

CONFORMED COPY

LOAN NUMBER 7739-CO

Loan Agreement

(Second Additional Loan for the Integrated Mass Transit Systems Project)

between

REPUBLIC OF COLOMBIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated September 24, 2009

LOAN AGREEMENT

Agreement dated September 24, 2009, between REPUBLIC OF COLOMBIA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”).

WHEREAS the Borrower has requested that the Bank support the continuation of the Borrower’s execution of its National Urban Transport Program (as defined in the Appendix to this Agreement), through the provision of a second additional loan provided for in Article II of this Agreement to assist in the financing of the expansion of the activities related to the Original Project (as defined in the Appendix to this Agreement and amended in Schedule 1 to this Agreement).

The Borrower and the Bank agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral 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, on the terms and conditions set forth or referred to in this Agreement, the amount of three hundred million Dollars (\$300,000,000) as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement (“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 IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount. The Borrower shall pay the Front-end Fee not later than 60 days after the Effective Date.
- 2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to LIBOR for the Loan Currency plus the Fixed Spread; provided, that upon

- a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (d) of the General Conditions.
- 2.05. The Payment Dates are February 15 and August 15 in each year.
- 2.06. The principal amount of the Loan shall be repaid in accordance with the provisions of Schedule 3 to this Agreement.
- 2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan withdrawn to an Approved Currency; (ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; and (iii) the setting of limits on the Variable Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its continued commitment to the objectives of the Project. To this end, without any limitation or restriction upon any of its other obligations under the Loan Agreement, the Borrower: (a) shall carry out Part A of the Project through MOT; and (b) shall, through MOT (in close coordination with MHCP for the purposes of processing Transfers) cause the Participating Cities, the City of Bogotá and the Implementing Entities to carry out Part B of the Project, all in accordance with the provisions of the respective Subsidiary Agreements and Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower,

(through MOT), shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Events of Suspension consist of the following:

- (a) Any of the Subsidiary Agreements shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Borrower (through MHCP or MOT), the corresponding Participating City, the City of Bogotá or Implementing Entity to perform any of their respective obligations under the Project.
- (b) An extraordinary situation shall have arisen which shall make it improbable that the Borrower (through MHCP or MOT), the corresponding Participating City, the City of Bogotá or Implementing Entity will be able to carry out any of their respective obligations under any of the Subsidiary Agreements.
- (c) Any of the Participating Cities, the City of Bogotá or any of the Implementing Entities shall have failed to perform any of its respective obligations under their corresponding Subsidiary Agreement, in connection with the Project.
- (d) The IMTS Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Borrower (through MHCP or MOT), the Participating Cities, the City of Bogotá or Implementing Entities to perform any of their respective obligations under any of the Subsidiary Agreements.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

- (a) The updated Subsidiary Agreements have been executed on behalf of the Borrower (through MHCP and MOT), the corresponding Participating Cities, and Implementing Entities, as set forth in Section I.B.1 of Schedule 2 to this Agreement.
- (b) The updated Operational Manual has been issued by the Borrower (through MOT), as set forth in Section I.A.2 of Schedule 2 to this Agreement and approved by the Bank.
- (c) The updated Resettlement Policy Framework has been adopted by the Borrower (through MOT), as set forth in Section I.D.1(b) of Schedule 2 to this Agreement.

- (d) The updated Resettlement Action Plans Type B and C (reflecting the provisions of the updated Resettlement Policy Framework) have been adopted by the respective Implementing Entities as set forth in Section I.D.2.(a) of Schedule 2 to this Agreement.
- 5.02. The Additional Legal Matter consists of the following, namely, that the updated Subsidiary Agreements have been duly authorized or ratified by the Borrower (through MHCP and MOT), the Participating Cities, the City of Bogotá and the Implementing Entities and are legally binding upon the Borrower, the Participating Cities, the City of Bogotá and the Implementing Entities in accordance with their respective terms (as reflected in legal opinions to the Bank from counsel representing the Borrower, the corresponding Participating City, the City of Bogotá and Implementing Entity under each Subsidiary Agreement).
- 5.03. Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is the date ninety (90) days after the date of this Loan Agreement, but in no case later than the eighteen (18) months after the Bank's approval of the Loan which expire on February 4, 2011.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower's Representative is the Minister of Finance and Public Credit of the Borrower.

6.02. The Borrower's Address is:

Ministry of Finance and Public Credit
 Palacio de los Ministerios
 Plaza San Agustín
 Carrera 7A, N°6-45, Piso 3
 Bogotá, D.C.
 Colombia

Facsimile: (571) 350-9344

6.03. The Bank's Address is:
 International Bank for Reconstruction and Development
 1818 H Street, N.W.
 Washington, D.C. 20433
 United States of America

Cable address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED at Bogotá, Republic of Colombia, as of the day and year first above written.

REPUBLIC OF COLOMBIA

By /s/ Oscar Iván Zuluaga Escobar
Authorized Representative

MINISTRY OF TRANSPORT

By /s/ Andrés Uriel Gallego Henao
Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Gloria Grandolini
Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are: (a) to develop high quality and sustainable BRTS in Participating Cities to improve mobility along strategic mass transit corridors; (b) to improve accessibility to public transportation for the poor; and (c) to build greater institutional capacity in the Borrower's public transportation institutions in order to formulate integrated urban transport policies and to improve urban transport planning and traffic management.

The Project consists of the following parts included in the Original Loan Agreement, which are hereby amended to read as set forth below:

Part A: Implementing Capacity Building

1. Strengthening of institutional capacity, at the national level, through the provision of technical assistance in support of the Borrower's efforts to formulate national urban transport programs and strategies pursuant to the National Urban Transport Program, through, *inter alia*:
 - (a) the definition of a national urban transport institutional map;
 - (b) the formulation of a transport sector policy;
 - (c) the definition of operational, regulatory, institutional, environmental, social and road safety strategies within the urban transport and urban development context;
 - (d) the identification of appropriate mass transit solutions to improve transport in the Borrower's territory and to improve traffic management; and
 - (e) the development of policy guidance in a series of strategic areas, including *inter alia*: development of performance and monitoring mechanisms, regulatory and institutional frameworks related to the National Urban Transport Program, and the design and implementation of communication strategies.
2. Improvement of the institutional capacity of the Participating Cities and Implementing Entities to ensure adequate implementation of BRTS, through, *inter alia*: (a) the provision of equipment and training; (b) the setup and maintenance of an operational structure able to program, monitor and administer public transportation services; (c) the implementation of twinning arrangements between Implementing Entities; and (d) the strengthening of the institutional capabilities of the Participating Cities and Implementing Entities, through the provision of

- technical assistance in *inter alia*: environmental and social matters, bus operation and fare collection concessions, tariff-setting and tariff integration with other entities (if applicable) and communication strategies.
3. Strengthening of the operational capacity of Participating Cities with respect to the implementation of urban development and transport strategies.
 4. Provision of support to the PCU to conduct overall Project coordination, evaluation, supervision and implementation, including, *inter alia*:
 - (a) the strengthening of the capacity of the PCU to comply with its responsibilities under this Agreement as set forth in the Operational Manual, including through the hiring of specialized staff, comprising, *inter alia*, urban transport engineers, economists, and legal, financial, social and environmental specialists;
 - (b) the carrying out of Project audits;
 - (c) the carrying out of Project studies, including, *inter alia*, performance reviews and impact evaluations; and
 - (d) the design and implementation of a program to monitor and evaluate the carrying out of the Project.

Part B: BRTS Development

1. The expansion of the physical scope and geographical and social coverage of the National Urban Transport Program in the Participating Cities, other than Bogotá, through the carrying out of, *inter alia*, the following activities:
 - (a) construction of segregated busways;
 - (b) construction of terminals and transfer centers;
 - (c) construction of mixed-traffic lanes adjacent to busways corridors;
 - (d) construction of sidewalks;
 - (e) rehabilitation of feeder routes;
 - (f) construction of pedestrian ways along busways corridors;
 - (g) construction or adaptation of complementary transport corridors to the segregated busways;

- (h) carrying out required interventions or upgrading of public service networks adjacent to the construction areas;
 - (i) carrying out supervision of construction works referred to in this paragraph; and
 - (j) construction of bus stations.
- 2. The continued provision of financing for the construction and operation of the NQS Line of the Bogotá Transmilenio, S.A.
- 3.
 - (a) The provision of financing for the acquisition of land required for the carrying out of Part B.1 of the Project.
 - (b) The provision of financing for the resettlement and the provision of compensation to Affected Persons pursuant to the provisions of the RAPs (as set forth in Section III of the Appendix to this Agreement), in connection with the carrying out of Part B.1 of the Project.
- 4. Design and implementation of EMPs for the carrying out of Parts B.1 and B.2 of the Project.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. General Implementation Framework

1. Institutional Arrangements

- (a) The Borrower declares its commitment to the objectives of the Project, as described in Schedule 1 to this Agreement, and to this end shall carry out the Project, through MOT and MHCP (as set forth in Section 3.01 of this Agreement), and shall cause the Participating Cities, the City of Bogotá and Implementing Entities to carry out their respective Parts of the Project, all with due diligence and efficiency and in conformity with appropriate administrative, engineering, environmental, financial, managerial, social, technical, and urban practices satisfactory to the Bank and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project, under the terms and conditions set forth in the provisions of this Schedule.
- (b) The Borrower, through MOT shall: (i) operate and maintain (under the purview of MOT's Deputy Minister), at all times during Project implementation, a Project coordination unit (the PCU) with a structure, functions and responsibilities acceptable to the Bank, including, *inter alia*, the responsibility of the PCU to assist the Borrower in the coordination, monitoring and supervision of the Project; (ii) ensure that the PCU is, during Project implementation, headed by a Project coordinator and staffed with a core team consisting of an environmental specialist; a resettlement specialist; and a procurement specialist; and other professional and administrative staff, all hired with terms of reference (detailed in the Operational Manual), in accordance with Section III of this Schedule, in numbers and with qualifications and experience acceptable to the Bank.
- (c) The Borrower (through MOT) may change the number of positions of the PCU or the professional skills required for occupying such positions, only with the prior approval of the Bank.

2. Operational Manual

- (a) The Borrower (through MOT) shall maintain, until the completion of the Project, the updated operational manual referred to in Section 5.01(b) of

this Agreement, in accordance with terms approved by the Bank, and which shall include, *inter alia*:

- (i) detailed arrangements for the overall carrying out of the Project, including the additional activities detailed in Schedule 1 to this Agreement;
- (ii) an institutional implementation plan of MOT, the Participating Cities, the City of Bogotá and the Implementing Entities for the management of their respective Parts of the Project (including, *inter alia*, allocation of responsibilities among staff, yearly planning of activities and budget and time allocation for those activities), and the establishment and maintenance, throughout Project Implementation, of a Social Management Team in each Implementing Entity;
- (iii) the procurement guidelines to be followed by the Borrower (through MOT), the Participating Cities, the City of Bogotá and the Implementing Entities set forth in the Procurement Plan and in accordance with the provisions of Section III of Schedule 2 to this Agreement;
- (iv) the financial management guidelines to be followed during Project implementation by the Borrower (through MOT), the Participating Cities, the City of Bogotá and the Implementing Entities;
- (v) the guidelines for the preparation of the Annual Action Plans;
- (vi) the procedures, criteria and standard guidelines satisfactory to the Bank, for the carrying out of training and technical assistance financed under the Project;
- (vii) the updated RPF, the EMF, and relevant criteria and guidelines for the development and updating of EMPs and RAPs pursuant to the provisions of Section I.D of Schedule 2 to this Agreement;
- (viii) the criteria for the selection for Participating Cities;
- (ix) a construction manual to guide the construction and supervision of works under Part B of the Project (which manual shall include, *inter alia*, the EMPs, provisions for erosion control, natural habitats' protection, solid waste management, protection of cultural property, occupational health guidelines, first aid instructions and restriction on the use of child labor);

- (x) the model forms for Subsidiary Agreements; and
- (xi) the procedures for the utilization of the proceeds of the Transfers for the implementation of Part B of the Project.
- (b) Except as the Borrower and the Bank may otherwise agree in writing, the Borrower, through MOT, shall not abrogate, amend, suspend, waive or otherwise fail to enforce the Operational Manual or any provision thereof.
- (c) In case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

3. Annual Action Plan

The Borrower (through MOT) shall:

- (a) not later than December 31 of each year during Project implementation, starting in 2009, furnish to the Bank for approval an annual action plan (the Annual Action Plan), each said plan to include the terms set forth in the Operational Manual, which comprise, *inter alia*: (i) a description of the Project activities included in this Loan to be carried out by MOT, the Participating Cities, the City of Bogotá and the Implementing Entities during the twelve months immediately following the presentation of each said plan; and (ii) the updated Procurement Plan, disbursement schedule, chart of accounts for each said twelve month period, including an identification of any proposed land acquisition plan; and
- (b) thereafter implement each said Annual Action Plan, approved by the Bank, in accordance with its terms.

B. Subsidiary Agreements

- 1. To facilitate the carrying out of Part B of the Project, the Borrower (through MOT) shall continue to carry out and cause the Participating Cities, the City of Bogotá and Implementing Entities to carry out the Subsidiary Agreements (as updated for the purposes of this Agreement), which shall include *inter alia*, the following:
 - (a) the Borrower's obligation (through MHCP) to: (i) transfer to the respective Implementing Entity the portion of the proceeds of the Loan required to carry out its respective activities under Part B of the Project, in accordance with the provisions of this Agreement, the corresponding Subsidiary Agreement, and the Operational Manual; and (ii) suspend disbursements of Loan proceeds for Transfers, or cancel Transfer amounts to be disbursed in the event that any Participating City or Implementing Entity fails to comply

with any of their respective obligations under the respective Subsidiary Agreement;

- (b) the Borrower's obligation (through MOT) to provide technical and administrative assistance to Participating Cities and the City of Bogotá with respect to the design and implementation of BRTS and register in its data base the investment projects related to the implementation of BRTS under each Participating City;
- (c) the obligation of the Participating Cities, the City of Bogotá and the Implementing Entities to: (i) carry out their respective activities under Part B of the Project in accordance with the provisions of Section I.D of Schedule 2 to this Agreement; and (ii) utilize the proceeds of the Transfers in accordance with the procedures set forth in the Operational Manual, only for the purposes of the Project and pursuant to the provisions of the Anti-Corruption Guidelines applicable to recipients of Loan proceeds other than the Borrower (and recognizing the Borrower's power to exercise the legal remedies referred to in sub-Section B. 2 below);
- (d) the obligation of the Participating Cities, the City of Bogotá and the Implementing Entities to: (i) enable the Bank to review Project accounts and other documentation, as the Bank shall reasonably request, in respect of the implementation of Part B of the Project; and (ii) provide the Borrower, promptly, with information regarding the implementation of Part B of the Project, as required by the Borrower, to comply with its obligations incurred under this Agreement;
- (e) the obligation of the Implementing Entities to: (i) procure the goods, services and works for the Project in accordance with the provisions of Section III of this Schedule as set forth in the Procurement Plan including the update of such plan to incorporate the provisions of the Anti-Corruption Guidelines, which Anti-Corruption Guidelines will be applicable to all contracts for goods, works and services to the Project, signed on or after the retroactive financing date set forth in Sections IV.B.1.(b) and IV.B.1.(c) of this Schedule (the Anti-Corruption Guidelines shall also be introduced into contracts signed prior to such date, if and when those contracts are amended by the parties thereto for any other reason); and (ii) carry out Part B of the Project in accordance with technical, financial, environmental, land acquisition and resettlement procedures and plans detailed in the Operational Manual; and
- (f) the obligation of the Implementing Entities to keep records and accounts in regard to Eligible Expenditures and provide timely information to the Borrower (MOT) on the use of the Transfers.

2. (a) The Borrower (through MHCP and MOT) shall exercise its rights under the Subsidiary Agreements in such a manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Project, including, through the application of any legal remedies provided under the Anti-Corruption Guidelines.
- (b) Except as the Bank and the Borrower shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive any of the Subsidiary Agreements or any of their respective provisions, in connection with the Project.
- (c) In case of any conflict between the terms of the Subsidiary Agreements and those of this Agreement, the terms of this Agreement shall prevail.

C. Anti-Corruption

The Borrower shall carry out the Project, and shall, through MOT, cause the Participating Cities, the City of Bogotá and the Implementing Entities (pursuant to the terms of their respective Subsidiary Agreements) to carry out their respective Parts of the Project, all in accordance with the provisions of the Anti-Corruption Guidelines.

D. Safeguards

1. For the purposes of Part B of the Project, the Borrower (through MOT) shall, and shall cause the Participating Cities, the City of Bogotá and Implementing Entities (with the participation of the corresponding Social Management Teams) to carry out all necessary actions to:
 - (a) minimize, to the extent possible, any involuntary loss by persons of shelter, productive assets or access to productive assets, or of income or means of livelihood, temporarily or permanently as a result of Part B of the Project;
 - (b) implement any of the activities under Part B of the Project in accordance with the Resettlement Policy Framework (as updated for the purposes of this Agreement) and which sets forth the principles and procedures governing, *inter alia*: (i) the resettlement and compensation of Affected Persons under Part B of the Project pursuant to the provision of Full Replacement Cost; (ii) land acquisition pursuant to the provision of Full Replacement Cost and to be financed out of the proceeds of the Loan; and (iii) the institutional, administrative, reporting and monitoring, and communication and consultation arrangements, the legal framework and grievance procedures applicable to said resettlement and compensation; and

- (c) maintain or adopt (as the case may be), in a manner acceptable to the Bank, and thereafter implement until the completion of the Project an Environmental Management Framework setting forth, *inter alia*: (i) environmental management principles and procedures, and communication and consultation procedures; (ii) specific environmental mitigation measures, and (iii) criteria for the development and supervision of the Environmental Management Plans for any works financed under the Project.
- 2. Prior to initiating the construction of any works under Part B of the Project, the Borrower (through MOT) shall provide evidence to the Bank, in form and substance satisfactory to the Bank, demonstrating that:
 - (a) for those specific civil works impacting Affected Persons, the resettlement and rehabilitation of Affected Persons has taken place in accordance with the relevant Resettlement Action Plan (as updated for the purposes of this Agreement for all RAPs Type B and C), previously approved by the Bank, in accordance with the provisions of the RPF, the Operational Manual and this Agreement, including, *inter alia*: (i) the acquisition of all necessary land, structures and other assets required for Part B of the Project; (ii) the provision of the relevant compensation at Full Replacement Cost to all Affected Persons; and (iii) administrative, reporting and monitoring arrangements to ensure compliance with said plans; and
 - (b) the Participating Cities, the City of Bogotá and the Implementing Entities have developed and thereafter implemented for the purposes of each activity under Part B of the Project an Environmental Management Plan in accordance with the provisions of the Environmental Management Framework referred to in Section I.D.1.(c) of this Schedule, said plan shall set forth the objectives, policies, monitoring procedures, time schedules and other environmental and cultural property protection provisions to, *inter alia*: (i) mitigate potential adverse environmental effects; (ii) mitigate potential adverse effects to natural habitats; and (iii) mitigate adverse effects to cultural properties encountered in the carrying out of Part B of the Project.
- 3. Not later than ninety (90) days after the Effective Date, the Borrower (through MOT) shall:
 - (a) for RAPs Type A: (i) submit to the Bank, for its review and comments, a report, prepared in accordance with terms of reference acceptable to the Bank, containing an evaluation and diagnostic of the implementation of the RAPs Type A and their consistency with the provisions of the RPF; (ii) submit to the Bank, for its approval, a corrective action plan including

proposed measures to remedy any identified inconsistency between the RAPs Type A with the provisions of the RPF; and (iii) promptly thereafter, implement said corrective action plan in a manner and within a time-frame acceptable to the Bank; and

- (b) for RAPs Type B: (i) submit to the Bank, for its review and comments, a report, prepared in accordance with terms of reference acceptable to the Bank, containing an evaluation and diagnostic of the implementation of the RAPs Type B and identifying actions already concluded, by Effective Date, under said RAPs Type B and their consistency with the provisions of the RPF; (ii) submit to the Bank, for its approval, a corrective action plan including proposed measures to remedy any identified inconsistency between the RAPs Type B and the RPF; and (iii) promptly thereafter, implement said corrective action plan in a manner and within a time-frame acceptable to the Bank.
4. The Borrower shall (through MOT), and shall cause the Participating Cities and the Implementing Entities to: (a) furnish to the Bank any revisions proposed to be introduced into the RAPs or EMPs in order to achieve the objectives of their respective Parts of the Project and, thereafter, introduce such revisions into such RAPs or EMPs, as the case may be, as shall have been agreed with the Bank; and (b) not interfere with the compliance by the Participating Cities and the Implementing Entities of any RAP or EMP.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Borrower (through MOT) shall, and shall cause the Participating Cities, the City of Bogotá and Implementing Entities to: (i) monitor and evaluate the progress of the Project; and (ii) prepare and submit to the Bank, by not later than March 31 and September 30 of each year of Project Implementation, Project Reports covering all Project activities in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators set forth in the Implementation Letter. Each Project Report shall cover the period of one calendar semester. Each of such reports shall include: (A) a detailed description of Project activities completed during the respective six months period; and (B) a detailed progress report, including lessons learned during Project implementation.
- (b) The Borrower (through MOT) shall, and shall cause the Participating Cities, the City of Bogotá and the Implementing Entities to: (i) review with the Bank (through MOT) by not later than April 15 and October 15 of each year of Project implementation, starting on October 15, 2009 until the completion of the Project, the reports referred to in subparagraph (a) of

paragraph 1 of this sub-Section and carry out a semi-annual Project implementation review to, *inter alia*: (A) evaluate progress in the carrying out of the Project; (B) assess progress in the carrying out of the works detailed in Part B of the Project, including compliance with the RAPs and EMPs referred to in Section I.D.2 of Schedule 2 to this Agreement; (C) assess progress in the implementation of the corrective action plans detailed in Sections I.D.3.(a)(ii) and I.D.3.(b)(ii) of Schedule 2 to this Agreement; (D) exchange views on progress achieved in the implementation of the Annual Action Plans and agree on the proposed activities for the upcoming year; and (E) identify any current implementation issues and propose solutions to resolve such issues; and (ii) after each of the preceding reviews, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said reviews and the Bank views on the matter.

B. Financial Management, Financial Reports and Audits

1. The Borrower (through MOT) shall, and shall cause the Implementing Entities to maintain or cause to be maintained a financial management system in accordance with terms and conditions acceptable to the Bank and the provisions of Section 5.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Schedule, the Borrower (through MOT) shall, and shall cause the Implementing Entities to prepare and furnish to the Bank (through MOT) as part of the Project Report not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter in form and substance satisfactory to the Bank.
3. (a) The Borrower (through MOT) shall, and shall cause the Implementing Entities to have, the Project's Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions.

(b) Each audit of the Financial Statements shall: (i) cover the period of a semester in each fiscal year of the Borrower, commencing with the semester in the fiscal year in which the Effective Date occurs; (ii) include a special opinion, prepared under terms of reference satisfactory to the Bank, providing assurances that the amounts disbursed under Categories (4), (5) and (6) correspond to Eligible Expenditures and have been fully documented through supporting documentation, in a manner satisfactory to the Bank. The audited Financial Statements for each such period shall be furnished to the Bank not later than ninety (90) days after the end of such period.

- (c) The audit of the Financial Statements covering the last semester in the fiscal year in which the Closing Date occurs shall include a special opinion, prepared under terms of reference satisfactory to the Bank, confirming that all amounts (cumulative) disbursed under Categories (4), (5) and (6) correspond to Eligible Expenditures and have been fully documented through supporting documentation, in a manner satisfactory to the Bank.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding procedures.
2. **Domestic Preference.** The provisions of paragraphs 2.55 and 2.56 of the Procurement Guidelines and Appendix 2 thereto, providing for domestic preference in the evaluation of bids, shall apply to goods manufactured in the territory of the Republic of Colombia.
3. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) National Competitive Bidding (subject to the additional procedures set forth in sub-paragraphs (a) (iii) through (vii) of this paragraph)
(b) Shopping
(c) Direct Contracting (with prior no objection from the Bank)

(a) National Competitive Bidding.

- (i) Goods estimated to cost less than \$250,000 equivalent per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Procurement Guidelines.
- (ii) Works estimated to cost less than \$5,000,000 equivalent per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Procurement Guidelines.
- (iii) Before issuing any invitation to bid, the Borrower, through MOT, shall prepare and furnish or cause to be prepared and furnished to the Bank for approval, appropriate model bidding documents. Once approved by the Bank, the Borrower, through MOT, shall use, or cause to be used, said model bidding documents, as approved for bidding under the Project. Any change or departure from the model approved shall require Bank's prior approval.
- (iv) All bidders, irrespective of whether they are foreigners or Colombians, will be treated equally and, particularly, no preference will be granted to any bidder or group of bidders for bid evaluation purposes. Bidders shall be allowed to submit their bids by hand or through the post office or private mailing services. There shall not be any requirement for any bidder to show evidence of the bidder's registration in any public registry, chamber of commerce or similar entity, whether in Colombia or elsewhere, or to appoint a representative domiciled in Colombia, unless and until such bidder is awarded the corresponding contract.
- (v) Bids shall be opened in a public meeting to which bidders and their representatives shall be allowed to attend if they so wish. Date, time and place for the opening meeting shall be set forth in the bidding documents. Bid opening shall coincide with, or take place promptly after, the final date and time of the period for bid submission stipulated in the bidding documents.

- (vi) Each bid shall be evaluated and the corresponding contract awarded to the responsive bidder who meets appropriate technical and financial standards of capability and whose bid has been determined to be the lowest evaluated bid. Such determination shall be made exclusively on the basis of the specifications, conditions and evaluation criteria stipulated in the bidding documents. If any factor additional to the amount or amounts of each bid is to be considered in bid evaluation, such factor or factors and the quantified manner on which they will be applied for purposes of determining the lowest evaluated bid shall be precisely stipulated in the bidding documents. For purposes of bid evaluation and comparison, the only bid amount or amounts to be used as a factor shall be the bid amount or amounts as quoted in the corresponding bid, including correction of arithmetic errors.
- (vii) The provisions of paragraph 2.47 of the Guidelines shall fully apply and, more specifically, bids shall not be disclosed to persons other than the persons officially charged with the task of comparing and/or evaluating the bids while they are performing their official duties, without the corresponding bidder's written authorization. Moreover, bidders shall not be required to provide such authorization as a condition to be entitled to bid. This confidentiality requirement shall apply until the award of contract is notified to the successful bidder. Thereafter, confidentiality of the bids shall be limited to those bid portions for which confidentiality has been specifically requested by the bidder in question.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following table specifies the methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) Quality-based Selection
(b) Individual Consultants
(c) Consultants' Qualifications Selection
(d) Least Cost Selection
(e) Fixed Budget Selection
(f) Single Source Selection (with prior no objection from the Bank)

D. Review by the Bank of Procurement Decisions

- (a) The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review.
- (b) All other contracts shall be subject to Post Review by the Bank.

Section IV. Withdrawal of Loan Proceeds

A. General

- 1. The Borrower (through MOT), may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank may specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance items as set forth in the table in paragraph 2 below.
- 2. The following table specifies the categories of items that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for items in each Category.

<u>Category</u>	<u>Amount of the Loan allocated (expressed in Dollars)</u>	<u>Percentage of expenditures to be Financed</u>
(1) Goods for Part A.2 of the Project	10,000	100%
(2) Consultants' Services for: (a) Part A of the Project; and (b) audits	2,460,000	100%
(3) Training for Part A.2 (a) of the Project	30,000	100%
(4) Transfers for Parts B.1 and B.4 of the Project	165,500,000	100% of amount transferred by the Borrower to Implementing Entities under the corresponding Subsidiary Agreements
(5) Transfers for Parts B.2 and B.4 of the Project	106,000,000	100% of amounts transferred by the Borrower to the city of Bogotá under the corresponding Subsidiary Agreement
(6) Transfers for: (i) land acquisition under Part B.3(a) of the Project; and (ii) compensation to Affected Persons under Part B.3(b) of the Project	26,000,000	100% of amounts transferred by the Borrower to the Implementing Entities under the corresponding Subsidiary Agreements
TOTAL AMOUNT	300,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made from the Loan Account:
 - (a) until the Bank has received payment in full of the Front-end Fee;
 - (b) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$20,000,000 equivalent may be made for payments for Transfers made by the Borrower (through MHCP) prior to such date but on or after April 21, 2009 for items under Category (4) for:
 - (i) the Participating City of Barranquilla if the Bank has been furnished with documentary evidence, satisfactory to the Bank,

confirming that: (A) all its RAPs Type B set forth in the table inserted in Section III of the Appendix to this Agreement have been updated for the purposes of this Agreement (pursuant to the provisions of Section I.D.2 (a) of Schedule 2 to this Agreement); and (B) the respective Subsidiary Agreement has been updated; and

- (ii) the Participating City of Cartagena if the Bank has been furnished with documentary evidence, satisfactory to the Bank, confirming that: (A) all its RAPs Type B set forth in the table inserted in Section III of the Appendix to this Agreement have been updated for the purposes of this Agreement (pursuant to the provisions of Section I.D.2 (a) of Schedule 2 to this Agreement); (B) the Participating City or the Implementing Entity, as the case may be, has satisfactorily resolved all grievance procedures raised by Affected Persons under any of its RAPs Type A; and (C) the respective Subsidiary Agreement has been updated;
- (c) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$40,000,000 equivalent may be made: (i) for payments for Transfers made by the Borrower (through MHCP) prior to such date but on or after April 21, 2009 for items under Category (5), provided that (ii) such Transfers cover Eligible Expenditures for the City of Bogotá as defined in Section I.11 (a) of the Appendix to this Agreement and if the Bank has been furnished with documentary evidence, satisfactory to the Bank, confirming that the City of Bogotá or the Implementing Entity, as the case may be, has satisfactorily resolved all grievance procedures raised by Affected Persons under any of its RAPs Type A; and
- (d) for payments for expenditures under Category (6) in respect of a Transfer to be made by the Borrower to the respective Implementing Entity, unless the Bank has received documentary evidence confirming, in a manner acceptable to the Bank, that land acquisition has been completed pursuant to the provisions of the respective RAP.

2. The Closing Date is March 31, 2012.

SCHEDULE 3

Amortization Schedule

1. 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”). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Principal Payment Date	Installment Share (Expressed as a Percentage)
February 15, 2021	5%
August 15, 2021	5%
February 15, 2022	5%
August 15, 2022	5%
February 15, 2023	5%
August 15, 2023	5%
February 15, 2025	5%
August 15, 2025	5%
February 15, 2026	5%
August 15, 2026	5%
February 15, 2028	5%
August 15, 2028	5%
February 15, 2029	5%
August 15, 2029	5%
February 15, 2030	5%
August 15, 2030	5%
February 15, 2031	5%
August 15, 2031	5%
February 15, 2032	5%
August 15, 2032	5%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
 - (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn

Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

- (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.
- 3.
 - (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.
 - (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
- 4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

APPENDIX

Section I. Definitions

1. “Affected Persons” means persons who, on account of an involuntary taking of land under the Project, had or would have their: (a) standard of living adversely affected; or (b) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (c) access to productive assets adversely affected, temporarily or permanently; or (d) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently in compliance with the Bank’s policy on Involuntary Resettlement (OP 4.12); and “Affected Person” means any of the Affected Persons.
2. “Annual Action Plan” means any of the plans referred to in Section I.A.3 of Schedule 2 to this Agreement.
3. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
4. “*Bogotá Transmilenio S.A.*” means the transportation entity responsible for planning and managing of the mass transit system established and operating in the city of Bogotá, or any successor or successors thereto.
5. “BRTS” means the bus rapid transit system.
6. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
7. “City of Bogotá” means the Borrower’s capital city.
8. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
9. “CONPES” means a document issued by DNP (as hereinafter defined), authorizing a Participating City (as hereinafter defined) to participate in the National Urban Transport Program (as hereinafter defined) and detailing the technical, physical, operational and financial aspects of said city’s BRTS projects.
10. “DNP” means *Departamento Nacional de Planeación*, the Borrower’s Planning Department, and its successor or successors thereto.
11. “Eligible Expenditure” means (as a supplement to the general definition in item 36 of the Appendix to the General Conditions) any of the expenditures incurred

- by the Borrower corresponding to Categories (1), (2) or (3) for Part A of the Project, or in connection with the Transfers made (through MHCP) to the Implementing Entities, for Parts B.2 and B.4 of the Project, and the City of Bogotá, for Parts B.1 and B.4 of the Project, if such expenditures correspond to: (a) (i) contracts for goods, works and services procured by the Implementing Entities pursuant to the provisions of Section III of Schedule 2 to this Agreement; and (ii) contracts for works procured by the City of Bogotá for the NQS Line of the *Bogotá Transmilenio S.A.* pursuant to the provisions of Section II.B.1 (c) of Schedule 4 to the Original Loan Agreement, all for the exclusive purposes of their respective Parts of the Project, and documented through a statement of transfer (SOT) in a manner satisfactory to the Bank; and/or (b) the amounts required to compensate relevant Affected Persons for the replacement cost of land acquired for the exclusive purposes of Part B.1 of the Project, respectively, and documented through a statement of transfer (SOT) in a manner satisfactory to the Bank; and/or (c) the amounts required to compensate relevant Affected Persons for the involuntary resettlement carried out for the exclusive purposes of Part B.1 of the Project, under the respective RAP, and documented through a SOT in a manner satisfactory to the Bank. A Transfer by itself does not qualify as an Eligible Expenditure.
12. “Environmental Management Framework” and the acronym “EMF” mean *Lineamientos Ambientales para el Diseño, Construcción y Seguimiento de Proyectos de Sistemas de Transporte Masivo en Colombia*, the guidelines issued by DNP and the Borrower’s Ministry of the Environment (as hereinafter defined) dated March, 2004, as amended to the date of this Agreement, as set forth in Section I.D.1.(c) of Schedule 2 to this Agreement.
13. “Environmental Management Plan” and the acronym “EMP” mean *Plan de Manejo Ambiental*, the plan of action related to the carrying out of any of the activities under Part B of the Project, satisfactory to the Bank, adopted by the respective Participating City and the City of Bogotá, and to be implemented by the respective Implementing Entity, under the Borrower’s supervision exercised through MOT, referred to in Section I.D.2.(b) of Schedule 2 to this Agreement.
14. “Fiduciary Trust Arrangement” means *Encargo Fiduciario*, the fiduciary trust arrangement established by any of the Implementing Entities (as hereinafter defined) (with the exception of the City of Bogotá) with the previous approval of the Borrower (through MOT) and the respective Participating City (as hereinafter defined) for the purposes of receiving a Transfer from the Borrower (through the MHCP), for the carrying out of the respective activities under Part B of the Project.
15. “Full Replacement Cost” means the methodology to be used by the Borrower or an Implementing Entity for the valuation of assets lost by Affected Persons (when such loss is attributable directly to the execution of Part B of the Project) and for

which the compensation shall be provided in an amount sufficient to replace such assets, in accordance with the terms of the RAPs and in compliance with the Bank's policy on Involuntary Resettlement (OP 4.12).

16. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions", dated July 1, 2005, as amended through February 12, 2008 with the modifications set forth in Section II of this Appendix.
17. "Implementing Entity" means *Ente Gestor*, a corporate transportation entity established for each Participating City (as hereinafter defined) pursuant to the provisions of the Borrower's industrial and commercial enterprise laws, which is responsible as a local BRTS agency for the implementation of the BRTS activities in any of the Participating Cities and the City of Bogotá, including the following: (a) *Transcaribe (Cartagena)*; (b) *Transmetro (Barranquilla)*; (c) *Metrolínea (Bucaramanga)*; (d) *Metroplus S.A. (Medellín)*; and (e) *Transmilenio S.A (Bogotá)* (collectively referred to as "Implementing Entities").
18. "Implementation Letter" means the letter dated September 21, 2004, from the Borrower to the Bank, setting forth: (a) the Project monitoring indicators; and (b) the conditions and institutional responsibilities for the provision of Transfers (as hereinafter defined) and the carrying out of land acquisition and compensation procedures, as updated for the purposes of the activities detailed in Schedule 1 to this Agreement.
19. "IMTS" means *Sistema Integrado de Transporte Masivo*, the Borrower's Integrated Mass Transit Systems.
20. "IMTS Legislation" means the Borrower's Law No. 86 dated December 29, 1989 as amended by the Borrower's Law No. 310 dated August 6, 1996 and published in the Borrower's Official Gazette N° 42853 dated August 12, 1996, providing for the joint financing (between MHCP and the Participating Cities) of infrastructure works required under the NUTP, through the provision of Transfers (as amended to the date of this Agreement).
21. "Management Resolution" means *Resolución de Gerencia*, the directive issued by the governing body (*Junta Directiva*) of the corresponding Implementing Entity approving a RAP and setting forth guidelines and procedures for the calculation and payment of compensation to Affected Persons under the respective RAP.
22. "MHCP" means *Ministerio de Hacienda y Crédito Público*, the Borrower's Ministry of Finance and Public Credit, or any successor or successors thereto.
23. "MOT" means *Ministerio de Transporte*, the Borrower's Ministry of Transport or any successor or successors thereto.

24. “National Urban Transport Program” and the acronym “NUTP” mean the Borrower’s program aimed at improving long-term sustainability, efficiency and quality of urban transport, through the provision of joint financing (between the national and municipal levels of government) of infrastructure investments in the Participating Cities and the City of Bogotá, through the provision of annual transfers established pursuant to the provisions of CONPES No. 3167 dated May 23, 2002 and CONPES No. 3260 dated December 15, 2003, as the same may be amended to the date of this Agreement.
25. “NQS Line of the Bogotá Transmilenio S.A.” means the *Norte Quito Sur* transportation corridor managed by Bogotá Transmilenio S.A.
26. “Operational Manual” means the manual referred to in Section I.A.2 of Schedule 2 to this Agreement.
27. “Original Loan Agreement” means the agreement entered into between the Borrower and the Bank for the provision of the original loan for the Integrated Mass Transit Systems Project dated September 21, 2004, as amended to the date of this Agreement (Loan No. 7231-CO).
28. “Original Project” means the Project first described in the Original Loan Agreement, as amended in Schedule 1 to this Agreement.
29. “Participating City” means any of the Borrower’s municipal governments established and operating in the cities of Barranquilla, Bucaramanga, Cartagena, and Medellín selected according to eligibility criteria set forth in the Operational Manual to participate under the expanded Project activities detailed in Schedule 1 to this Agreement (collectively referred to as “Participating Cities”).
30. “PCU” means *Grupo Interno de Trabajo para apoyar los Proyectos de los Sistemas Integrados de Transporte Masivo del País Cofinanciados por la Nación*, the Borrower’s unit created pursuant to MOT’s Resolution No. 003500, dated November 29, 2004, as set forth in the Operational Manual, and its successor or successors thereto.
31. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
32. “Procurement Plan” means the Borrower’s procurement plan for the Project referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, dated March 31, 2009 and updated for the purposes of this Agreement.

33. “RAP Type A” means a RAP concluded as of June 24, 2009 as set forth in Section III of this Appendix.
34. “RAP Type B” means a RAP under implementation and approved by the Bank as of June 24, 2009, and as updated pursuant to the provisions of Section 5.01 (d) of this Agreement, as set forth in Section III of this Appendix.
35. “RAP Type C” means a RAP under preparation as of June 24, 2009 and pending the Bank’s approval as set forth in Section III of this Appendix.
36. “Resettlement Action Plan” and the acronym “RAP” mean *Plan de Adquisición Predial y Reasentamiento*, any of the resettlement action plans satisfactory to the Bank, adopted by an Implementing Entity (through a Management Resolution) pursuant to the provisions of Section I.D.2.(a) of Schedule 2 to this Agreement for the carrying out of Part B of the Project.
37. “Resettlement Policy Framework” and the acronym “RPF” mean *Marco de Política de Reasentamiento*, the policy framework for the carrying out of Part B of the Project dated February 23, 2004, as updated for the purposes of this Agreement by MOT, in close consultation with DNP, referred to in Section I. D.1.(b) of Schedule 2 to this Agreement.
38. “Social Management Team” means the team of specialists established in each Implementing Entity which shall be responsible for the management of social issues raised in the context of Part B of the Project that may trigger any of the provisions of Section I.D of Schedule 2 to this Agreement (collectively referred to as “Social Management Teams”).
39. “Subsidiary Agreement” means *Convenio de Cofinanciación*, any of the tripartite agreements entered into between: (a) the Borrower, represented by MHCP and MOT; (b) a Participating City or the City of Bogotá represented by the corresponding municipal authority (Mayor); and (c) the respective Implementing Entity, represented by its legally authorized official as set forth in Section I.B of Schedule 2 to this Agreement.
40. “Transfers” means the amount transferred by the Borrower (through MHCP) to any of the Implementing Entities, through (with the exception of the City of Bogotá) a Fiduciary Trust Arrangement to cover the Borrower’s contributions for the financing of Eligible Expenditures incurred by any of the Implementing Entities in connection with the carrying out of their respective works detailed in Part B of the Project.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Paragraph (l) of Section 7.02 is modified to read as follows:

“Section 7.02. *Suspension by the Bank*

... (l) *Ineligibility.* The Bank or the Association has declared the Borrower (other than the Member Country) or the Project Implementing Entity ineligible to receive proceeds of any financing made by the Bank or the Association or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Bank or the Association, as a result of a determination by the Bank or the Association that the Borrower or the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Bank or the Association.”

2. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

- (a) The definition of the term “Conversion Date” is modified to read as follows:

“‘Conversion Date’ means, in respect of a Conversion, the Execution Date (as herein defined) or such other date as requested by the Borrower and accepted by the Bank, on which the Conversion enters into effect, and as further specified in the Conversion Guidelines.”

- (b) The definition of the term “Variable Rate” is modified, in relevant part, to read as follows:

“(c) upon a Currency Conversion to an Approved Currency of an amount of the Withdrawn Loan Balance that accrues interest at a variable rate during the Conversion Period, the variable rate of interest applicable to such amount shall be equal to either: (i) the sum of: (A) LIBOR, or such other base rate as may be agreed by the Borrower and the Bank, for the Approved Currency; plus (B) the spread to LIBOR or to such other base rate, if any, payable by the Bank under the Currency Hedge Transaction relating to said Currency Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the interest rate component of the Screen Rate.”

Section III. Resettlement Action Plans

RAPs Type A			
	City	Name	Status as of June 24, 2009
1	Bogotá	Plan Remedial de Gestión Social para la NQS	Concluded
2	Bogotá	Plan Remedial de Gestión Social, Grupo Focal: Vendedores de Flores de Apogeo	Concluded
3	Bucaramanga	Plan de Reasentamiento Glorieta Quebrada Seca con Cra.15	Concluded
4	Bucaramanga	Plan de Reasentamiento Construcción Paso Vehicular Deprimido en la Cra.17 con Diagonal 15	Concluded
5	Cartagena	Plan de Reasentamiento Amparo-Portal	Concluded
6	Medellín	Plan de Adquisición Predial y Reasentamiento de Medellín (general)	Concluded
7	Medellín	Plan de Ocupantes de Espacio Público - Medellín	Concluded
8	Pereira	Plan de Reasentamiento Proyecto Megabus Área Metropolitana del Centro Occidente - Centro y Dosquebradas	Concluded
9	Pereira	Plan de Reasentamiento Proyecto Megabus Sectores del parque de Cuba y Barrio Brisas del Consota del Municipio de Pereira	Concluded
RAPs Type B			
	City	Name	Status as of June 24, 2009
1	Barranquilla	Plan para los Ocupantes del Espacio Público en el Municipio de Soledad y Barranquilla	Implementation
2	Barranquilla	Plan de Adquisición Predial y Reasentamiento (general)	Implementation
3	Bucaramanga	Plan de Reasentamiento Metrolínea-Sistema Integrado de Transporte Masivo del Área metropolitana de Bucaramanga (y Ocupantes del Espacio Público)	Implementation
4	Cartagena	Plan de Reasentamiento (General)	Implementation
5	Cartagena	Plan para los Ocupantes del Espacio Público (general)	Implementation

6	Medellín-Itagüí	Plan de Adquisición Predial y Reasentamiento Pretroncal Sur Itagüí	Implementation
7	Medellín-Envigado	Plan de Adquisición Predial y Reasentamiento de Envigado	Implementation
8	Pereira	Plan de Reasentamiento Avenida San Mateo	Implementation
RAPs Type C			
	City	Name	Status as of June 24, 2009
1	Bucaramanga	Plan de Reasentamiento Portales	Preparation
2	Barranquilla	Plan de Adquisición Predial y Reasentamiento para Barranquillita y Soledad	Preparation
3	Medellín-Itagüí	Plan de Adquisición Predial y Reasentamiento Tramos 4 y 5	Preparation
4	Medellín-Envigado	Plan de Adquisición Predial y Reasentamiento Tramo 2	Preparation