H.E. Mauricio Cárdenas Santamaría  
Minister of Finance and Public Credit  
Ministry of Finance and Public Credit  
Carrera 7a. No. 6-45  
Edificio San Agustín  
Bogota, DC, Republic of Colombia

H. E. Simón Gaviria Muñoz  
General Director  
National Planning Department  
Calle 26 No. 13-19, Edificio Fonade  
Bogota, D.C., Republic of Colombia

Re: Republic of Colombia  
Subnational Institutional Strengthening Project  
Loan No. 8320-CO  
First Amendment to the Loan Agreement

Excellencies:

We refer to the above-referenced Loan Agreement between the Republic of Colombia ("Borrower") and the International Bank for Reconstruction and Development ("Bank") dated December 24, 2013 ("Loan Agreement"). We also refer to the letters from the National Planning Department, dated March 2 and July 29, 2015 requesting a restructuring of the above-mentioned Project.

In view of the above and our recent discussions, the Bank proposes to amend the Loan Agreement to replace FINDETER with FONADE as the government entity in charge of the fiduciary and technical aspects of the Project.

Accordingly, the Loan Agreement is amended as follows:

1. Paragraph 4 of Section I.A of Schedule 2 to the Loan Agreement is hereby deleted in its entirety.

2. Paragraph (i) of Section I.B.1.(e) of Schedule 2 to the Loan Agreement is hereby amended and replaced in its entirety to read as follows:

"to carry out, on behalf of DNP, the procurement under the Project with due diligence and efficiency and in accordance with the provisions set forth in Section III of this Schedule, and with sound technical, economic, financial and managerial practices, as specified in the Project Operational Manual;"
3. The following definitions are added to the Appendix to the Loan Agreement, in alphabetical order, and the rest of the definitions are renumbered accordingly, as follows:

"FONADE" means Fondo Financiero de Proyectos de Desarrollo (Development Projects Financing Fund), an industrial and commercial entity of the Borrower, as established and governed pursuant to the Borrower’s Law-Decree No. 3068, dated December 16, 1968, as modified by the Borrower’s Decrees No. 2168 dated December 30, 1992, and No. 288 dated January 29, 2004, and any successor thereto.

Consequently, all references to “FINDETER” in the Loan Agreement, except the references in section 4.02 and paragraph 17 of the Appendix to the Loan Agreement, are hereby amended mutatis mutandis to read “FONADE”.

"FONADE Subsidiary Agreement” means the agreement to be entered into between DNP and FONADE under terms and conditions acceptable to the Bank, referred to in Section I.B of Schedule 2 to this Agreement.

4. The following definition included in the Appendix to the Loan Agreement is hereby amended and replaced in its entirety to read as follows:

"Subsidiary Agreement” means the agreement dated December 27, 2013, entered into between DNP and FINDETER under terms and conditions acceptable to the Bank, providing for FINDETER’s obligations for the carrying out of the Project

All other terms and conditions of the Loan Agreement remain in full force and effect.

Please confirm your agreement with the foregoing amendment, on behalf of the Borrower, by signing and dating this letter in the spaces provided below. This amendment letter shall be executed in two counterparts each of which shall be an original and one of which shall be returned to us.

The provisions set forth in this amendment letter will become effective upon receipt by the Bank of satisfactory evidence that the following condition has been satisfied: (a) the FONADE Subsidiary Agreement has been executed by the parties thereto and is in full force and effect, and (b) the Subsidiary Agreement has been terminated due to: (i) its expiration, or (ii) mutual agreement of the parties.
Please also note that the Restructuring Paper dated September 22, 2015 a copy of which is enclosed herewith, will be disclosed on the Bank's external website as per the Bank’s policy on Access to Information.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

By

Gerardo Corrochano
Country Director
Colombia and Mexico Country Unit
Latin America and the Caribbean Region

AGREED:

REPUBLIC OF COLOMBIA

By:

Authorized Representative

Title: Ministerio de Hacienda y Crédito Público

Date: 19 OCT 2015

By:

Authorized Representative

Title: Director General

Date: 29 SET 2015

Enclosure