CONFORMED COPY

December 22, 2010

His Excellency
Juan Carlos Echeverry Garzón
Minister
Ministry of Finance and Public Credit
Carrera 8 # 6 – 64
Bogota, Colombia
Tel: (57 -1) 381 2307

Re: Republic of Colombia: Loan No. 7281-CO (Water and Sanitation Sector Support Project)
Amendment to the Loan Agreement

Excellency:

We refer to the Loan Agreement between the Republic of Colombia (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”) dated June 2, 2005, with respect to the above-captioned Project (“Loan Agreement”). Capitalized terms used in this letter (“Amendment Letter”) and not defined herein have the meaning ascribed to them in the Loan Agreement.

Pursuant to your letters dated December 17, 2008, August 10, 2010 and December 13, 2010, we are pleased to inform you that the Bank hereby agrees to amend the Loan Agreement as follows:

1. The table in Schedule 1 to the Loan Agreement is amended and replaced to read in its entirety as set forth in the attachment to this Amendment Letter.

2. Section 2.03 of the Loan Agreement is amended and replaced to read in its entirety as follows:

   “Section 2.03. The Closing Date shall be March 31, 2011 or such later date as the Bank shall establish. The Bank shall promptly notify the Borrower of such later date.”

3. The last line of Schedule 2 to the Loan Agreement which reads “the Project is expected to be completed by October 31, 2008” is hereby deleted in its entirety.

Please confirm your agreement with the foregoing amendments by signing and dating this Amendment Letter in the spaces provided below. Henceforward, all other provisions of the Financing Agreement, except as amended through this Amendment Letter, shall remain in full force and effect. This Amendment Letter shall be executed in two counterparts each of which shall be an original. Upon confirmation, please return one fully executed original to us.

Public Disclosure Authorized
Please be advised that upon receipt by the Bank of the countersigned original of this Amendment Letter: (a) all modifications appearing in the disbursement table set forth in the attachment to this Amendment Letter shall become effective as of April 21, 2009; and (b) all other amendments provided for in this Amendment Letter and not related to the attached disbursement table shall become effective as of the date of the countersignature of this Amendment Letter.

Please note that it is the Bank’s policy to make publicly available this Amendment Letter and any information related thereto, after this Amendment Letter has become effective and the Borrower has given its consent to such disclosure. The Borrower, by countersigning this Amendment Letter, confirms its consent to such disclosure.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By /s/ Gloria M. Grandolini
Country Director
Country Management Unit
Colombia and Mexico

AGREED:

REPUBLIC OF COLOMBIA

By: Juan Carlos Echeverry Garzón (Authorized Representative) By: Beatrice Uribe Botero (Authorized Representative)
Title: Minister Finance and Public Credit Title: Minister of Environment, Housing and Territorial Development
Date: December 31, 2010 Date: December 27, 2010
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan allocated (Expressed in US$)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Works, Consultants’ Services, Training and Operating Cost under Part A of the Project.</td>
<td>68,220,060.23</td>
<td>100%</td>
</tr>
<tr>
<td>(2) [Intentionally left blank]</td>
<td>[Intentionally left blank]</td>
<td>[Intentionally left blank]</td>
</tr>
<tr>
<td>(3) Goods, Works, Consultants’ Services, Training and Operating Cost under Part B of the Project.</td>
<td>1,779,939.77</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Premia for Interest Rate Caps and Interest Rate Collars</td>
<td>0.00</td>
<td>Amount due under Section 2.09 (c) of the Loan Agreement</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>70,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>