Mrs. Maruja Pachón  
Executive Director  
*Escuela Galán para el Desarrollo de la Democracia*  
Calle 10 No. 4 – 21  
Bogotá, Colombia  

Mr. Diego Andrés Molano Aponte  
*Alto Consejero*  
Edificio Principal Calle 7 No. 6-54  
*Agencia Presidencial para la Acción Social y Cooperación Internacional*  
Bogotá, Colombia

Re: Colombia: Grant No.TF093829 (JSDF Grant for Empowering Young Women Affected by Violence in Colombia: An Innovative Approach towards Sustainable Socioeconomic Inclusion Project)  
First Amendment to the Grant Agreement

Dear Mrs. Pachón and Mr. Molano:

We refer to the agreement (the “Grant Agreement”) dated June 11, 2009 entered into between the International Bank for Reconstruction and Development (the “World Bank”) acting as administrator of grant funds provided by Japan under the Japan Social Development Fund (JSDF), and *Escuela Galán para el Desarrollo de la Democracia* (the “Recipient”) for the benefit of the Republic of Colombia (“Member Country”) with the participation of the Member Country’s *Agencia Presidencial para la Acción Social y la Cooperación Internacional* (Acción Social) (in fulfillment of its role set forth in the Member Country’s Presidential Decree No. 2467, dated July 19, 2005), for the above-captioned Project. Please note that capitalized terms used in this letter (“Amendment Letter”) and not defined herein have the meaning ascribed to them in the Grant Agreement.

We also refer to: (i) the findings of, and understandings reached by, the recent World Bank supervision mission relating to the use by the Recipient of Grant funds for non eligible expenditures; (ii) the external audit report carried out by the auditing company Amezquita & Cia, dated June 17, 2010 (the “Audit Report”); and (iii) the letter from Recipient, dated August 25, 2010 acknowledging and agreeing with the recommendations of the Audit Report.

After due consideration and to address the financial management deficiencies encountered by the World Bank supervision mission and the findings and recommendations of the Audit Report, the World Bank and the Recipient have agreed to amend the Grant Agreement to include provisions for the selection and contracting of a trust entity to act as the fiduciary agent for the administration of the Grant, as follows:
1. Section 1.02 of the Annex to the Grant Agreement is hereby amended to include the additional definitions set forth below and to be placed in alphabetical order (the existing definitions are consequently renumbered to keep the alphabetical order):

(i) “‘Fiduciary Agreement’ means the agreement to be entered into between the Recipient and the Trust Entity (as defined herein) pursuant to Section 2.03 (g) of the Annex to this Agreement, acceptable to the World Bank, as the same may be amended from time to time with the World Bank’s prior written approval; and such term includes all schedules to the Fiduciary Agreement.”


(iii) “‘Trust Entity’ means an entity established and operating in the Member Country pursuant to Law 45 of 1990, which the Recipient has selected on a competitive process acceptable to the World Bank to act as the fiduciary agent under the Fiduciary Agreement for the administration of the Grant.”

2. New sub-paragraphs (g), (h) (i), and (j) are added to Section 2.03 of the Annex to the Grant Agreement to read as follows:

“(g) the Recipient shall enter into the Fiduciary Agreement with the Trust Entity, on terms and conditions acceptable to the World Bank, for the purposes of assisting the Recipient to comply with the financial obligations set forth in the provisions of Section 2.07 of the Standard Conditions and Section 2.05 of this Annex.”

(h) the Fiduciary Agreement shall set forth, inter alia: (i) the obligation of the Trust Entity to abide by the Anti-Corruption Guidelines; (ii) the obligation of the Trust Entity to take or permit to be taken all action to enable the Recipient, to comply with its obligations referred to in this Agreement; (iii) the obligation of the Trust Entity to manage the Grant proceeds exclusively for the purposes of the Project; and (iv) the obligation of the Trust Entity to carry out its obligations under the Fiduciary Agreement with due diligence and efficiency and in conformity with appropriate fiduciary and financial standards and practices, and to accomplish the purposes of the Grant.

(i) the Recipient shall exercise its rights and carry out its obligations under the Fiduciary Agreement in such manner as to protect the interests of the Recipient and the World Bank, and to accomplish the purposes of the Grant.

(j) except as the World Bank may otherwise agree, the Recipient shall not assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Fiduciary Agreement or any provision thereof. In case of any conflict between the terms of the Fiduciary Agreement and those of this Agreement, the terms of this Agreement shall prevail.”

Save as amended above, all other provisions of the Grant Agreement remain unchanged.
Please confirm your agreement with the foregoing, on behalf of the Recipient, by signing and dating this Amendment Letter in the spaces provided below. This Amendment Letter will be executed in three counterparts, each of which shall be an original. The provisions of this Amendment Letter will become effective on the receipt by the World Bank of: (a) a copy of this Amendment Letter countersigned by you; (b) a copy of the Fiduciary Agreement, duly executed between the Recipient and the Trust Entity; and (c) evidence satisfactory to the World Bank that the Operational Manual (as defined in the Grant Agreement) has been updated in accordance with the provisions of this Amendment Letter.

Upon compliance with the mentioned conditions, the World Bank will send a Notice of Effectiveness to the Recipient.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

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

AGREED:

ESCUELA GALÁN PARA EL DESARROLLO DE LA DEMOCRACIA

By /s/ Maruja Pachón
(Authorized Representative)
Title: Directora Ejecutiva
Date: September 29, 2010

AGREED:

AGENCIA PRESIDENCIAL PARA LA ACCIÓN SOCIAL Y COOPERACIÓN INTERNACIONAL

By /s/ Sandra Alzate C.
(Authorized Representative)
Title: Directora (E)
Date: September 29, 2010