
LOAN NUMBER IBRD 9662-CO

Loan Agreement

(Green and Resilient Development Policy Operation 2)

between

REPUBLIC OF COLOMBIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF COLOMBIA (“Borrower” or “Republic of Colombia”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Bank has decided to provide this financing on the basis, *inter alia*, of: (i) the actions which the Borrower has already taken under the Program, and which are described in Section I.A of Schedule 1 to this Agreement; and (ii) the Borrower’s maintenance of an adequate macroeconomic policy framework. The Borrower and the Bank therefore 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 seven hundred fifty million Dollars (\$750,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”).
- 2.02. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.03. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.04. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.05. The Payment Dates are March 15 and September 15 in each year.
- 2.06. The principal amount of the Loan shall be repaid in accordance with Schedule 2 to this Agreement.
- 2.07. Without limitation upon the provisions of Section 5.05 of the General Conditions, the Borrower shall promptly furnish to the Bank such information relating to the provisions of this Article II as the Bank may, from time to time, reasonably request.

ARTICLE III — PROGRAM

- 3.01. The Borrower declares its commitment to the Program and its implementation. To this end, and further to Section 5.05 of the General Conditions:
- (a) the Borrower and the Bank shall from time to time, at the request of either party, exchange views on the Borrower's macroeconomic policy framework and the progress achieved in carrying out the Program;
 - (b) prior to each such exchange of views, the Borrower shall furnish to the Bank for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Bank shall reasonably request; and
 - (c) without limitation upon paragraphs (a) and (b) of this Section, the Borrower shall promptly inform the Bank of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I of Schedule 1 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists of, namely, that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of, namely, that the Bank is satisfied with the progress achieved by the Borrower in carrying out the Program and with the adequacy of the Borrower's macroeconomic policy framework.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative is its Minister of Finance and Public Credit.
- 6.02. For purposes of Section 10.01 of the General Conditions:

- (a) the Borrower's address is:

Ministry of Finance and Public Credit
Carrera 8 No. 6 C 38 Piso 3° Bogotá D.C
Colombia; and

- (b) the Borrower's Electronic Address is:

Facsimile:	E-mail:
(571) 350 9344	desmin@minhacienda.gov.co

6.03. 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

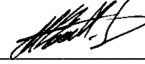
(b) the Bank's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423(MCI) or 64145(MCI)	1-202-477-6391	mthomas1@worldbank.org

AGREED as of the Signature Date.

REPUBLIC OF COLOMBIA

By



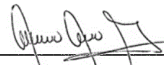
Authorized Representative

Name: Ricardo Bonilla

Title: Ministro de Hacienda y Crédito Público

Date: 05-Jul-2024

By



**Authorized Representative and
Technical Coordinator of the Program**

Name: Alexander Lopez Maya

Title: Director General DNP

Date: 28-Jun-2024

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By



Authorized Representative

Name: Peter Siegenthaler

Title: Gerente Banco Mundial

Date: 26-Jun-2024

SCHEDULE 1

Program Actions; Availability of Loan Proceeds

Section I. Actions Under the Program

- A. Actions Taken Under the Program.** The actions taken by the Borrower under the Program include the following:
1. To finance the energy transition process and reduce greenhouse gas emissions, the Republic of Colombia has created the fund “*Colombia Potencia Mundial de la Vida*” and defined its operational rules, including the establishment of the energy transition sub-account, for the efficient administration of resources for the energy transition, as evidenced by Article 329 of Law 2294 of 2023 (National Development Plan law (NDP 2022-2026)), published in the Official Gazette on May 19, 2023; and Decree No. 0049 of 2024, published in the Official Gazette on January 30, 2024.
 2. To advance the low-carbon energy transition through market reforms, the Republic of Colombia, through the Energy and Gas Regulatory Commission (“CREG”), has:
 - (a) established an updated methodology for determining the firm energy for the reliability charge of wind and solar photovoltaic sources, as evidenced by Resolution No. 101 006 of 2023 and Resolution No. 101 007 of 2023, published in the Official Gazette on March 16, 2023; and
 - (b) adopted regulation allowing electricity retailers to hold tenders to exclusively contract electricity produced from non-conventional renewable energy generation, as evidenced by Resolution No. 101 008 of 2023, published in the Official Gazette on March 27, 2023.
 3. To accelerate the deployment of innovative non-conventional renewable energy sources and foster a clean energy transition, the Republic of Colombia has:
 - (a) taken measures to streamline the competitive processes for granting temporary permits over maritime areas, and launched and published an offshore wind (“OSW”) seabed temporary permit process, as evidenced by the Ministry of Mines and Energy (“MME”) and the General Maritime Directorate (“DIMAR”) joint Resolution No. 40712 of 2023, published in the Official Gazette on December 1, 2023, and the DIMAR Resolution No. 0951 of 2023 published on December 4 of 2023, respectively; and
 - (b) mandated the creation of a green hydrogen certification system, as evidenced by Article 235 of Law 2294 of 2023 (NDP 2022-2026), published in the Official Gazette on May 19, 2023.
 4. To bolster transport decarbonization through the electrification of urban transport, the support of public transport systems, and the expansion of multimodal transport, the Republic of Colombia has:

- (a) modified the “*Fondo para la promoción de ascenso tecnológico*” to include funding for the acquisition of low and zero carbon taxis and heavy trucks and increasing available financial resources by incorporating contributions from the national government, as evidenced by Article 253 of Law 2294 of 2023 (NDP 2022-2026), published in the Official Gazette on May 19, 2023; and
 - (b) submitted to Congress a draft railways law which aims to update the institutional, economic, financing and management conditions for passengers and freight railway transportation, as evidenced by the letter from the Ministry of Transport to Congress, dated February 6, 2023.
5. To increase climate resilience, promote the sustainable use of natural resources, and conserve key ecosystems, the Republic of Colombia has:
- (a) established the granting of forest concessions to benefit rural producers organizations, associated rural producers’ families, rural producers’ women associations, and organizations of individuals that have entered the transitional justice models within the framework of the Final Agreement for the Termination of the Conflict and the Construction of a Stable and Lasting Peace and the total peace policy, for sustainable forest management and to conserve the forest within the communities, as evidenced by Article 55 of Law 2294 of 2023 (NDP 2022-2026), published in the Official Gazette on May 19, 2023; and
 - (b) regulated the use of land and the protection and use of renewable natural resources and the environment in collective territories of black, afro-Colombian, *raizal* and *palenquera* communities, for the benefit of the communities, as evidenced by Decree No. 1384 of 2023, published in the Official Gazette on August 25, 2023.
6. To improve land administration as a precondition for more sustainable land use and management, the Republic of Colombia has:
- (a) created the Territory Administration System (“SAT”) to facilitate institutional coordination, citizens’ engagement, and the development and use of territorial information, as evidenced by Article 53 of Law 2294 of 2023 (NDP 2022-2026), published in the Official Gazette on May 19, 2023; and
 - (b) strengthened multi-purpose cadastral management through the definition of unified processes, standards, and minimum technical specifications, as evidenced by Agustín Codazzi Geographical Institute (“IGAC”) Resolution No. 1040 of 2023, published in the Official Gazette on August 10, 2023.
7. To enhance climatic resilience and protect the livelihoods of small farmers, the Republic of Colombia has strengthened the financing of technical assistance and investments to increase and promote farmers access to comprehensive investments in irrigation, as evidenced by Article 36 of Law 2294 of 2023 (NDP 2022-2026), published in the Official Gazette on May 19, 2023.
8. To accelerate progress towards carbon neutrality and enhanced climate resilience, the Republic of Colombia has created “*Fondo para la Vida y la Biodiversidad*” and defined its

funding sources, governance, and management, to finance the implementation of programs and projects aimed at climate action and resilience, environmental management, and the use of renewable natural resources, as evidenced by Decree No. 1648 of 2023, published in the Official Gazette on October 12, 2023.

Section II. Availability of Loan Proceeds

- A. General.** The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of this Section and such additional instructions as the Bank may specify by notice to the Borrower.
- B. Allocation of Loan Amounts.** The Loan is allocated in a single withdrawal tranche, from which the Borrower may make withdrawals of the Loan proceeds. The allocation of the amounts of the Loan to this end is set out in the table below:

Allocations	Amount of the Loan Allocated (expressed in Dollars)
(1) Single Withdrawal Tranche	750,000,000
TOTAL AMOUNT	750,000,000

C. Withdrawal Tranche Release Conditions.

No withdrawal shall be made of the Single Withdrawal Tranche unless the Bank is satisfied: (a) with the Program being carried out by the Borrower; and (b) with the adequacy of the Borrower's macroeconomic policy framework.

D. Deposit of Loan Amounts.

The Borrower, within thirty (30) days after the withdrawal of the Loan from the Loan Account, shall report to the Bank: (a) the exact sum received into the account referred to in Section 2.03(a) of the General Conditions; (b) the details of the account to which the Colombian peso equivalent of the Loan proceeds will be credited; and (c) the record that an equivalent amount has been accounted for in the Borrower's budget management systems.

E. Closing Date. The Closing Date is April 30, 2025.

SCHEDULE 2**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 15 and September 15 Beginning March 15, 2029 through September 15, 2058	1.64%
On March 15, 2059	1.60%

APPENDIX

Definitions

1. “CREG” means “*Comisión de Regulación de Energía y Gas*”, the Republic of Colombia’s Energy and Gas Regulatory Commission.
2. “DIMAR” means “*Dirección General Marítima de Colombia*”, the Republic of Colombia’s General Maritime Directorate.
3. “Final Agreement for the Termination of the Conflict and the Construction of a Stable and Lasting Peace” means the agreement signed by the Republic of Colombia and the Revolutionary Armed Forces of Colombia (FARC-EP), dated November 12, 2016.
4. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Development Policy Financing”, dated December 14, 2018 (last revised on July 15, 2023).
5. “IGAC” means “*Instituto Geográfico Agustín Codazzi*”, the Republic of Colombia’s Agustín Codazzi Geographical Institute.
6. “MME” means “*Ministerio de Minas y Energía*”, the Republic of Colombia’s Ministry of Mines and Energy.
7. “National Development Plan” or “NDP” means “*Plan Nacional de Desarrollo*”, the Republic of Colombia’s law that incorporate all public policies and objectives of the current government for its four-year term. It is established in Law 2294 of 2023.
8. “Official Gazette” means “*Diario Oficial*”, the Republic of Colombia’s official journal.
9. “Program” means the program of objectives, policies, and actions set forth or referred to in the letter dated February 22, 2024 from the Borrower to the Bank declaring the Borrower’s commitment to the execution of the Program, and requesting assistance from the Bank in support of the Program during its execution and comprising actions taken, including those set forth in Section I of Schedule 1 to this Agreement, and actions to be taken consistent with the program’s objectives.
10. “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.
11. “Single Withdrawal Tranche” means the amount of the Loan allocated to the category entitled “Single Withdrawal Tranche” in the table set forth in Part B of Section II of Schedule 1 to this Agreement.
12. “Territory Administration System” or “SAT” means a set of processes, inter-institutional agreements, legal frameworks, standards, data infrastructure, and technologies for land management.