Dr. Marco Antonio Cruz  
Director General  
*Fundación Restrepo Barco*  
Carrera 7 No 73-55 Piso 12  
Bogotá, Colombia

Dr. Diego Andrés Molano Aponte  
Director General  
*Agencia Presidencial para la Acción Social y la Cooperación Internacional*  
Calle 7 No. 6-54 Piso 4  
Bogotá, Colombia

**Re: COLOMBIA: JSDF Grant for Access to Opportunities for Young People in Colombia Project**  
**Grant No. TF058110**

Dear Sirs:

In response to the request for financial assistance made on behalf of *Fundación Restrepo Barco* (the Recipient) 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) and for the benefit of the Republic of Colombia (“Member Country”), I am pleased to inform you that the International Bank for Reconstruction and Development (“World Bank”), as administrator of grant funds provided by Japan under the Japan Social Development Fund, proposes to extend to the Recipient a grant in an amount not to exceed one million seven hundred thirty four thousand and six hundred twenty five United States Dollars (US $1,734,625) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of the project described in the Annex (“Project”). This Grant is funded out of the Japan Social Development Fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient’s agreement with the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. This Agreement shall become effective upon receipt by the Bank of: (i) a countersigned copy of this Agreement, and (ii) evidence, satisfactory to the Bank, that the Procurement Plan has been approved by the Bank.
The offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within 90 days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By /s/ Christoph Kurowski  
Acting Country Director  
Country Management Unit  
Colombia and Mexico

AGREED:

AGENCIA PRESIDENCIAL PARA LA ACCIÓN SOCIAL Y LA COOPERACIÓN INTERNACIONAL (ACCIÓN SOCIAL)

By: /s/ Diego Andrés Molano Aponte  
Title: Director  
Date: July 19, 2010

FUNDACIÓN RESTREPO BARCO

By: /s/ Marco Antonio Cruz  
Title: Director  
Date: July 28, 2010

Enclosures:


ANNEX

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank Out of Various Funds dated July 1, 2008 (“Standard Conditions”), with the modifications set forth in Section I of the Appendix to this Agreement, constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

For the purpose of this Annex the following terms have the meanings ascribed to them below:

(a) “Implementing Agency” means one of the eligible agencies with: (i) operational and financing capacity to manage the Subgrant; (ii) at least 5 years of experience working with young people previous to the start of the implementation of the Project; (iii) basic administrative and management systems in place; (iv) presence in one of the Recipient’s Departments targeted by the Project: Chocó, Sucre, Córdoba, Tolima, Cundinamarca and Vichada; and (v) eligibility criteria specified in the Operational Manual.

(b) “Operational Manual” means a project manual in form and substance acceptable to the Bank, which shall contain the policies and procedures for the carrying out of the Project.

(c) “Procurement Plan” means the Recipient’s procurement plan for the Project, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

(d) “Subgrant for Subproject” means a monetary transfer made or proposed to be made of a maximum of fifty thousand United States Dollars (US$50,000) (pursuant to a Subproject Grant Agreement) by the Recipient out of the proceeds of the Grant to an implementing agency for the financing of a youth Subproject in accordance with the criteria and procedures set forth in the Operational Manual.

(e) “Subproject” means a set of activities, including the provision of goods and services, carried out in support of the purposes specified in Part A.1 of the Project, which set is selected, approved and implemented in accordance with the requirements of the Operational Manual and has approximately duration of 12 months.

(f) “Subproject Agreement” means an agreement to be entered into between the Recipient and the Implementing Agency, providing for a Grant and referred to in Section 2.03 (b) of this Agreement.
Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to enhance the access of young men and women, between the ages of 14 to 26 years old, to opportunities for education, work and political participation. The Project consists of the following parts:

**Part A: Financial and Technical Support for Project Initiatives for Young People**

A.1 Provision of financial support through Subgrants to youth organizations aiming to generate information on education, job market and civic participation in public affairs for young people.

A.2 Provision of technical support to Implementing Agencies by regional universities and specialized Non-Government Organization’s in the region on: (i) carrying out training activities; (ii) administrative and legal assistance for the youth organizations aiming to make young people more capable to advocate their needs; and (iii) monitoring and evaluating young people’s access to opportunities for education, work and civic participation in public affairs.

**Part B: Financial and Technical Support to Local Government and Agencies Specialized on Youth**

B.1 Provision of financial and technical support to prepare one annual event among government and specialized agencies on youth aiming to: (i) share information on institutional supply and services and the barriers preventing young people to have access to opportunities for education, access to work and participation on public affairs; (ii) highlight municipal polices, plans and programs on issues of concern to young people; and (iii) identify options of technical and financial support among institutions that are committed to generating supply and increase access to opportunities for youth education, work and participation in public affairs at the department and national levels.

B.2 Provision of technical assistance to governmental and non-governmental agencies committed to work with young people targeting the: (i) definition of requirements tailored to young people’s conditions and circumstances; (ii) review and assignment of priorities to the available supply of opportunities for the young people according to the Recipient’s Departments’ economic and social context; (iii) improvement of the quality of opportunities for young people that allow for increased access of education; and (iv) forging partnerships to increase opportunities and access of education and work to young people.

**Part C: Monitoring, Evaluation and Learning**

C.1 Provision of technical support for the creation of a monitoring and evaluation system to gauge the effective access of young people to opportunities of education, work and participation in public affairs in selected regions of the Recipient’s territory.

C.2 Monitoring of financial and physical activities of the Sub-projects financed under Activities A.1 for financial and technical support.
C.3 Provision of financial support for the carrying out of a mid-term evaluation of the results of the Project by independent consultant or firm.

C.4 Documentation of the best practices identified during Project and dissemination throughout the annual event, publications and web pages of institutions associated with the project and a final national event.

C.5 Evaluation of the results and outcomes of the Project.

C.6 Provision of financial support for the preparation of the financial audit report of the Project by a firm or consultant.

**Part D: Bank Incremental and Operational and Supervision Costs**

Support incremental operational and supervision costs of the Project by financing its supervision, reporting and evaluation Activities and transferring and sharing knowledge between World Bank staff and PIE.

2.02. **Project Execution Generally.** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with: (a) the provisions of Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 (“Anti-Corruption Guidelines”), with the modifications set forth in Section 2 of the Appendix to this Agreement; (c) this Article II; (d) the Operational Manual; (e) the Procurement Plan; and (f) in accordance with provisions of the Subproject Agreement between the Recipient and the Implementing Agencies.

2.03. **Institutional and Other Arrangements.**

(a) The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Safeguard Policies Guidelines through the use of the Indigenous People Framework, dated July 16, 2009, of the Peace and Development Project, Additional Loan 7781-CO, which contains the principles, criteria and methodology to work with indigenous people based on Colombian legislation and the Bank policies.

(b) The Recipient, for the purpose of implementing Article II, Part A.1 of the Project, shall:

(i) enter into an agreement (the “Subgrant Agreement”) with each Implementing Agency, substantially in accordance with the terms of the model Subgrant Agreement (contained in the Operational Manual) and including, inter alia: (A) the Recipient’s obligation to part of the Grant proceeds available as a Subgrant to the Implementing Agencies for the purposes of financing the Subproject in question; and (B) the Implementing Agencies’ obligation to: (1) use the proceeds of the Subgrant exclusively for carrying out the Subproject in question; (2) have the goods and services for the Subproject procured in compliance with the provisions of this Agreement; (3) take all action necessary to facilitate compliance with the terms of subsection (b) of Article 2.03 to this Agreement in connection with the Subprojects; (4) abide by the technical and environmental practices and systems required for the Subprojects as set forth in the Operational Manual; (5) participate in periodic self-assessment and monitoring of the Subprojects; (6) comply with the provisions of the Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated
October 15, 2006 (‘‘Anti-Corruption Guidelines’’); and (7) furnish to the World Bank any information reasonably requested with respect to the Subprojects, as well as provide access reasonably requested to Subproject sites, facilities and equipment;

(ii) suspend or terminate the right of any Implementing Agency to receive or use the proceeds of the Grant;

(iii) obligate any Implementing Agency to refund all or any part of the amount of the Subgrant then withdrawn, upon the Implementing Agency’s failure to perform any of its respective obligations under the relevant Subproject Agreement.

(iv) exercise its rights and comply with its obligations under each of the Subgrant Agreements in such manner as to protect the interests of the World Bank, to accomplish the objective of the Project, and except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, waive or fail to enforce any of the Subgrant Agreements or any to heir provisions thereof; and

(v) cause the pertinent Implementing Agency to, prior to the carrying out of any activity under the pertinent Subproject, sign the corresponding Subgrant Agreement.

(c) In case of any conflict between the terms of the Subproject Agreement and those of this Agreement, the terms of this Agreement shall prevail.

(d) The Recipient and the Implementing Agencies shall prepare quarterly monitoring reports for Acción Social for consideration on the carrying out of all the Project Activities.

2.04. Financial Management.

(a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than 45 days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

2.05. Procurement

(a) General. All goods and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Procurement Guidelines”), in the case of goods.
(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Consultant Guidelines”), in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated annually by the Recipient for the Project in accordance with paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines (“Procurement Plan”).

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or the Consultant Guidelines, as the case may be.

(c) **Particular Methods of Procurement of Goods**

Goods shall be procured under contracts awarded on the basis of Shopping.

(d) **Particular Methods of Procurement of Consultants’ Services**

(i) Except as otherwise provided in sub-paragraph (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Quality-based Selection; (B) Selection under a Fixed Budget; (C) Least Cost Selection; (D) Selection based on Consultants’ Qualifications; (E) Single-source Selection; and (F) Selection of Individual Consultants.

(e) **Review by the World Bank of Procurement Decisions.** Except as the World Bank shall otherwise determine by notice to the Recipient, all contracts to be procured under single-source selection and contracts marked as prior review in the Procurement Plan shall be subject to Prior Review by the Bank. All other contracts shall be subject to Post Review by the World Bank.

**Article III**

**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
For the purposes of this Section the following terms have the meanings ascribed to them below:

(i) “training” means the non-consultant expenditures incurred by the Recipient in connection with the carrying out of training activities under the Project in the territory of the Recipient, including reasonable purchase and publication of materials, rental of facilities, course fees, and travel and subsistence of trainees.

(ii) “Operating costs” means operating costs required for the Project implementation including consumable materials and supplies, printing services, travel, lodging and per diems.

(iii) “Subgrants for subprojects” means any of the agreements referred to in Section 1.02 (d) of this Agreement.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient, except that withdrawals up to an aggregate amount not to exceed one hundred seventy eight thousand ($178,000) equivalent may be made for payments made prior to this date but not beyond twelve months before this date, for Eligible Expenditures under Category 1 (Consultant services) and Category 4 (Operating costs).

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is four years after the date of countersignature of this Agreement by the Recipient.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in U.S.$)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Consultants’ services</td>
<td>256,150</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Training/workshops</td>
<td>219,682</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods</td>
<td>9,853</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Operating costs</td>
<td>168,940</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Subgrants for Subprojects</td>
<td>1,080,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>1,734,625</strong></td>
<td></td>
</tr>
</tbody>
</table>
Article IV

Effectiveness; Termination

4.01. **Effectiveness.** This Agreement shall not become effective until the Procurement Plan specified in Section 1.02 (c) of the Annex to this Agreement has been furnished to the Bank and is considered satisfactory to the Bank.

4.02. **Termination for Failure to Become Effective.** This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by July 30, 2010, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purposes of this Section. The World Bank shall promptly notify the Recipient of such later date.

4.03. **Termination for Lack of Implementation or Disbursement.** This Agreement and all obligations of the parties under it shall terminate if it has not been implemented or has not disbursed any funds during six months following its signature, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article V

Recipient’s Representative; Addresses

5.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Director General.

5.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

  Fundación Restrepo Barco  
  Carrera 7 No 73-55 Piso 12  
  Bogotá, Colombia

5.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

  International Bank for Reconstruction and Development  
  1818 H Street, N.W.  
  Washington, D.C. 20433  
  United States of America

  Cable: INTBAFRAD  
  Telex: 248423 (MCI)  
  Facsimile: 1-202-477-6391
APPENDIX

Modifications to the Standard Conditions and the Anti-Corruption Guidelines

Section I. The Standard Conditions are modified as follows:

1. The provisions of Section 4.02 (j) of the Standard Conditions are modified to read as follows:

“... (j) Ineligibility. IBRD or IDA has declared the Recipient (other than the Member Country) ineligible to receive proceeds of any financing made by IBRD or IDA or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA, as a result of: (i) a determination by IBRD or IDA that the Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and/or (ii) a declaration by another financier that the Recipient is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Section II. The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

“(b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

2. Section 11(a) is modified to read as follows:

“(a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such
financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”