

September 30, 2010

CONFORMED COPY

H.E. Juan Carlos Echeverry
Minister of Finance and Public Credit
Ministerio de Hacienda y Credito Publico
Carrera 8 No. 6-64
Edificio San Augustin
Bogota, DC
Colombia

Dear Excellency,

Cross-Debarment by International Financial Institutions:

Amendment to the Loan Agreement for National Disaster Vulnerability Reduction Project

(Loan No.7293)

1. We refer to the loan agreement for the above-referenced project (the "Loan Agreement") between the International Bank for Reconstruction and Development (IBRD) and Republic of Colombia (the "Borrower"). We also refer to our letter dated May 27, 2010 (attached) informing you of the approval by the Boards of the World Bank Group (referred to here as the "Board") for the Bank to enforce debarment decisions made by International Financial Institutions with which the World Bank Group has signed an Agreement for the Mutual Enforcement of Debarment Decisions.

2. As endorsed by the Board, the Bank proposes to amend existing legal agreements with all recipients of Bank financings to make applicable this cross-debarment regime to:

(i) all new contracts for which the notification of award is issued and/or the contract signed after the effective date of the respective amendment letter; and

(ii) all existing contracts whose scope, price or other terms are subject to material modification after the effective date of the respective amendment letter.

3. In this respect the Bank proposes to amend the Loan Agreement as set out below.

4. For purposes of this Amendment Letter the following terms have the following meanings:

(a) "Amendment Letter" refers to this letter;

(b) "Agreement for the Mutual Enforcement of Debarment Decisions" means the agreement dated April 9, 2010 entered into among African Development Bank

Group, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank Group and the World Bank Group, as such agreement may be amended from time to time;

- (c) “Bank” means IBRD with respect to an IBRD Loan, IDA with respect to an IDA Credit or IDA Grant, or both IBRD and IDA as the context requires;
- (d) “General Conditions” means the General Conditions applicable to the Loan Agreement as such term is defined in the Loan Agreement;
- (e) “International Financial Institution” or “IFI” means the African Development Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank Group and any other institution that joins the Agreement for the Mutual Enforcement of Debarment Decisions in accordance with its terms;
- (f) “Project” means the project defined as such in the Loan Agreement; and
- (g) “World Bank Group” is comprised of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guarantee Agency and the International Centre for the Settlement of Investment Disputes.

5. Through this Amendment Letter, the following Annex is added at the end of the Loan Agreement:

“Annex

Section 1. (a) A firm or an individual that has been found by an IFI to have engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of financing provided by such IFI, may be declared ineligible by the Bank on the terms set by the IFI to:

- (i) be awarded a Bank-financed contract;
- (ii) be a nominated sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract;
- (iii) benefit from a Bank-financed contract, financially or otherwise; and
- (iv) otherwise participate in the preparation or implementation of the Project or any other project financed, in whole or in part, by the Bank.

(b) The provisions set out in Section 1(a) to this Annex apply to: (i) all new contracts for which the notification of award is issued and/or the contract signed after the effective date of the Amendment Letter; and (ii) all existing contracts whose scope, price or other terms are subject to material modification after the effective date of the Amendment Letter.”

6. All terms of the Loan Agreement not hereby amended shall remain in full force and effect.

7. Please confirm your agreement to the amendments proposed above by signing and dating the form of confirmation on the enclosed two copies of this Amendment Letter and returning one copy to us. Upon countersignature, this Amendment Letter shall take effect as of June 25, 2010.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By /s/ Gloria M. Grandolini
Country Director, Colombia

CONFIRMED and AGREED
on behalf of
REPUBLIC OF COLOMBIA

By /s/ Juan Carlos Echeverry

Title: Minister of Finance and Public Credit

Date: October 12, 2010

CONFIRMED and AGREED
on behalf of
REPUBLIC OF COLOMBIA

By /s/ Hernando Jose Gomez

Title: Director of National Planning Department

Date: December 10, 2010

CONFIRMED and AGREED
on behalf of
REPUBLIC OF COLOMBIA

By /s/ Beatriz Elena Uribe Botero

Title: Minister of the Environment, Housing and Territorial Development

Date: October 22, 2010

CONFIRMED and AGREED
on behalf of
REPUBLIC OF COLOMBIA

By /s/ Germán Vargas Lleras

Title: Minister of the Interior and Justice

Date: January 20, 2011

