Loan Agreement

(Access and Quality in Higher Education Project)
(Programa de Acceso y Calidad de la Educación Superior – PACES)

between

INSTITUTO COLOMBIANO DE CRÉDITO EDUCATIVO Y ESTUDIOS TÉCNICOS
EN EL EXTERIOR MARIANO OSPINA PÉREZ - ICETEX

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated July 28th, 2017
LOAN AGREEMENT


Whereas the Borrower hereby represents that it has the necessary legal capacity and powers to enter into this Agreement and perform its obligations set forth herein.

The Bank and the Borrower 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 one hundred sixty million Dollars ($160,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement (“Loan”), to assist in financing the project described in Schedule I 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 days after the Effective Date.

2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. 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, however, that the interest payable shall in no event be less than zero percent (0%) per annum; and provided furthermore 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then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.

2.06. The Payment Dates are April 15 and October 15 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with the provisions of Schedule 3 to this Agreement.

2.08. (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; and (ii) a change of the interest rate basis applicable to: (A) 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 (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding 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 or the Reference 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 or the Reference 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: (a) carry out Parts 1.1, 1.2 and 3 of the Project and; (b) cause Part 2 of the Project to be carried out by COLCIENCIAS/Fondo Caldas, in accordance with the provisions of Article V of the General Conditions, the Tripartite Special Cooperation Agreement and the Enabling Legislation.

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 — REMEDIES OF THE BANK

4.01. The Additional Event of Suspension consists of the following, namely, that the Borrower and/or COLCIENCIAS/Fondo Caldas shall have failed to comply with any of their respective obligations under the Tripartite Special Cooperation Agreement (including the Borrower’s obligations referred to in Section I.E.1(b) of Schedule 2 to this Agreement) so
as to affect materially and adversely, in the opinion of the Bank, the ability of COLCIENCIAS/Fondo Caldas to implement Part 2 of the Project.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following:

(a) The Tripartite Special Cooperation Agreement has been duly executed by the parties thereto.

(b) COLCIENCIAS/Fondo Caldas has contracted a financial management specialist and a procurement specialist under terms and conditions and in a manner acceptable to the Bank, and in accordance with the relevant provisions of the Tripartite Special Cooperation Agreement.

5.02. The Additional Legal Matter consists of the following, namely that the Tripartite Special Cooperation Agreement has been duly authorized or ratified by the parties thereto and is legally binding upon each party in accordance with its terms.

5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement, but in no case later than (18) months after the Bank’s approval of the Loan which expire on July 30, 2018.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower’s Representative is the President of ICETEX.

6.02. The Borrower’s Address is:

ICETEX
Carrera 3ra No. 18 - 32
Bogotá, Colombia

Facsimile:
+571-599 6323

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

Telex: Facsimile:
248423(MCI) or 1-202-477-6391
64145(MCI)
AGREED at Bogota, Republic of Colombia, as of the day and year first above written.

INSTITUTO COLOMBIANO DE CRÉDITO EDUCATIVO Y ESTUDIOS TÉCNICOS EN EL EXTERIOR MARIANO OSPINA PÉREZ – ICETEX

By

Authorized Representative

Name: Andrés Eduardo Vásquez Ráez
Title: President

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: Issam A. Abouleiman
Title: Country Manager
SCHEDULE 1

Project Description

The objective of the Project is to improve the quality of tertiary education in participating institutions and to increase the enrollment of students from disadvantaged socioeconomic backgrounds in quality programs.

The Project consists of the following parts:

Part 1 Undergraduate Student Loans and Créditos Condonables for Graduate Education

1. Provision of Student Loans to Selected Undergraduate Students for tertiary education studies in Eligible TEIs.

2. Provision of Créditos Condonables to Selected Graduate Students for postgraduate education in foreign universities.

Part 2 Quality Enhancement of Tertiary Education Institutions and Programs

Provision of: (i) grants to Eligible TEIs to support academic research and innovation initiatives (Competitive Research Grants); and (ii) financial support to COLCIENCIAS in connection with the implementation of Part 2 of the Project.

Part 3 Institutional Strengthening

1. Provision of support to the Borrower for Project management, coordination, implementation, and monitoring including, inter alia, the carrying out of Project audits.

2. Strengthening of the Borrower’s institutional capacity through, inter alia, the provision of goods and the provision of technical assistance and training.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Without limitation upon the provisions of Section 3.01 of this Agreement, the Borrower shall carry out Parts 1.1, 1.2 and 3 of the Project, and shall cause COLCIENCIAS/Fondo Caldas to carry out the Part 2 of the Project, all in accordance with a manual ("Operational Manual"), satisfactory to the Bank, containing specific provisions on detailed arrangements for the carrying out of the Project, including, inter alia:

(i) a detailed description of the institutional and implementation arrangements of the Project;

(ii) the Project administrative, accounting, auditing, reporting, financial, procurement and disbursement procedures;

(iii) the criteria for the identification of the Selected Undergraduate Students and the procedures, terms and conditions and detailed arrangements (including a model TEI Loan Contract) for the provision of Student Loans under Part 1.1 of the Project;

(iv) the criteria and procedures for the identification of the Selected Graduate Students and the procedures, terms and conditions and detailed arrangements for the provision of Créditos Condonables under Part 1.2 of the Project;

(v) the criteria and procedures for the identification of Eligible TEIs under Parts 1.1 and 2 of the Project;

(vi) the procedures, terms and conditions and detailed arrangements (including a model TEI Grant Contract) for the provision of Competitive Research Grants to Eligible TEIs under Part 2(i) of the Project;

(vii) the model of the: (a) Student Loan Agreement; and (b) Crédito Condonable Agreement;

(viii) the staffing requirements, qualifications and functions of the PCT and COLCIENCIAS/Fondo Caldas in connection with the implementation of the Parts of the Project under their respective responsibility;

(ix) the terms and conditions and bidding documents for selecting and designating Fondo Caldas’ trustee and legal representative;

(x) the Anti-Corruption Guidelines; and
2. Except as the Bank shall otherwise agree, the Borrower shall, and shall cause COLCIENCIAS/Fondo Caldas to, not amend or waive any provision of the Operational Manual without the Bank's prior written approval. In the event that any provision of the Operational Manual shall conflict with this Agreement, the terms of this Agreement shall prevail.

3. The Borrower, shall operate and maintain, throughout the implementation of the Project, the PCT with functions, responsibilities, and staff with qualifications and in numbers as provided in the Operational Manual and in a manner satisfactory to the Bank.

4. Without limitation to the provisions of Section I.E.2 of this Schedule, the Borrower shall, prior to any amendment to the Tripartite Special Cooperation Agreement which may result in the substitution of the Trustee: (a) inform the Bank of said event and prepare and furnish to the Bank, an action plan (including a time-table), acceptable to the Bank, indicating the actions taken or to be taken to address said event; and (b) thereafter amend the Tripartite Special Cooperation Agreement, on terms and conditions acceptable to the Bank and in accordance with said action plan.

B. Student Loans

1. Prior to the provision of any Student Loan, the Borrower shall enter into an agreement ("Student Loan Agreement") with the corresponding Selected Undergraduate Student, under terms and conditions acceptable to the Bank, including, inter alia, the obligation of the Selected Undergraduate Student to repay the Student Loan to the Borrower.

2. The Borrower shall exercise its rights and carry out its obligations under each Student Loan Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. The Borrower shall not assign, amend, abrogate, terminate, waive or fail to enforce any Student Loan Agreement or any of its provisions in such manner as not to affect materially and adversely the ability to accomplish the purposes of the Loan.

C. Créditos Condonables

1. Prior to the provision of any Crédito Condonable, the Borrower shall enter into an agreement ("Crédito Condonable Agreement") with the corresponding Selected Graduate Student, under terms and conditions acceptable to the Bank.

2. The Borrower shall exercise its rights and carry out its obligations under each Crédito Condonable Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. The Borrower shall not assign, amend, abrogate, terminate, waive or fail to enforce any Crédito Condonable Agreement or any of its provisions in such manner as not to affect materially and adversely the ability to accomplish the purposes of the Loan.
D. Competitive Research Grants

1. Prior to the provision of any Competitive Research Grant, the Borrower shall cause COLCIENCIAS/Fondo Caldas to enter into an agreement ("Competitive Research Grant Agreement") with the corresponding Eligible TEI, under terms and conditions acceptable to the Bank.

2. The Borrower shall cause Fondo Caldas/CONCIENCIAS to exercise their rights and carry out their obligations under each Competitive Research Grant 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 cause Fondo Caldas/CONCIENCIAS to not assign, amend, abrogate, terminate, waive or fail to enforce any Competitive Research Grant Agreement or any of its provisions.

E. Tripartite Special Cooperation Agreement

1. For purposes of carrying out Part 2 of the Project, the Borrower shall enter into an agreement (the Tripartite Special Cooperation Agreement) with Fondo Caldas (as duly represented by the Trustee) and COLCIENCIAS, under terms and conditions acceptable to the Bank, as established in the Operational Manual, including, *inter alia*:

   a) the respective functions and duties of the Borrower, COLCIENCIAS and Fondo Caldas (as duly represented by the Trustee) in connection with the implementation of Part 2 of the Project and the relevant coordination mechanisms, procedures, terms and conditions for carrying out the activities under their respective responsibilities;

   b) the Borrower’s obligation to: (i) provide, on a grant basis, and in a timely manner as needed, the proceeds of the Loan required for the implementation of the activities under Part 2 of the Project, to the Fondo Caldas; and (ii) take or permit to be taken all actions to enable the COLCIENCIAS/Fondo Caldas, respectively, to comply with the provisions of the Tripartite Special Cooperation Agreement;

   c) the obligation of COLCIENCIAS/Fondo Caldas, to: (i) carry out the activities under Part 2 of the Project in accordance with the pertinent provisions of this Agreement (including the Procurement and Financial Management sections of this Schedule), the Anti-Corruption Guidelines, the IPP and the Operational Manual, as applicable; (ii) enable the Bank to inspect the accounts, records and other documents of COLCIENCIAS/Fondo Caldas relating to said Part of the Project upon the Bank’s request; (iii) upon the Borrower’s or the Bank’s request, have such accounts, records and other documents audited by or on behalf of the Bank, using the terms of reference agreed with the Bank; and (iv) take or permit to be taken all actions to enable the Borrower to comply with the provisions of this Agreement with regard to Part 2 of the Project; and

   d) the obligation of COLCIENCIAS to maintain, throughout the implementation of the Project, staff with qualifications and experience, functions and responsibilities,
and in adequate numbers, as provided in the Operational Manual and in a manner satisfactory to the Bank.

2. The Borrower shall exercise its rights and carry out its obligations under the Tripartite Special 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, terminate, waive or fail to enforce the Tripartite Special Cooperation Agreement, or any of its provisions. In case of any conflict between the provisions of this Agreement and the provisions of either the Tripartite Special Cooperation Agreement, the provisions of this Agreement shall prevail.

F. Anti-Corruption

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

G. Safeguards

1. The Borrower shall carry out the Project in accordance with the IPP.

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 indicators set forth below in the Operational Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than sixty days 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 not later than sixty 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 first withdrawal was made under the Preparation Advance for the Project. 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.
Section III. **Procurement**

All goods, non-consulting services and 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 the Procurement Regulations and the provisions of the Procurement Plan.

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 11 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 USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Student Loans under Part 1.1 of the Project</td>
<td>92,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Créditos Condonables under Part 1.2 of the Project</td>
<td>12,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3)(a) Competitive Research Grants under Part 2(i) of the Project</td>
<td>53,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3)(b) Goods, non-consulting services, consulting services, Operating Costs and Training under Part 2(ii) of the Project</td>
<td>2,600,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td>160,000,000</td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this Section:

(a) the term “Training” means expenditures (other than those for consulting services) incurred in connection with the carrying out of training, seminars, and workshops, including the reasonable travel costs (e.g. accommodations, transportation costs and per diem) of trainees and trainers (if applicable), catering, rental of training
facilities and equipment, training registration fees, as well as training materials and equipment under Part 2(ii) of the Project; and

(b) the term “Operating Costs” means the reasonable incremental operating costs (which would not have been incurred absent the Project) incurred by COLCIENCIAS/Fondo Caldas, related to the technical and administrative management, monitoring and supervision of Part 2 of the Project, including inter alia, remuneration for operational and technical staff, reasonable external auditing costs, non-durable office supplies, reasonable bank charges, travel costs (including accommodations, transportation costs and per diem), printing services, communication costs, utilities, maintenance of office equipment and facilities, vehicle operation and maintenance costs, and logistics services.

B. Withdrawal Conditions; Withdrawal Period

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

   (a) from the Loan Account until the Bank has received payment in full of the Front-end Fee; and

   (b) for payments made under Category 3(b) prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $200,000 may be made for payments made prior to this date but on or after January 1, 2017 (but in no case more than 12 months before the date of this Agreement), for Eligible Expenditures under said Category.

2. The Closing Date is December 1, 2022.
SCHEDULE 3
Amortization Schedule

1. Subject to the provisions of paragraph 2 of this Schedule, the Borrower shall repay each Disbursed Amount in semiannual installments payable on each April 15 and October 15, the first installment to be payable on the thirteenth (13th) Payment Date following the Maturity Fixing Date for the Disbursed Amount and the last installment to be payable on the forty-fifth (45th) Payment Date following the Maturity Fixing Date for the Disbursed Amount. Each installment except for the last one shall be equal to one-thirty-third (1/33rd) of the Disbursed Amount. The last installment shall be equal to the remaining outstanding amount of the Disbursed Amount.

2. If any one or more installments of principal of the Disbursed Amount would, pursuant to the provisions of paragraph 1 of this Schedule, be payable after April 15, 2044, the Borrower shall also pay on such date the aggregate amount of all such installments.

3. The Bank shall notify the Loan Parties of the amortization schedule for each Disbursed Amount promptly after the Maturity Fixing Date for the Disbursed Amount.

4. Notwithstanding the provisions of paragraphs 1 through 3 of this Schedule, in the event of a Currency Conversion of all or any portion of a Disbursed Amount 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.
APPENDIX

Section I. Definitions


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

3. “COLCIENCIAS” means ‘Departamento Administrativo de Ciencia, Tecnología y Innovación’, the Republic of Colombia’s Administrative Department of Science, Technology and Innovation, established pursuant to article 5 of Republic of Colombia’s Law No. 1286 of January 23, 2009, which is the sole trustor of Fondo Caldas, and any subsequent amendment thereof.

4. “Competitive Research Grant” means a grant made out of the proceeds of the Loan by COLCIENCIAS/Fondo Caldas to an Eligible TEI under Part 2(i) of the Project.

5. “Competitive Research Grant Agreement” means any of the agreements referred to in Section I.D.1 of Schedule 2 to this Agreement.

6. “Credito Condonable” means a sub-loan that may be partially forgiven in accordance with the relevant terms and conditions set forth in the Operational Manual, made out of the proceeds of the Loan by the Borrower to a Selected Graduate Student to finance tuition costs, room and board and transportation expenses under Part 1.2 of the Project.

7. “Crédito Condonable Agreement” means any of the agreements referred to in Section I.C.1 of Schedule 2 to this Agreement.

8. “Eligible TEI” means any TEI that meets the eligibility criteria set forth in the Operational Manual to participate in the implementation of Parts 1.1 and 2 of the Project.

9. “Enabling Legislation” means, respectively: (i) article 22 of Republic of Colombia’s Law No. 1286 of January 23, 2009, which, inter alia, established Fondo Caldas and provided that COLCIENCIAS is its only trustor; (ii) article 5 of Republic of Colombia’s Law No. 1286 of January 23, 2009, which, inter alia, established COLCIENCIAS; and (iii) the Agreement between COLCIENCIAS and Fiduciaria La Previsora S.A. dated July 23, 2014, which designated Fiduciaria La Previsora S.A. as the legal representative and trustee of Fondo Caldas.

10. “Fondo Caldas” means ‘Fondo Nacional de Financiamiento Para la Ciencia, la Tecnología y la Innovación’, the National Financing Fund for Science, Technology and Innovation, a legal subject (patrimonio autónomo) established pursuant to article 22 of Republic of Colombia’s Law No. 1286 of January 23, 2009, and any subsequent amendment thereof.
11. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated March 12, 2012, with the modifications set forth in Section II of this Appendix.

12. "Indigenous Peoples" means a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees: (i) a collective attachment to geographically distinct habitats or ancestral territories in the Project area and to the natural resources in these areas; (ii) self-identification and identification by others as members of a distinct indigenous cultural group; (iii) an indigenous language, often different from the national language; and (iv) presence of customary, cultural, social or political institutions that are separate from those of the main society and culture.

13. "Indigenous Peoples Plan" or "IPP" means the indigenous peoples plan for the Project, acceptable to the Bank, and published on the Borrower’s website on November 17, 2016 and on the Bank’s external website on November 17, 2016, which details an action plan to assist Indigenous Peoples, afro-Colombians, roma and victims of violence to overcome barriers to access to tertiary education under the Project, as said plan may be updated from time to time with the prior agreement of the Bank.

14. “Operational Manual” means the Borrower’s manual referred to in Section I.A.1 of Schedule 2 to this Agreement, as said manual may be amended from time to time with the prior agreement of the Bank.

15. “PCT” means the Borrower’s Project Coordination Team responsible for the overall Project coordination and management, and referred to in Section I.A.3 of Schedule 2 to this Agreement.

16. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated December 5, 2016 and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Bank.


18. “Selected Undergraduate Student” means any undergraduate student in the Republic of Colombia’s territory who is eligible to benefit from a Student Loan in accordance with the relevant criteria and procedures set forth in the Operational Manual.

19. “Selected Graduate Student” means any graduate student in the Republic of Colombia’s territory who is eligible to benefit from a Scholarship, in accordance with the relevant criteria and procedures set forth in the Operational Manual.

20. “Student Loan” means a loan or a loan renewal made out of the proceeds of the Loan by the Borrower to a Selected Undergraduate Student under Part 1.1 of the Project.

21. “Student Loan Agreement” means any of the agreements referred to in Section I.B.1 of Schedule 2 to this Agreement.
22. "TEI" means any tertiary education institution on the Republic of Colombia’s territory, as defined in article 16 of Republic of Colombia’s Law No. 30 of December 28, 1992 (as said law has been amended to the date of this Agreement).

23. "Tripartite Special Cooperation Agreement" means the agreement referred to in Section I.E.1 of Schedule 2 to this Agreement.

24. “Trustee” means Fiduciaria La Previsora S.A., Fondo Caldas’ trustee and legal representative, established by public deed dated March 29, 1985 (as subsequently amended) and registered with the Chamber of Commerce of Bogotá under registry No. 00247691, or any legal successor thereof, acceptable to the Bank, or any other entity that may be subsequently designated as Fondo Caldas’ trustee and legal representative and selected through a public competitive process (licitación pública) under terms and conditions and bidding documents acceptable to the Bank, as set forth in the Operational Manual.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the Table of Contents, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.

2. Section 3.01. (Front-end Fee) is modified to read as follows:

“Section 3.01. Front-end Fee; Commitment Charge

(a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the “Front-end Fee”).

(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the “Commitment Charge”). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date.”

3. In the Appendix, Definitions, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.

4. The Appendix is modified by inserting a new paragraph 19 with the following definition of “Commitment Charge”, and renumbering the subsequent paragraphs accordingly:

“19. “Commitment Charge” means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b).”
5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of “Front-end Fee” is modified by replacing the reference to Section 3.01 with Section 3.01 (a).

6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term “Loan Payment” is modified to read as follows:

“68. “Loan Payment” means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”

7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of “Payment Date” is modified by deleting the word “is” and inserting the words “and Commitment Charge are” after the word “interest”.