AGREEMENT

BETWEEN

THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

AND

THE INTER-AMERICAN DEVELOPMENT BANK

ON

THE COOPERATION BETWEEN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND THE INTERAMERICAN DEVELOPMENT BANK

IN CONNECTION WITH THE BOGOTA METRO LINE 1 SECTION 1 PROJECT

Dated August 3rd, 2018
WHEREAS:

(A) The Borrower has requested the Cofinanciers to assist in the financing of the Project, and has entered, or plans to enter, into the Financing Agreements with the Cofinanciers to finance eligible expenditures under the Project.

(B) The Borrower has requested that with respect to Project procurement-related activities financed by the Cofinanciers and except as expressly provided in this Agreement: (i) IDB's Procurement Rules be used in connection with such activities, and (ii) IDB takes a leading role in providing procurement-related implementation support and monitoring.

(C) The Cofinanciers agree with the Borrower's request described in paragraph (B) hereinabove and consider that a coordinated and unified approach to procurement would advance the interest of the Project, the Borrower, and the Cofinanciers.

(D) The Cofinanciers further consider it appropriate and advisable in the interest of the Project, the Borrower, and the Cofinanciers to cooperate in other matters of common interest relating to the Project, as set forth in this Agreement.

(E) The Cofinanciers will reflect, or have reflected, the relevant provisions of this Agreement in the Financing Agreements.

NOW, THEREFORE, the Cofinanciers hereby agree as follows:

ARTICLE 1
Definitions and Acronyms

Unless the subject of the context requires otherwise, the following terms have the following meanings wherever used in this Agreement:

(a) "Borrower" means the Bogotá Metro Company (Empresa Metro de Bogotá).

(b) "Cofinanciers" means jointly the World Bank and the IDB.


(d) "Financing Agreement" means a legal agreement between the Borrower and the World Bank, or between the Borrower and the IDB, with respect to the Project, setting forth the relevant terms and conditions of the financing provided by the World Bank or the IDB to the Project; collectively, the "Financing Agreements."
(e) “Goods, Works, and Services” means the goods, works, and non-consulting and consulting services required for the Project and to be jointly financed by the World Bank and the IDB.

(f) “IDB” means the Inter-American Development Bank.

(g) “IDB’s Procurement Rules” means IDB’s operational procurement policies, rules and procedures, as set forth in “Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank” (GN-2349-9) of March 2011, and “Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank” (GN-2350-9) of March 2011.

(h) “Procurement Plan” means the Borrower’s Procurement Plan incorporated by reference in the Financing Agreements. The Procurement Plan, including its updates, sets out the selection methods to be followed by the Borrower during project implementation in the procurement of Goods, Works, and Services. In addition, the Procurement Plan includes, among other information, the IDB’s review requirements, and any other relevant procurement information.

(i) “Project” means the project described in Schedule II of this Agreement.

(j) “Safeguard Documents” means collectively, the ESIA, ESMP, RPF, Initial RAP, and the RAPs, as these documents are defined in the Financing Agreement.

(k) “Sanctions List” means any list used by the World Bank or IDB and made available to the Borrower to identify those firms and individuals which are ineligible to participate in a procurement process or be awarded a contract financed by the World Bank or the IDB, as the case may be, as the result of the prevailing sanctions procedures of the World Bank or the IDB, respectively.

(l) “World Bank” means the International Bank for Reconstruction and Development.

**ARTICLE II**

**Project Financing**

1. The amount of financing that each Cofinancier intends to provide to the Borrower in respect of one or more Project activities is set forth in its respective Financing Agreement, as the same may be amended from time to time (including to increase or decrease the amount of the corresponding financing).

2. The Cofinanciers will finance eligible expenditures in respect of the costs of Works, Goods and Services.
ARTICLE III

1. Unless agreed otherwise by the Cofinanciers, and subject to the undertakings set out in Schedule I and other provisions of this Agreement, all Goods, Works, and Services will be required to be procured by the Borrower in accordance with IDB’s Procurement Rules. Nevertheless, IDB will cause the Borrower to: (a) allow firms and individuals from all countries to offer Goods, Works, and Services; and (b) give full force and effect to the World Bank’s Sanctions List.

2. IDB will take the lead in providing Project implementation support and monitoring with respect to the procurement activities financed by the Cofinanciers. IDB will function as the focal point vis-a-vis the Borrower in all matters relating to such procurement activities, including by: (a) issuing procurement no-objections related to draft bidding documents and any subsequent amendments thereof, proposals for approval of bid and technical evaluation reports and recommendations for contract award, and contract modifications; (b) overseeing responses to bidder communications and complaints, other than allegations or indications covered by Article IV of this Agreement; and (c) taking actions in case of non-compliance by the Borrower under IDB’s Procurement Rules. The World Bank reserves the right to exercise its rights and remedies under its Financing Agreement if the IDB determines that the Borrower has not complied with the IDB’s Procurement Rules.

3. The bidding documents for Goods, Works, and Services cofinanced by the Cofinanciers will follow IDB’s standard bidding documents, or other documents agreed by the IDB consistent with IDB’s Procurement Rules. In addition, the bidding documents will: (i) reflect that the contracts are to be cofinanced on a joint basis; (ii) incorporate and reflect (A) the relevant Safeguard Documents; (B) any environmental and social documents developed during Project implementation, as applicable; and (C) any other relevant environmental, health, safety and social requirements set forth in the Financing Agreements; (iii) provide for the applicability of the Cofinanciers’ Anti-Corruption Rules, and each Cofinancier’s Sanctions List; and (iv) contain a provision permitting each of the Cofinanciers and/or persons appointed by them, and/or entities authorized according to their respective policies and procedures, to (A) inspect and copy all accounts, records, and other documents relating to the procurement process, selection and/or contract execution and (B) inspect or audit the records, accounts and other documents of any bidders (applicants/proposers), consultants, contractors, and suppliers; and their sub-contractors, sub-consultants, agents, personnel, consultants, service providers, relating to the procurement process and/or contract execution. With respect to the World Bank, application and compliance with (iii) and (iv) will be confirmed through inclusion in the bidding documents of the World Bank’s form of letter of acceptance to be submitted by each bidder (applicant/proposer) at the time of bidding and incorporated in any resulting contract(s).

4. The Borrower will prepare the overall Procurement Plan in a format agreed between the Cofinanciers. All modifications and updates to the Procurement Plan will be subject to the no-objection by both Cofinanciers.
5. The Cofinanciers will adopt a harmonized approach on financial management and disbursement by requiring the Borrower, in their respective Financing Agreements, to:

   (a) have a unique set of project financial reporting statements which could include additional format if required by any of the Cofinanciers as part of the complete set of financial reports.

   (b) include the receipt of an audit report on the annual audited financial statements covering all sources of funds (the World Bank, IDB and counterpart funds) and related expenditures, in compliance with the terms of reference of an audit as approved by both Cofinanciers. The audit will be conducted by an auditor and terms of reference acceptable to the Cofinanciers.

6. Each Cofinancier will review the annual audited financial statements and/or periodic interim unaudited reports provided by the Borrower pursuant to each Cofinancier's Financing Agreement, and will share with the other Cofinancier the findings of its review and communication with the Borrower;

7. The Borrower shall comply with the disbursement policies and procedures in accordance with the Financing Agreement of each Co-financier.

ARTICLE IV
Anti-Corruption

1. The Cofinanciers' Anti-Corruption Rules will apply, respectively, to the financing provided for the Project by the Cofinanciers, and they will cooperate to ensure proper application of such rules.

2. Each Cofinancier will, subject to their respective rules on sharing and/or disclosing information, notify the other Cofinancier in a timely manner of information about any known, credible and material allegation or indication of corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the procurement process for and/or execution of contracts jointly financed by the Cofinanciers under the Project. Such notification will be conducted through each Cofinancier's respective investigative unit. Unless otherwise agreed in a particular case, it is expected that IDB, as the Cofinancier taking the lead role in providing Project implementation support and monitoring with respect to procurement activities by the Borrower, will take the lead in inquiring into or investigating such allegations. The World Bank retains the right, in its sole discretion, to itself inquire into or investigate any such allegation or indication.

3. Any allegation of corrupt, fraudulent, collusive or coercive practices against a Cofinancier's staff under this Agreement will be handled by that Cofinancier, in accordance with that Cofinancier's regulations, rules, procedures and administrative instructions. In the event that an allegation of corrupt, fraudulent, collusive or coercive practices concerns staff members of both Cofinanciers, and/or involves such staff members and third parties participating in the Project the Cofinanciers will coordinate their investigative activities and cooperate to the extent permitted by the Cofinanciers' respective regulations, rules, procedures, and administrative instructions as well as their
investigative procedures applicable to third parties.

4. Subject to paragraph 3 of this Article IV, the Cofinanciers agree and acknowledge that nothing in this article shall be deemed to waive or otherwise limit any right or authority of either Cofinancier under its Financing Agreement or otherwise, to sanction or take remedial action against any third party which that Cofinancier has determined, based on its applicable sanctions framework, to have engaged in corrupt, fraudulent, coercive, collusive or obstructive practices. The Cofinanciers may explore how sanctions or other results of investigations taken by one Cofinancier can be supported by the other Cofinancier.

ARTICLE V
Cooperation, Coordination, and Exchange of Information

1. The Cofinanciers will, in a timely manner, share with each other, subject to their respective rules on sharing and/or disclosing information, information related to the Project and its progress. Neither Cofinancier will publicly disclose any information received by it under this Agreement from the other Cofinancier on a confidential basis, without obtaining the prior written consent of the providing Cofinancier. The information so shared between the Cofinanciers may not be: (a) relied upon as a basis to initiate any administrative, civil or criminal action; or (b) attributed to the Cofinancier providing information to the other. Nothing in this Agreement will prevent either Cofinancier from using the information received from the other to independently develop its own evidence for use in support of sanctions or other corrective or remedial actions.

2. Without limiting the provisions in paragraph 1 of this Article V, the Cofinanciers will promptly inform each other of: (a) any substantial breach or case of non-compliance committed by the Borrower under the Financing Agreement with the Cofinancier concerned; (b) findings of any investigations, and remedial actions undertaken or planned to be undertaken by the concerned Cofinancier; (c) proposed material amendments to the Financing Agreement; and (d) planned suspension or termination, in whole or in part, of the right of the Borrower to make withdrawals of proceeds for its financing of the Project, or planned cancellation of any amounts thereof; or declaring its financing to be due and payable prior to the agreed maturity thereof.

3. The IDB will act as the coordinator for all technical matters and environmental and social safeguards applicable to the Project. Prior to issuing any no-objection, the IDB will collaborate and coordinate with the World Bank, and adequately reflect the World Bank's views and comments with respect to technical matters and environmental and social safeguards applicable to the Project, including the documents and requirements referred to in paragraph 3(ii) of Article III of this Agreement.

4. The Cofinanciers will carry out, when appropriate and necessary, joint Project implementation support and monitoring missions.
ARTICLE VI
Safeguard Arrangements

1. Without limitation to the provisions of Article V of this Agreement, the Cofinanciers will cooperate and coordinate their respective arrangements in relation to environmental and social safeguards applicable to the Project, in accordance with the following principles and arrangements:

   a) The Cofinanciers confirm that the Project shall be prepared and carried out pursuant to, and in compliance with, the environmental and social policies, practices, procedures and guidelines of each Cofinancier. To this end, any environmental and/or social documentation to be developed and adopted by the Borrower during Project preparation and implementation (e.g. Safeguard Documents, site-specific environmental and social impact assessments or management plans and site-specific resettlement action plans) will be prepared pursuant to, and in compliance with, the policies, practices, procedures and guidelines of the each Cofinancier.

   b) Each Cofinancier will independently review drafts of environmental and social safeguard documents prepared or updated during Project implementation, with the aim of forming a joint, mutually acceptable position. However, each Cofinancier will be responsible of providing a no-objection to said documentation, and thereafter, supervise and monitor the Project in accordance with its own environmental and social policies, practices, procedures and guidelines.

2. Notwithstanding the aforesaid, handling of environmental and social safeguards aspects of the Project will be done in a collaborative manner, and, in that regard, the Cofinanciers will promptly inform and discuss with each other, and give due consideration to any the other Cofinancier recommendation in relation to, the resolution of any complex or delicate issue related to safeguards for the Project (including, without limitation, where a complaint has been received for the Project).

ARTICLE VII
Cofinanciers’ Rights, Material Changes, Resolution of Differences

1. Notwithstanding any other provision of this Agreement, each Cofinancier reserves the right to enforce its rights and perform its obligations under its Financing Agreement, and nothing in this Agreement precludes or limits the right of the Cofinanciers to exercise their contractual remedies under the terms set out in their respective Financing Agreements.

2. Without limiting the provisions in paragraphs 1 and 2 of Article V of this Agreement, the IDB, as the Cofinancier taking the lead role in exercising Project-related procurement functions set out in this Agreement, will (i) provide the World Bank quarterly reports on the status of procurement implementation of the Project and (ii) inform the World Bank in a timely manner of any complex or delicate procurement issue that may impact on the Cofinanciers’ cooperation under this Agreement. In addition, the IDB, upon the World Bank’s request, in a timely manner, will (i) provide the World Bank electronic copies of all relevant procurement-related documents, reports, recommendations, no-
objections and communications received or sent by the IDB; and (ii) reply to inquiries or requests for clarification from the World Bank with respect to any actions taken or issues arising in connection with any aspect of the procurement process.

3. The Cofinanciers will, to the extent practicable, take steps to ensure that their respective Financing Agreements are consistent, and that obligations imposed by their respective Financing Agreements shall, wherever possible, be uniform and shall not impose overlapping, duplicate or contradictory obligations on the Borrower.

4. The IDB and the World Bank each undertake to inform the other Cofinancier in a timely manner of any change planned to be made, or made, with respect to its procurement rules and/or its Anti-Corruption Rules referred to in Article I(1)(c) above, or change in other policies, rules or procedures relevant to this Agreement, or in its Financing Agreement with the Borrower, that may impact on the Cofinanciers’ cooperation under this Agreement. In the event of such change, or in the event of a complex or delicate procurement issue as described in paragraph 2 of this Article, each Cofinancier will endeavor in good faith to take whatever action it considers appropriate in order to avoid any adverse impact on its ability to cooperate effectively under this Agreement. If the World Bank or the IDB considers that any such change or procurement issue will materially and adversely affect (i) IDB’s Project-related procurement functions as set out in this Agreement, including the undertakings set out in Schedule I to this Agreement, or (ii) either Cofinancier’s ability to perform its fiduciary and other obligations under its Financing Agreement consistent with its applicable policy and regulatory framework, the World Bank or the IDB, as the case may be, has the right, upon giving a written notice of no less than 60 days, to terminate this Agreement.

5. The Cofinanciers will, to the extent possible, strive to resolve promptly and amicably questions of interpretation and application of this Agreement, and any differences or disputes arising out of, or in relation to, this Agreement. In the event that any unresolved material differences remain, each Cofinancier has the right, upon giving the other Cofinancier a written notice of no less than 60 days, to terminate this Agreement.

ARTICLE VIII

Execution, Effectiveness, Amendments, Termination, Notices, and Miscellaneous

1. This Agreement will be signed in two counterparts, each of which will be an original.

2. This Agreement will come into effect upon the signature by an authorized representative of each Cofinancier.

3. All amendments to this Agreement will be binding only if executed in writing and signed by the duly authorized representatives of the Cofinanciers.

4. The IDB will exercise the same care in the discharge of its functions under this Agreement as it exercises with respect to the administration and management of its own affairs and will have no further responsibility in respect thereof to the World Bank.
5. This Agreement will terminate on the earlier of: (a) the date that a Cofinancier has notified the other Cofinancier, upon giving the other Cofinancier a written notice of no less than 60 days, of its decision to terminate the Agreement; or (b) the later of the loan closing dates as set forth in the Financing Agreements of the Cofinanciers. If this Agreement is terminated pursuant to (a) above, the Cofinanciers will endeavor to ensure that the termination of this Agreement does not adversely affect any ongoing procurement process. The provisions of paragraphs 2 and 3 of Article IV, paragraph 1 of Article V, and paragraphs 1, 2 and 3 of Article VII of this Agreement will survive any such termination.

6. Any notice or request required or permitted to be given or made under this Agreement will be in writing and addressed to the designated representative of each Cofinancier. Such notice or request will be deemed to have been duly given when delivered by hand, mail or electronic mail to the party to which it is required or permitted to be given or made at such party’s address specified below:

For World Bank:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America
Phone: 1-202-473-1000
Fax: 1-202-477-6391

For IDB:

Inter-American Development Bank
1300 New York Avenue, N.W.
Washington, D.C. 20577
United States of America
Phone: 1-202-623-1000
Fax: 1-202-623-3096

7. Nothing in this Agreement will operate or will be construed as a waiver, renunciation or any other modification of any of the privileges, immunities or exemptions of either Cofinancier under its organizational documents, or any international convention, or any applicable law, including, without limiting the generality of the foregoing, the privileges, immunities and exemptions of the World Bank under the agreement establishing the World Bank, and the privileges, immunities and exemptions of the IDB under the agreement establishing the IDB and Colombian laws 102 of 1959 and 44 of 1968, respectively.

8. This Agreement does not constitute any commitment with regard to the financing of the Project by the Cofinanciers and nothing in this Agreement will be construed as imposing any financial obligation on the part of the Cofinanciers. Any such commitment and obligation will be exclusively reflected in the respective Financing Agreements.
IN WITNESS, WHEREOF the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names as of the date first hereinabove mentioned.

The World Bank

Name: Jutta Ursula Kern
Title: Acting Country Director, Colombia and Venezuela

The Inter-American Development Bank

Name: José Agustín Aguerre
Title: Manager, Infrastructure and Energy Sector
Schedule I

Project Specific Procurement Related Undertakings

(NOT APPLICABLE)
Schedule II. Project Description

The Bogota Metro Line 1 Section 1 (PLMB) foresees the implementation of 24km of new urban rail infrastructure. The project will benefit as much as 2.92 million inhabitants in its area of influence in terms of their ability to use a more efficient, safe and quality public transport system. The 24km alignment will run from the district of Bosa to the central business district, which covers some of the poorest areas in Bogotá with households from the lowest socioeconomic strata.

The Bogota PLMB’s financing approach is considering a blended and sequenced financing with at least three sources: Multilateral Development Banks (MDB), Bilateral Development Banks, bond issuances and commercial financing. The total Project costs are estimated at US$4.4 billion for capital investments, and US$1.2 billion for operation and maintenance, over a lifetime of 25 years. The PLMB will be implemented under a single concession arrangement, corresponding to the Design-Finance-Build-Operate-Maintain-Transfer (DFBOMT) model. Initial financing will come from Bogota’s own resources (approx. US$700 million) and MDBs (approx. US$1.7 billion), with total MDB lending envelops amounting to approximately US$600 million from the World Bank, US$600 million from IADB, and US$500 million from EIB which will finance initial costs, before the deployment of commercial capital and other sources of funding including other Bilateral or Multilateral Development Banks. The World Bank will provide a Series of Projects instrument, with an initial Loan of US$70 million. The IADB will provide a Linea de Crédito Condicional, with an initial Loan of US$70 million.

The Empresa Metro de Bogotá (EMB) will be the Borrower and will implement the Project. EMB was established in December 2016 with administrative, financial and budgetary autonomy, and linked to Bogotá’s Secretariat of Mobility (SDM). A Co-Financing Agreement between the Government of Colombia, the District of Bogota, and the EMB was signed in November 2017, and defines the commitments, terms and conditions under which the National and local government agree to Co-Financing the project, including the annual contributions of each party, the eligible expenses that can be financed by these proceeds, the requirements to set up a fiduciary committee and a fiduciary agent to administer the resources, and the role of Ministry of Finance, Ministry of Transport and the National Planning Department in the PLMB’s oversight.

The PLMB investments to be carried out as part of the whole PLMB include preliminary works by EMB with counterpart funding: transfer of utility networks along the alignment and land acquisition. All other the PLMB activities are to be carried out by the single DFBOMT Concessionaire: (i) the construction of 24km (including the rail yard connection line and end of line rail turnouts) of a 100 percent elevated rail viaduct starting from the metro railyard (in the southwest of the District, locality of Bosa) to Calle 78 with Avenida Caracas in the central business district (see alignment below); (ii) the construction of 16 stations, 10 of which will be integrated with the TransMilenio system, and one rail yard; (iii) the construction of 22km of bicycle lanes, intervention of targeted sections and stations of TransMilenio and adjacent roads along the alignment, and public space upgrading on 600,000 sq. meters of public space; and (iv) the provision and installation of the necessary rails, rolling stock, electrical, control, telecommunications and fare collection system for the operation of the metro. The PLMB will pay attention to enhance security and safety for women, by designing gender-informed infrastructure and operation.
The Project components include:

**Component 1:** Detailed Designs, Initial Construction, and Work Supervision Contract (approx. total cost US$190 million, of which World Bank financing is US$67 million): Detailed Designs, initial construction works, including inter alia, civil works related to ground improvement and compacting for the railyard, and initial pilling installation for the viaduct, and the works supervision contract for the DFBOMT contract. Component 1 will be co-financed with the IADB and EIB.

**Component 2:** Institutional & Policy Strengthening. (Total cost US$6 million, of which World Bank financing is US$3 million). This includes strengthening the Borrower’s capacity through inter alia, carrying out of technical studies as needed for the implementation of the PLMB, including studies for the integration of the PLMB with the SITP (operational design, subsidy requirements, fare collection, among others), transit oriented development and land value capture instruments, detailed assessments of GHG emissions, local pollutants, noise and vibrations, and institutional strengthening of the EMB and Bogota’s Mobility sector, concerns for the security and safety of women in public transport, hiring of technical consultants and other consultants to support safeguard and fiduciary matters, and training. Component 2 will be co-financed by the World Bank and IADB.
### Schedule III. Procurement Plan

<table>
<thead>
<tr>
<th>Item</th>
<th>Activity</th>
<th>Description additional</th>
<th>Method of acquisition (Relating to the document)</th>
<th>Reference</th>
<th>Monedas Moneda</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNB</td>
<td>Construction</td>
<td>Contract Design Finance Build (O&amp;M Budget)</td>
<td>Monedas Moneda %</td>
<td>1</td>
<td>3,720,000,000</td>
</tr>
<tr>
<td>CNB</td>
<td>Functional/Operational Software</td>
<td>Monedas Moneda %</td>
<td>1</td>
<td>5,000,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>CNB</td>
<td>Assistance Services, Supervision, Consultancy</td>
<td>Monedas Moneda %</td>
<td>1</td>
<td>11,500,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>184,000,000</td>
</tr>
</tbody>
</table>