

CONFORMED COPY

LOAN NUMBER 7492-CO

Loan Agreement

(Upper Secondary Education Project)

between

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

and

DEPARTAMENTO DE ANTIOQUIA

Dated March 14, 2008

LOAN AGREEMENT

Agreement dated March 14, 2008, between DEPARTAMENTO DE ANTIOQUIA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) 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 twenty million Dollars (\$20,000,000), 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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 May 15 and November 15 in each year.

- 2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in 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 or unwithdrawn, 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 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 commitment to the objectives of the Project. To this end, the Borrower shall carry out:
- (a) Parts 1(a), 1(c)(ii), 1(d), 2 and 3 through SEDUCA; and
- (b) Parts 1(b) and 1(c)(i) through SEDUCA with the assistance of the Supporting Agency (pursuant to the Cooperation Agreement);
- all in accordance with the provisions of 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 shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS, TERMINATION

- 4.01 The Additional Condition of Effectiveness consists of the following, namely, that the Guarantor (in its legal opinion) issued by counsel acceptable to the Bank, indicates that the Guarantee Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Guarantor and is legally binding in accordance with its terms.
- 4.02 Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is the date ninety (90) days after the date of this Agreement, but in no case later than the eighteen (18) months after the Bank's approval of the Loan which expire on May 27, 2009.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower's Representative is the Governor of the Borrower.

5.02. 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 |

The Borrower's Address is:

Gobernación de Antioquia
Calle 42 B no. 52-106
Piso 12, Edificio La Alpujarra
Medellín, Colombia

Facsimile: (57 4) 381 1342

AGREED at the city of Medellín, Colombia, as of the day and year first above written.

DEPARTAMENTO DE ANTIOQUIA

By /s/ Luis Alfredo Ramos

Authorized Representative

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By /s/ Axel van Trotsenburg

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to support the Borrower's long-term vision to improve the employability of young people and increase the competitiveness of the labor force by: (a) increasing equitable access to and retention in upper secondary education; (b) improving equitable education achievement in upper-secondary education; and (c) increasing the number of secondary education graduates who continue on to tertiary education.

The Project consists of the following parts:

Part 1: Equitable Access to Upper Secondary Education and Opportunities for Tertiary Education

Design and implementation of an integrated strategy to increase coverage, retention and completion at the secondary education level and to provide increased opportunities to transition to tertiary education for low-income students, through:

- (a) implementation of flexible pedagogical models;
- (b) provision of grants to Beneficiaries to finance school related expenditures (including, *inter-alia*, tuition, transportation and food) in order to ensure their enrollment in, and completion of, secondary school;
- (c)
 - (i) provision of scholarship grants to support the Borrower's Conditional Scholarship Program; and
 - (ii) carrying out of annual impact evaluations of the Borrower's Conditional Scholarship Program; and
- (d) provision of grants for the financing of Type A School Subprojects.

Part 2: Quality and Relevance of Upper-Secondary Education

Design and implementation of an integrated learning environment in selected schools, including:

- (a) provision of grants for the financing of Type B School Subprojects and Type C School Subprojects;
- (b) carrying out of feasibility studies to serve as a basis to improve the effectiveness of technical upper-secondary education; and
- (c) provision of technical assistance and training to teachers for the development of educational tools and instruments.

Part 3: Institutional Strengthening/ Project Monitoring, Evaluation and Management.

Strengthening of the institutional, monitoring and management capabilities of SEDUCA, including:

(a) strengthening of SEDUCA's capacity to provide technical assistance to selected municipalities and schools;

(b) strengthening of the IT in order to comply with its project management and implementation responsibilities;

(c) carrying out of various Project related studies and audits; and

(d) design and implementation of a monitoring and evaluation plan for the Project.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank may otherwise agree, the Borrower shall, or shall cause the Supporting Agency (pursuant to the Cooperation Agreement) to, carry out the Project in accordance with the Operational Manual. Except as the Bank shall otherwise agree, the Borrower shall not amend or waive any provision of these documents without the Bank's prior written approval. In case of any conflict between the terms of said documents and those of this Agreement, the terms of this Agreement shall prevail.

2. (a) The Borrower, through SEDUCA, shall maintain an operational manual, satisfactory to the Bank, containing, *inter alia*, specific provisions on detailed arrangements for the carrying out of the Project, including:

- (i) the procurement, financial management and disbursement requirements thereof;
- (ii) the criteria and methods for the selection, approval, implementation and monitoring of the School Subprojects and Education Grants;
- (iii) the IPPF; and
- (iv) the Key Performance Indicators;

(b) If any provision of the Operational Manual is inconsistent with a provision of this Agreement, the provision of this Agreement shall prevail.

3. The Borrower, through SEDUCA, shall:

(a) maintain, at all times during Project implementation, an inter-disciplinary team, headed by SEDUCA's *Unidad de Calidad*, with functions and responsibilities acceptable to the Bank, including, *inter alia*, the responsibility of said team to coordinate and monitor carrying out of the Project, and to consolidate and furnish to the Bank all the information provided by the Supporting Agency (pursuant to the Cooperation Agreement) in order to enable the Borrower to comply with its obligations under this Agreement;

(b) ensure that the IT, at all times during Project implementation, has a Project coordinator and is assisted by adequate professional and administrative staff (including procurement and financial specialists), in numbers and with experience and qualifications acceptable to the Bank, operating under terms of reference satisfactory to the Bank; and

(c) maintain, at all time during Project implementation, a Project steering committee, within SEDUCA, to provide overall guidance on the implementation of the Project, comprised of selected unit directors and a Project coordinator.

B. Cooperation Agreement

1. (a) To facilitate the carrying out of the Part 1(b) of the Project, the Borrower shall make part of the proceeds of the Loan available to the Supporting Agency under an agreement between the Borrower and the Supporting Agency, under terms and conditions approved by the Bank, which shall include, *inter alia*, the Supporting Agency's obligation to maintain, on behalf of SEDUCA, records and accounts adequate to reflect the operations, resources and expenditures of Part 1(b) of the Project, in order to enable the Borrower to comply with its obligations under this Agreement.

(b) The Borrower shall exercise its rights under the Cooperation Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, waive or fail to enforce the Cooperation Agreement or any of its provisions.

C. Anti-Corruption

The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Subprojects

1. Prior to the disbursement of a School Grant, the Borrower, through SEDUCA, shall enter into a subproject agreement with the Eligible School, under terms and conditions acceptable to the Bank (as outlined in the Operational Manual), including, *inter alia*, the right of the Borrower and the Bank to:

(a) suspend or terminate the right of any Eligible School to receive or use the proceeds of the Loan, or obligate any Eligible School to refund all or any part of the amount of the Loan then withdrawn, upon the Eligible School's failure to perform any of its respective obligations under the relevant School Subproject Agreement; and

(b) require each Eligible School to: (i) carry out the School Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Loan proceeds other than the Borrower; (ii) provide, promptly as needed, the resources required for that purpose; (iii) procure the goods, works and services to be financed out of the proceeds of the Loan in accordance with the provisions of this Agreement; (iv) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Bank, the progress of the Project and the achievement of its objective; (v) (A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Project; and (B) at the Bank's or the Borrower's request, have such financial statements audited by independent auditors acceptable to

the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and promptly furnish the statements as so audited to the Borrower and the Bank; (vi) enable the Borrower and the Bank to inspect the School Subproject, its operation and any relevant records and documents; and (vii) prepare and furnish to the Borrower and the Bank all such information as the Borrower or the Bank shall reasonably request relating to the foregoing.

2. The Borrower, through SEDUCA, shall: (a) exercise its rights under each of the School Subproject Agreements in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan; and (b) ensure that no Eligible School fails, in the opinion of the Bank, to perform any of its obligations under the School Subproject Agreement to which it is a party.

3. Except as the Bank shall otherwise agree, the Borrower, through SEDUCA, shall not, and shall not cause or allow any Eligible School to, assign, amend, abrogate, waive or fail to enforce the respective School Subproject Agreement or any of its provisions.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the Key Performance Indicators. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than one month after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Borrower shall prepare and furnish to the Bank as part of the Project Report not later than forty five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.

3. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower, commencing with the fiscal year in which the Project becomes effective. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period. In addition, and in accordance with the aforementioned provisions, quarterly special audits must be carried out to the Eligible Schools with respect to School Subprojects. The reports will be submitted to the Bank not later than one month after the end of each calendar quarter.

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. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than National Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used.

| <u>Procurement Method</u> |
|--------------------------------------------------------------------------------------------------------------|
| National Competitive Bidding (subject to the additional procedures set forth in paragraph 3 of this section) |
| Shopping |
| Commercial Practices (for School Subprojects as per procedures set forth in the Operational Manual) |

3. (a) Before issuing any invitation to bid, the Recipient 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 Recipient 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.
- (b) 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 the Beneficiary's territory or elsewhere, or to appoint a representative domiciled in the Beneficiary's territory, unless and until such bidder is awarded the corresponding contract.

(c) 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.

(d) 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 in 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.

(e) 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.

| <u>Procurement Method</u> |
|-----------------------------------------------------------------------------------------------------------------------------|
| (a) Quality-based Selection |
| (b) Selection under a Fixed Budget |
| (c) Least Cost Selection |
| (d) Selection Based on Consultant's Qualifications |
| (e) Single Source Selection |
| (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the selection of Individual Consultants |

D. Review by the Bank of Procurement Decisions

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

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower 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 shall 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 Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures 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 Eligible Expenditures in each Category.

| Category | Amount of the Loan Allocated (expressed in USD) | Percentage of Expenditures to be financed (inclusive of Taxes) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------------|
| (1) Goods, works and consultants' services under Parts 1(a), 1(c)(ii), 2(b), 2(c) and 3 of the Project; and operating costs under Part 3 of the Project | 7,100,000 | 100% |
| (2) School Grants | 9,500,000 | 100% of the goods, works and services under a School Subproject |
| (3) Education Grants | 3,400,000 | 100% of the amounts transferred to Beneficiaries |
| TOTAL AMOUNT | 20,000,000 | |

For the purposes of this Section IV, “operating costs” means the reasonable costs of communications, office supply and utilities, travel, transportation and *per diem* directly related to the performance of the Project activities, which would not have been incurred absent the Project.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$2,000,000 equivalent may be made for payments made within twelve (12) months of this Agreement, but in no case prior to April 14, 2007.
2. The Closing Date is December 31, 2012.

SCHEDULE 3

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) |
|--------------------------------------------------------------------------------------|----------------------------------------------------------|
| On each May 15 and November 15 Beginning May 15, 2013 through May 15, 2024 | 4.17% |
| On November 15, 2024 | 4.09% |

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.
- 5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

APPENDIX

Definitions

1. “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.
2. “Beneficiary” means an eligible secondary education student currently enrolled in grade 10 or 11 (belonging to a SISBEN (as hereinafter defined) family) and who meets the criteria set forth in the Operational Manual (as hereinafter defined) to participate as a beneficiary of the program described in Part 1(b) of the Project.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Conditional Scholarship Program” means a program established by the Borrower to provide financial support to eligible upper secondary graduates to assist them when they enter tertiary education.
5. “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.
6. “Cooperation Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Borrower shall make the proceeds of the Loan available to the Supporting Agency (as hereinafter defined) for the implementation of Part 1(b) of the Project.
7. “Education Grant” means a grant (*incentivo*) made or proposed to be made, out of the proceeds of the Loan, under Part 1(b) of the Project.
8. “Eligible School” means a secondary public school located in the Borrower’s territory, which school meets eligibility criteria set forth in the Operational Manual (as hereinafter defined) to participate in the Project.
9. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005 (as amended through October 17, 2007).
10. “IDEA” means *Instituto para el Desarrollo de Antioquia*, the Borrower’s Institute of Development established pursuant to the Borrower’s *Ordenaza* No.13 of 1964.
11. “IPPF” means the indigenous peoples development framework for the Project, dated March 3, 2007, that details an action plan to assist indigenous peoples and afro-colombians to overcome barriers to access to tertiary education, as said plan may be updated from time to time by agreement between the Bank and the Borrower.

12. “IT” means the Project implementation team referred to in Section I.A.3 of Schedule 2 to this Agreement.
13. “Key Performance Indicators” means the indicators for monitoring and evaluating progress towards the attainment of Project objectives.
14. “Law 715” means the Borrower’s “*Ley por la cual se dictan normas orgánicas en materia de recursos y competencias de conformidad con los artículos 151, 288, 365 y 357 (Acto Legislativo 01 de 2001, Acto Legislativo 04 de 2007) de la Constitución Política y se dictan otras disposiciones para organizar la prestación de servicios de educación entre otros*” published in the Borrower’s Official Gazette on December 21, 2001.
15. “Operational Manual” means the manual referred to in Section I.A.2. Schedule 2 to this Agreement, dated October 12, 2007, as said manual may be amended from time to time with the Bank’s prior approval.
16. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits”, published by the Bank in May 2004 and revised in October 2006.
17. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated April 14, 2007 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
18. “School Grant” means a grant (*transferencia*) made or proposed to be made, out of the proceeds of the Loan, under Parts 1(d) or 2(a) of the Project.
19. “School Subproject” means either a Type A School Subproject (as hereinafter defined) or a Type B School Subproject (as hereinafter defined) or a Type C School Subproject (as hereinafter defined); or any combination of those.
20. “School Subproject Agreement” means any of the agreements referred to in Section I.D(1) of Schedule 2 to this Agreement.
21. “SEDUCA” means *Secretaría de Educación para la Cultura de Antioquia*, the Borrower’s Education and Culture Secretariat.
22. “SISBEN” means *Sistema de Identificación y Selección de Beneficiarios de Programas Sociales*, a targeting system for social public expenditures under Law 715, which system ranks households according to several socio economic variables. Families classified as SISBEN 1 are generally those with earnings below the extreme poverty line; families classified as SISBEN 2 are generally those with earnings above the extreme poverty line but below the poverty line.
23. “Supporting Agency” means IDEA, or any other agency, acceptable to the Bank, which meets the eligibility criteria set forth in the Operational Manual to assist the Borrower in the implementation of Parts 1(b) and 1(c)(i) of the Project.

24. “Type A School Subproject” means a plan prepared by an Eligible School with the objective to provide student vocational orientation, which plan includes activities to inform, provide counseling and better motivate upper-secondary students about career prospects (including training and job opportunities) based on individual aptitudes and desires.
25. “Type B School Subproject” means a plan prepared by an Eligible School with the objective to improve its education quality (objectives, activities and corresponding performance indicators) including, *inter-alia*, competency-based curricula, pedagogical practices, effective use of test results to manage quality, learning environments, and education for peaceful coexistence.
26. “Type C School Subproject” means a plan prepared by an Eligible School with the objective to implement demonstrative experiences which are part of the Borrower’s technical upper secondary reform initiatives.