Loan Agreement

(Support to the National Urban Transit Program Project)

between

REPUBLIC OF COLOMBIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated June 28, 2013
LOAN AGREEMENT

Agreement dated June 28, 2013, between REPUBLIC OF COLOMBIA ("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 two hundred ninety two million Dollars ($292,000,000) 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 the financing of Part A, the partial financing of the Borrower's Contribution for Part B (integrated mass transit system-sistema integrado de transporte masivo) and Part C (strategic public transit system-sistema estratégico de transporte público) of 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 sixty (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 the Reference Rate 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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 (e) 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, or from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; 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 objective of the Project. To this end, the Borrower shall, through MOT: (a) carry out Part A of the Project; and (b) cause the Implementing Entities to carry out Part B and Part C of the Project with the assistance of the Participating Cities; all in accordance with the provisions of Article V of the General Conditions and pursuant to the Subsidiary Agreements.

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 or any of their provisions shall have been amended, suspended, waived or nor enforced so as to affect materially and adversely, in the opinion of the Bank and/or of the
Borrower, the ability of the Borrower, through MHCP or MOT, the corresponding Participating City or the corresponding Implementing Entity to perform any of their respective obligations under this Agreement and/or under the corresponding Subsidiary Agreements;

(b) An extraordinary situation shall have arisen which shall make it improbable that the Borrower, through MHCP or MOT, the corresponding Participating City and/or the corresponding Implementing Entity shall be able to carry out any of their respective obligations under any of the Subsidiary Agreements;

(c) Any of the Participating Cities and/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; and

(d) The NUTP Legislation has been amended, suspended, abrogated, repealed, waived or not enforced so as to affect materially and adversely, in the opinion of the Bank, the ability of the Borrower, through MHCP or MOT, the Participating Cities and/or the Implementing Entities to perform any of their corresponding obligations under this Agreement and/or under any of the Subsidiary Agreements, as the case may be.

ARTICLE V — EFFECTIVENESS; TERMINATION

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

(a) Each of the updated Subsidiary Agreements for the Large Participating Cities has been executed by the parties thereto, as set forth in Section I.B.1 of Schedule 2 to this Agreement;

(b) The Operational Manual has been updated by the Borrower, through MOT, as set forth in Section I.A.2 of Schedule 2 to this Agreement; and

(c) The additional financial management staff referred to in Section I.A.3.1 (a) of Schedule 2 to this Agreement has been hired in a manner satisfactory to the Bank.

5.02. The Additional Legal Matter consists of the following, that the updated Subsidiary Agreements referred to in Section 5.01 (a) of this Agreement have been duly authorized or ratified by the Borrower, through MHCP and MOT, the Participating Cities and the Implementing Entities, and are legally binding upon the Borrower, the Participating Cities 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 and the corresponding 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 Agreement, but in no case later than October 21, 2013.

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 8, N° 6 C-38, Piso 3
Bogotá, D.C.
Colombia

Facsimile: (571) 350-9344

Correspondence to be copied to:

Ministry of Transport
Avenida el Dorado C.A.N. Transversal 45 No. 47-14
Bogotá, D.C.
Colombia

Facsimile: 571 324-0800 Ext. 1139

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 248423(MCI) or 1-202-477-6391
Washington, D.C. 64145(MCI)
AGREED at ___Bogota, Colombia___, as of the day and year first above written.

REPUBLIC OF COLOMBIA

By

[Signature]

Authorized Representative

By

[Signature]

Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

[Signature]

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to enhance the efficiency, affordability, quality, safety and environmental sustainability of the provision of public transit services in the Participating Cities.

The Project consists of the following three parts.

Part A: Implementing Capacity Building

Strengthening of institutional capacity, at the national level, through the provision of technical assistance in support of the Borrower’s formulation of national urban transport programs and strategies pursuant to the NUTP, through, *inter alia*:

1. Strengthening of the technical, functional and operational capacity of the MOT to:
   
   (a) monitor and support the integrated mass transit systems and the strategic transit systems in the following areas: (i) administration, financial management and accounting; (ii) resettlements and social management; (iii) environmental management; (iv) procurement and civil works monitoring; and (v) monitoring and evaluation;

   (b) promote and strengthen its institutional mandate to: (i) formulate, evaluate and monitor transport policies and land use; (ii) manage service demand, climate change mitigation measures, and environmental quality; (iii) coordinate and articulate the Borrower’s entities and local governments in relation to urban mobility; and (vi) support and promote the private sector’s development through the provision of technical assistance; and

   (c) streamline current procedures to: (i) provide technical advice, data management and support to the Implementing Entities through the provision of equipment and specialized software; (ii) implement a monitoring and evaluation systems of urban transport systems associated to the NUPT; and (iii) implement financial information systems to track funds provided by the Borrower for the implementation of the NUPT.

2. Strengthening of the Implementing Entities, through:

   (a) the carrying out of training programs targeted at local authorities, Implementing Entities and other local stakeholders involved in the
design, implementation, operation, maintenance, and fare collection of transit systems;

(b) the implementation of training programs, aimed at providing opportunities to local staff in Implementing Entities to attain advance degrees and advance to leadership position within their respective Implementing Entities; and

(c) the design and implementation of training programs including, *inter alia*, the following strategic areas: construction and operation of urban mobility subprojects, pavements, transit-demand management, transit-oriented urban development, road safety, social management and land acquisition, and environmental management.

3. Provision of technical support to:

(a) design comprehensive urban mobility plans, including the review, evaluation and monitoring of said plans;

(b) define the logistics necessary to implementing the operation of multimodal transfer hubs, including, the integration of private and public vehicles;

(c) design operational and financial plans for integrated mass transit systems;

(d) create and implement marketing strategies for mass transit systems aimed at fostering ownership among citizens and potentially increase ridership levels;

(e) respond effectively to public and private stakeholders involved in the provision of public transport services, including, *inter alia*, (i) supporting their institutional strengthening; (ii) promoting formalization processes within the sector; and (iii) capturing and optimizing private sector capital investments aimed at strengthening urban mobility systems;

(f) identify legal aspects related to mobility issues at the national level to: (i) protect the Borrower’s public interest; and (ii) strengthen public-private contractual relationships;

(g) strengthen and streamline: (i) the current conflict resolution mechanisms; and (ii) the technical and operative capacity for the implementation and stabilization of transport systems; and
(h) the revision and analysis of mobility-related regulatory and legal frameworks for purposes of maintaining up-to-date information of the Borrower’s urban transport policy for its cities.

**Part B: Integrated Mass Transit System**

1. Expansion of the physical scope and geographical and social coverage of the NUTP in the Large Participating Cities, through the carrying out of, *inter alia*, any of the following selected activities:

   (a) the revision of detailed engineering designs;

   (b) the construction of bus rapid transport segregated busways;

   (c) the construction of bus stops, terminals and transfer centers;

   (d) the construction of mixed-traffic lanes adjacent to busways corridors;

   (e) the construction of sidewalks and bicycle paths;

   (f) the rehabilitation of feeder routes;

   (g) the construction of pedestrian ways along busways corridors, including pedestrian bridges;

   (h) the construction or adaptation of complementary transport corridors to the segregated busways;

   (i) the carrying out of required adaptation and/or relocation of public service networks adjacent to the construction areas;

   (j) the construction of bus workshops and parking;

   (k) the review and upgrading of technical designs; and

   (l) the carrying out of supervision (*interventorias*) of construction works referred to in this paragraph B.1, all under terms of reference acceptable to the Bank.

2. (a) Provision of financing for the acquisition of land required for the carrying out of Part B.1 of the Project.

   (b) Provision of financing for the resettlement of, and the provision of compensation to, Affected Persons pursuant to the provisions of the
corresponding RAP, in connection with the carrying out of Part B.1 of the Project.

3. Design and implementation of EMPs for the carrying out of Part B.1 of the Project.

**Part C: Strategic Public Transit System**

1. Expansion of the physical scope and geographical and social coverage of the NUTP in the Medium Participating Cities through the carrying out of, *inter alia*, any of the following selected activities:

   (a) the development of detailed Project engineering designs of integrated transport systems, all under terms of reference satisfactory to the Bank;

   (b) the construction and rehabilitation of road networks;

   (c) the construction and rehabilitation of sidewalks, public space, pedestrian ways along bus corridors and bicycle paths;

   (d) the construction of pedestrian bridges;

   (e) the construction of bus stops, terminals and transfer centers;

   (f) the construction of bus workshops and parking places;

   (g) the acquisition of control centers for strategic public transport systems, including fleet control, traffic lights and traffic signaling;

   (h) the rehabilitation and renewal of historic centers;

   (i) the provision of equipment and training to the Implementing Entities;

   (j) the hiring of specialized technical staff for the Implementing Entities for the implementation of the Project;

   (k) the financing of Operating Costs;

   (l) the hiring of Project auditors;

   (m) the design and construction of centers of public citizen services;

   (n) the design and implementation of broad communication strategies; and
(o) the supervision (*interventorías*) of all the activities specified in paragraphs (a) through (n) of Part C.1 of the Project, all under terms of reference satisfactory to the Bank.

2. (a) Provision of financing for the acquisition of land required for the carrying out of Part C.1 of the Project.

   (b) Provision of financing for the resettlement of, and the provision of compensation to, Affected Persons pursuant to the provisions of the corresponding RAP, in connection with the carrying out of Part C.1 of the Project.

3. Design and implementation of EMPs for the carrying out of Part C.1 of the Project.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. General Implementation Framework

1. Institutional Arrangements

(a) Without limitation to the provisions of Section 3.01 of this Agreement, the Borrower, through MOT, shall cause the Implementing Entities (with the assistance of the Participating Cities) to carry out their respective Parts of the Project, all with due diligence and efficiency pursuant to the Subsidiary Agreements and in conformity with administrative, engineering, environmental, financial, managerial, social, technical, and urban practices satisfactory to the Bank.

(b) The Borrower, through MOT shall:

(i) operate and maintain (under the purview of MOT's Deputy Minister of Transport), at all times during Project implementation, a “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 and follow-up 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, at least, an environmental specialist, a resettlement specialist, a procurement specialist, a financial management specialist, and other professional and administrative staff, all hired with functions and responsibilities and with qualifications and experience acceptable to the Bank; and

(iii) ensure that each of the Implementing Entities is staffed with a core team with functions, responsibilities, qualifications and experience acceptable to the Bank, all throughout Project implementation, in the following areas: environment, resettlement, procurement, and financial management, and ensure that said core team is supported by any other professional and administrative staff, as appropriate.
2. **Operational Manual**

(a) The Borrower, through MOT, shall maintain, until the completion of the Project, an Operational Manual, approved by the Bank. The Borrower shall, and shall cause the Participating Cities and the Implementing Entities to, carry out the Project in accordance with the Operational Manual. Said Operational Manual shall include, *inter alia*:

(i) detailed arrangements for the overall carrying out of the Project activities;

(ii) an institutional implementation plan for MOT, the Participating Cities 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 criteria for the selection of Participating Cities and Implementing Entities;

(iv) the technical requirements for the sustainability of the Project (in particular, with respect to the Medium Participating Cities);

(v) the Procurement Guidelines and the Consultant Guidelines to be followed by the Borrower, through MOT, the Participating Cities and the Implementing Entities in accordance with the provisions of Section III of Schedule 2 to this Agreement;

(vi) the financial management arrangements to be followed during Project implementation by the Borrower, through MOT, the Participating Cities and the Implementing Entities;

(vii) the guidelines and procedures for a grievance mechanism to handle procurement complaints by the Implementing Entities;

(viii) the RPF and the EMF pursuant to the provisions of Section I.D of Schedule 2 to this Agreement;

(ix) the procedures for the use of Loan proceeds for the implementation of Part B and Part C of the Project;

(x) the Project monitoring indicators; and
the conditions and institutional responsibilities for the provision of Loan proceeds to the Fiduciary Agents and the carrying out of land acquisition and compensation procedures for the purposes of the activities detailed in Schedule 1 to this Agreement.

(b) Except as the Borrower and the Bank may otherwise agree in writing, the Borrower 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. Special Financial Management Arrangements

1. The Borrower, through MOT, shall:

(a) hire and thereafter maintain throughout the implementation of the Project additional financial management staff in numbers and with experience and qualifications acceptable to the Bank, which shall contribute to strength the compliance for, *inter alia*, coordinating and following up the quality control functions of the PCU in connection with: (i) the reimbursement of Loan proceeds received by the corresponding Fiduciary Agents; and (ii) the payments made by such Fiduciary Agents to the corresponding Implementing Entity; and

(b) cause each of the Implementing Entities to be staffed, throughout Project Implementation, with financial management staff with functions, responsibilities, qualifications and experience acceptable to the Bank; which shall be responsible for, *inter alia*, supervising and following up the quality control functions of the corresponding Implementing Entity in connection with the reimbursement of Loan proceeds received by the corresponding Fiduciary Agent.

B. Subsidiary Agreements

1. To facilitate the carrying out of Part B and Part C of the Project, the Borrower, through MHCP, MOT and DNP, shall maintain through Project implementation, a Subsidiary Agreement, satisfactory to the Bank, with each of the Participating Cities and the relevant Implementing Entity, which shall include *inter alia*, the following:

(a) the obligation of the Borrower, through MHCP, to:

(i) upon request submitted by MOT, transfer to the respective Implementing Entity the portion of Loan proceeds to cover the
Borrower's Contribution required to carry out its respective activities under Part B or Part C of the Project, through a Fiduciary Agent, satisfactory to the Bank, pursuant to the pertinent Fiduciary Trust Arrangement, satisfactory to the Bank, and in accordance with the provisions of this Agreement, the corresponding Subsidiary Agreement, and the Operational Manual; and

(ii) suspend disbursements of Loan proceeds, or cancel Loan amounts to be disbursed in the event that any Participating City and/or any Implementing Entity fails to comply with any of their respective obligations under the respective Subsidiary Agreement, including compliance with the respective provisions of this Agreement and/or the respective provisions of the Operational Manual;

(b) the obligation of the Implementing Entities (with the assistance of the Participating Cities) to:

(i) carry out their respective activities under Part B or Part C of the Project in accordance with the pertinent provisions of this Agreement;

(ii) provide, promptly as needed, the funds, facilities, services and other resources required for the carrying out of the activities described in Schedule 1 to this Agreement, all of this under the terms and conditions set forth in the provisions of this Schedule;

(iii) use the Loan proceeds 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);

(iv) enable the Borrower to review Project accounts and other documentation, as the Borrower shall reasonably request, in respect of the Project;

(v) procure the goods, services, Non-consulting 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 incorporation of the relevant provisions of the Anti-Corruption Guidelines; and

-14-
(vi) carry out Part B and Part C of the Project in accordance with technical, financial, environmental standard practices detailed in the Operational Manual, and the relevant EMP and RAP.

2. (a) The Borrower, through MHCP and MOT, shall exercise its rights and carry out its obligations 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.

(b) Except as the Bank and the Borrower shall otherwise agree, the Borrower shall not assign, amend, terminate, waive or fail to enforce so as to materially and adversely affect any of the Subsidiary Agreements or any of their respective provisions.

(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

1. The Borrower shall carry out the Project, and shall, through MOT, cause the Participating Cities 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 and Part C of the Project, the Borrower, through MOT, shall, and shall cause the Participating Cities and Implementing Entities (with the participation of the corresponding Social Management Teams) to, carry out all necessary actions to:

(a) reduce, to the extent possible, the amount of Affected Persons as a result of implementing Part B and/or Part C of the Project;

(b) implement any of the activities under Part B and/or Part C of the Project in accordance with the Resettlement Policy Framework which sets forth the principles and procedures governing, inter alia: (i) the resettlement and compensation of Affected Persons under Part B and/or Part C of the Project at Full Replacement Cost; (ii) land acquisition at of Full Replacement Cost; and (iii) the institutional, administrative, reporting and monitoring, and communication and consultation arrangements, the legal framework and grievance procedures applicable to said Affected Persons; and
(c) maintain and implement, in a manner acceptable to the Bank, an EMF which sets forth, *inter alia:* (i) environmental management principles and procedures, communication and consultation procedures and complaint and grievance mechanisms; (ii) specific environmental, social mitigation measures, and (iii) criteria for the development and supervision of the EMPs for any works financed under the Project.

2. Prior to initiating the construction of any works under Part B.1 and/or Part C.1 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 RAP, 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 and/or Part C 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 and the Implementing Entities have developed and thereafter implemented for the purposes of each activity under Part B and/or Part C of the Project an EMP in accordance with the provisions of the EMF referred to in Section I.D.1.(c) of this Schedule; which 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 and/or Part C of the Project.

3. 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.

4. When any activity under Part A.1, Part B.3, Part C.1.(a) and Part C.3 of the Project may have implications on specific sites or when the recommendations resulting from said activities could affect environmentally or socially sensitive areas, the Borrower, through MOT, shall ensure, and shall cause the
Participating Cities and the Implementing Entities to ensure, that the terms of reference for any consultancies related to studies, technical assistance or capacity building under Part A.1, Part B.3, Part C.1.(a) and Part C.3 of the Project shall be satisfactory to the Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the Bank's Safeguard Policies then in force, as applied to the advice conveyed through such technical assistance and capacity building activities.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. (a) The Borrower, through MOT, shall, and shall cause the Participating Cities and Implementing Entities to: (i) follow up and appraise 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 Operational Manual. 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 and the Implementing Entities, to: (i) review with the Bank by not later than May 15 and November 15 of each year of Project implementation, starting on November 15, 2013, until the completion of the Project, the reports referred to in subparagraph (a) of paragraph I 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 and Part C of the Project, including compliance with the corresponding RAPs and EMPs; (C) assess progress in the implementation of corrective action plans, if any; and (D) identify any current Project 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 objective thereof, based on the conclusions and recommendations of the said reviews and the Bank views on the matter (if any).
B. Financial Management, Financial Reports and Audits

1. The Borrower, through MOT, shall maintain a financial management system and prepare Financial Statements in accordance with terms and conditions acceptable to the Bank and the provisions of Section 5.09 of the General Conditions.

2. The Borrower, through MOT, shall cause each of the Implementing Entities to maintain a financial management system and to prepare financial statements in accordance with consistently standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial conditions of the Implementing Entity, including the operations, resources and expenditures related to its respective part of the Project.

3. Without limitation on the provisions of Part A of this Section, the Borrower, through MOT, shall, and shall cause the Implementing Entities to, prepare and furnish to the Bank, through MOT, no 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.

4. (a) The Borrower, through MOT, shall have the Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions.

(b) Each audit of the Project Financial Statements shall: (i) cover the period of a one (1) fiscal year of the Borrower, commencing with the fiscal year in which the Effective Date occurs; (ii) include a special opinion, prepared under terms of reference satisfactory to the Bank, indicating that the Loan amounts disbursed under the Project correspond to Eligible Expenditures and the same have been fully documented through supporting documentation, in a manner satisfactory to the Bank. The Project audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

(c) The audit of the Project Financial Statements covering 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 the Project 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, Works and Non-consulting Services. All goods, works and Non-
consulting 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 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, Works and Non-consulting
Services

1.  International Competitive Bidding. Except as otherwise provided in paragraph
2 below, goods, works and Non-consulting Services shall be procured under
contracts awarded on the basis of International Competitive Bidding procedures.

2.  Domestic Preference. The provisions of paragraph 2.55 and 2.56 of the
Procurement Guidelines and Appendix 2 hereto, providing for domestic
preference in the evaluation of bids, shall apply to goods manufactured in the
territory of the Borrower.

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

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding (subject to the additional procedures set forth</td>
</tr>
</tbody>
</table>
  in sub-paragraphs (a) (i) through (v) of this paragraph) |
| (b) Shopping                                           |
(c) Direct Contracting (with prior no objection from the Bank)

(a) National Competitive Bidding

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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.

(v) The provisions of paragraph 2.47 of the Procurement 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.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-based Selection</td>
</tr>
<tr>
<td>(b) Selection of Individual Consultants</td>
</tr>
<tr>
<td>(c) Consultants' Qualifications Selection</td>
</tr>
<tr>
<td>(d) Least Cost Selection</td>
</tr>
<tr>
<td>(e) Fixed Budget Selection</td>
</tr>
<tr>
<td>(f) Single Source Selection (with prior no objection from the Bank)</td>
</tr>
</tbody>
</table>
D. Review by the Bank of Procurement Decisions

1. 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.

E. Procurement Plan Execution System

1. Without limitation to its reporting obligations under this Agreement, the Borrower, through MOT shall, and shall cause the Implementing Entities to: (i) supply the SEPA with the information contained in the initial Procurement Plan within forty-five (45) days after the Project has been approved by the Bank; and (ii) update the Procurement Plan at least once a year, or as required by the Bank, to reflect the actual Project implementation needs and progress and shall supply the SEPA with the information contained in the updated Procurement Plan immediately thereafter.

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.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan allocated (expressed in Dollars)</th>
<th>Percentage of Expenditures to be financed (including of taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Consultants’ Services, Non-consulting Services and Operating Costs under Part A of the Project</td>
<td>15,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>Category</td>
<td>Amount of the Loan allocated (expressed in Dollars)</td>
<td>Percentage of Expenditures to be financed (including of taxes)</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>-----------------------------------------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>(2) Goods, Works, Consultants' Services, Non-consulting Services, Land Acquisition and Compensation and Operating Costs under Part B of the Project for the Participating City of Bucaramanga</td>
<td>26,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, Works, Consultants' Services, Non-consulting Services, Land Acquisition and Compensation and Operating Costs under Part B of the Project for the Participating City of Medellín</td>
<td>103,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Goods, Works, Consultants' Services, Non-consulting Services, Land Acquisition and Compensation and Operating Costs under Part C of the Project for the Participating City of Sincelejo</td>
<td>52,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Goods, Works, Consultants' Services, Non-consulting Services, Land Acquisition and Compensation and Operating Costs under Part C of the Project for the Participating City of Valledupar</td>
<td>96,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>292,000,000</td>
<td></td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

(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 $70,000,000 equivalent may be made for payments made prior to this date but on or after but in no case more than twelve (12) months prior to the date of this Agreement, for Eligible Expenditures; provided that the Bank has received the contracts on the basis of which said payments were made and has found them to be in compliance with Sections I.C, Section I.D and Section III of this Schedule;

(c) under Category (2) unless the Bank has received documentary evidence confirming that, in manner acceptable to the Bank, a notice from the corresponding Implementing Entity to the corresponding Fiduciary Agent has been delivered informing the Fiduciary Agent of the existence of the Anti-Corruption Guidelines (and accompanying a copy thereof) and notifying said Fiduciary Agent that if it incurs in any of the sanctionable offenses described in the Anti-Corruption Guidelines, the Bank may sanction it in accordance with the Bank’s sanctions regime;

(d) for payments made under Category (3) for Eligible Expenditures unless the Bank has received documentary evidence confirming that, in manner acceptable to the Bank, a notice from the corresponding Implementing Entity to the corresponding Fiduciary Agent has been delivered informing the Fiduciary Agent of the existence of the Anti-Corruption Guidelines (and accompanying a copy thereof) and notifying said Fiduciary Agent that if it incurs in any of the sanctionable offenses described in the Anti-Corruption Guidelines, the Bank may sanction it in accordance with the Bank’s sanctions regime;

(e) for payments made under Category (4) for Eligible Expenditures unless the Participating City of Sincelejo has provided documentary evidence satisfactory to the Bank of compliance with each of the following conditions: (i) the respective Subsidiary Agreement has been updated and signed by all the relevant parties in a manner satisfactory to the Bank; (ii) a notice from the corresponding Implementing Entity to the corresponding Fiduciary Agent has been delivered informing the Fiduciary Agent of the existence of the Anti-Corruption Guidelines (and accompanying a copy thereof) and notifying said Fiduciary Agent that if
it incurs in any of the sanctionable offenses described in the Anti-Corruption Guidelines, the Bank may sanction it in accordance with the Bank’s sanctions regime; (iii) the Implementing Entity: (A) has been duly established according to the Borrower’s commercial enterprise laws; (B) has been staffed with financial management staff with functions, responsibilities, qualifications and experience acceptable to the Bank to manage its financial areas including operational and system processes involved in the implementation of the Project (as a minimum system modules of budget, accounting and treasury) and internal control and supervision functions of the Fiduciary Agent; and (C) has been staffed with a core team with functions, responsibilities, qualifications and experience acceptable to the Bank, all throughout Project implementation, in the following areas: environment, resettlement and procurement and ensure that said core team is supported by any other professional and administrative staff, as appropriate; (iv) the EMP and the RAP, if required, for the Participating City of Sincelejo have been prepared, consulted, disclosed, and approved by the Bank; and (v) the procurement plan for the Participating City of Sincelejo has been submitted to, and approved by, the Bank; and

(f) for payments made under Category (5) for Eligible Expenditures unless the Participating City of Valledupar has provided documentary evidence satisfactory to the Bank of compliance with each of the following conditions: (i) the respective Subsidiary Agreement has been entered into and signed by all the relevant parties in a manner satisfactory to the Bank; (ii) a notice from the corresponding Implementing Entity to the corresponding Fiduciary Agent has been delivered informing the Fiduciary Agent of the existence of the Anti-Corruption Guidelines (and accompanying a copy thereof) and notifying said Fiduciary Agent that if it incurs in any of the sanctionable offenses described in the Anti-Corruption Guidelines, the Bank may sanction it in accordance with the Bank’s sanctions regime; (iii) the Implementing Entity: (A) has been duly established according to the Borrower’s commercial enterprise laws, (B) has been staffed with financial management staff with functions, responsibilities, qualifications and experience acceptable to the Bank to manage its financial areas including operational and system processes involved in the implementation of the Project (as a minimum system modules of budget, accounting and treasury) and internal control and supervision functions of the Fiduciary Agent; and (C) has been staffed with a core team with functions, responsibilities, qualifications and experience acceptable to the Bank, all throughout Project implementation, in the following areas: environment, resettlement and procurement and ensure that said core team is supported by any other professional and administrative staff, as appropriate; (vi) the EMP and the RAP, if required, for the Participating City of Valledupar have been
prepared, consulted, disclosed, and approved by the Bank; and (v) the Procurement Plan for the Participating City of Valledupar has been submitted to, and approved by, the Bank.

2. The Closing Date is November 30, 2016.
SCHEDULE 3

Amortization Schedule

The Borrower shall repay the principal amount of the Loan in full on February 15, 2026.
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 as per the Bank’s policy on Involuntary Resettlement (OP 4.12); and “Affected Person” means any of the Affected Persons.


4. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

5. "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) which details the technical, physical, operational and financial aspects of said city’s infrastructure investments.


7. "Contribution" means the amount transferred by the Borrower, through MHCP, to any of the Implementing Entities, through 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 and Part C of the Project. A Contribution by itself does not qualify as an Eligible Expenditure.
8. "DNP" means Departamento Nacional de Planeación, the Borrower’s Planning Department, and its successor or successors thereto, acceptable to the Bank.

9. "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 Implementing Entities in connection with the Borrower’s Contributions made (through MHCP) to the Implementing Entities for Part B and Part C of the Project, if such expenditures correspond to (a) contracts for goods, works, consultants’ services and Non-consulting Services procured by the Implementing Entity pursuant to the provisions of Section III of Schedule 2 to this Agreement, all for the exclusive purposes of their respective Parts of the Project, and documented through statements of expenditures in a manner satisfactory to the Bank; and/or (b) the amounts required to carry out Land Acquisition and Compensation in accordance with the terms and conditions of this Agreement. A Contribution by itself does not qualify as an Eligible Expenditure.


11. “Environmental Management Plan” and the acronym “EMP” mean Plan de Manejo Ambiental, the plan of action, acceptable to the Bank, related to the carrying out of any of the activities under Part B and/or Part C of the Project adopted by the respective Participating City, and to be implemented by the respective Implementing Entity referred to in Section I.D.2. (b) of Schedule 2 to this Agreement.

12. “Fiduciary Agent” means any of the financial institutions operating as trustees (agentes financieros) under a Fiduciary Trust Arrangement; collectively referred to as “Fiduciary Agents”.

13. “Fiduciary Trust Arrangement” means Encargo Fiduciario, the fiduciary trust arrangement established by any of the Implementing Entities (as hereinafter defined) with the previous approval of the Borrower, through MOT, and the respective Participating City for the purposes of receiving Loan proceeds from the Borrower, through the MHCP, for the carrying out of the pertinent activities under Part B and Part C of the Project, referred to in Section I.B.1.(a)(i) of Schedule 2 to this Agreement.

14. “Full Replacement Cost” means the methodology to be used by the Borrower or an Implementing Entity for the valuation of lost assets by Affected Persons (when such loss is attributable directly to the execution of Part B and/or Part C of the Project) and for which the compensation shall be provided in an amount
sufficient to replace such assets, all in accordance with the terms of the RAPs and in compliance with the Bank’s policy on Involuntary Resettlement (OP 4.12).


16. “Implementing Entity” means an Ente Gestor, a corporate transportation entity established or to be established in 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 agency for the implementation of the activities of Part B or Part C of the Project, including the following entities: (a) Metrolinea (Bucaramanga); (b) Metroplus S.A. (Medellin); (c) Metrosabanas S.A.S. (Sincelejo); and (d) SIVA S.A.S. (Valledupar) or any other successor or successors thereto acceptable to the Bank; collectively referred to as “Implementing Entities”.

17. “Land Acquisition and Compensation” means any payment made by the Borrower to the corresponding Implementing Entity for: (i) land acquisition under Part B.2. (a) and Part C.2 (a) of the Project; and (ii) compensation to Affected Persons under Part B.2 (b) and Part C.2 (b) of the Project.

18. “Large Participating Cities” means the Borrower’s cities of Bucaramanga and Medellín or any other successor or successors thereto acceptable to the Bank; and “Large Participating City” means any of the “Large Participating Cities.”

19. “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.

20. “Medium Participating Cities” means the Borrower’s cities of Sincelejo and Valledupar or any successor or successors thereto acceptable to the Bank; and “Medium Participating City” means any of the “Medium Participating Cities”.

21. “MHCP” means Ministerio de Hacienda y Crédito Público, the Borrower’s Ministry of Finance and Public Credit, or any successor or successors thereto, acceptable to the Bank.

22. “MOT” means Ministerio de Transporte, the Borrower’s Ministry of Transport or any successor or successors thereto acceptable to the Bank.

23. “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 budgetary transfers (vigencias futuras) established pursuant to the provisions of CONPES No. 3167 dated May 23, 2002, CONPES No. 3260 dated December 15, 2003 and CONPES No. 3368 dated March 27, 2006, as the same have been amended to the date of this Agreement.

24. “Non-consulting Services” means the expenditures incurred by the Borrower, through MOT, and/or the Implementing Entities to finance the provision of services under the Project, for which the physical aspects of activity predominate and will be bid and contracted on the basis of performance of measurable physical outputs, including but not limited to, the fees of the Fiduciary Agents.

25. “NUTP 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 No 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 annual budgetary transfers (vigencias futuras).

26. “Operating Costs” means the incremental expenses incurred on account of the implementation of the Project, including, inter alia, the cost of training events, hiring Fiduciary Agents, office equipment and supplies, vehicle operation and maintenance, communication and insurance, office administration, travels, per diem and supervision of the Project.

27. “Operational Manual” means the manual acceptable to the Bank, referred to in Section I.A.2 of Schedule 2 to this Agreement.

28. “Participating City” means any of the Borrower’s municipal governments established and operating in any of the Large Participating Cities or Medium Participating Cities selected according to eligibility criteria set forth in the Operational Manual to participate in the Project; collectively referred to as “Participating Cities”.

29. “PCU” means the Borrower’s Project Coordination Unit referred in Section I.A.1 (b)(i) of Schedule 2 to this Agreement, as set forth in the Operational Manual, or any successor or successors thereto satisfactory to the Bank.


31. “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 30, 2011 as amended from time to time, acceptable to the Bank.

32. "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.1 and/or Part C.1 of the Project.

33. "Resettlement Policy Framework" and the acronym "RPF" mean Marco de Política de Reasentamiento, the Borrower's policy framework for the carrying out of Part B and/or Part C of the Project dated February 23, 2004, updated on November 30, 2011, acceptable to the Bank, and published on February 10, 2011, acceptable to the Bank, referred to in Section I.D.1 (b) of Schedule 2 to this Agreement.

34. "SEPA" means Sistema de Ejecución de Planes de Adquisiciones, the Bank web-based regional procurement management system developed to create and approve procurement plans online and to promote transparency, accountability and compliance with Bank policies in Bank funded projects.

35. "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 and/or Part C of the Project that may trigger any safeguards provisions under Section I.D of Schedule 2 to this Agreement (collectively referred to as "Social Management Teams").

36. "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 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; collectively referred to as "Subsidiary Agreements"; and this term also includes those Subsidiary Agreements updated pursuant to Section 5.01 (a) of this Agreement.