consortium (i) is, after this Statement of Integrity or the contract have been signed, added to any financial sanctions list enumerated above or (ii) is, before the contract has been signed, subject to any debarment, exclusion or otherwise sanctioning decision enumerated above or (iii) made a false statement in this Statement of Integrity, the contract may not be eligible for funding by one or more of the Co-financiers. We commit not to procure goods and services from countries which are under an embargo which is binding upon any of AFD and AECID.

We also acknowledge that, in any of the afore-mentioned events, EMAPAG is entitled to exclude our company/the consortium from the procurement procedure and, if the contract is awarded to our company/the consortium, we undertake to take all necessary remedial actions in a manner satisfactory to EMAPAG and AFD. Such events may lead to termination of the contract, in accordance with the terms of the contract.

We declare that we have paid, or will pay, the following commissions, benefits, gratuities, or fees with respect to the tendering process or execution of the contract to the following third party(ies) (such as an intermediary/agent):⁸

Name of Recipient	Address	Reason	Amount
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We grant the Co-financiers and auditors appointed by either of them, *[in case of EU funding: as well as any authority or European Union institution or body having competence under European Union law]*, the right to inspect and copy our books and records including those related to Prohibited Practices to the environmental, social, health, safety and security aspects of the current contract, as well as those of all our sub-contractors under the contract, as well as joint venture/consortium partners. We accept to preserve these books and records generally in accordance with applicable law but in any case for at least six years from the date of tender submission and, in the event we are awarded the contract, at least six years from the date of substantial performance of the contract.

I declare that our company / consortium and all of our suppliers, contractors, sub-contractors, consultants or sub-consultants undertake to comply with labour laws and national and international standards of environmental protection, health and safety applicable in the jurisdiction / country of implementation of the Project, including those contained in any relevant International Labour Organization (ILO) conventions and international agreements on environmental protection, as well as with mitigation measures of the E&S Management Plan if applicable.

Name:
Duly empowered to sign in the name and on behalf of: ⁹

In the capacity of:

Signature: _____

Date: _____

⁸ If none has been paid or is to be paid, indicate "none".

⁹ In case of joint venture, the name of the joint venture is to be inserted here, and the covenant is to be signed by the person duly authorised to sign the application, bid or proposal on behalf of the applicant, proposer, bidder or consultant.

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