

21 February, 2022

Martín Mura
Minister of Treasury and Finance
Ministry of Treasury and Finance
Av. Martín García 346
Autonomous City of Buenos Aires
Argentine Republic

*Ref.: ARGENTINA: Loan No. 8628-AR
(Flood Risk Management Support Project for the
Autonomous City of Buenos Aires)
Amendment to the Loan Agreement*

Dear Minister:

We refer to the Loan Agreement (the “Loan Agreement”) dated November 10, 2016 between the International Bank for Reconstruction and Development (the “Bank”) and the Autonomous City of Buenos Aires (the “Borrower”) for the above referred Project. Please note that capitalized terms used in this letter (“Amendment Letter”) and not defined herein have the meaning ascribed to them in the Loan Agreement.

We also refer to the conclusions reached at the supervision missions that took place from October 25, 2018 through November 2, 2018 and May 31, 2021 through June 2, 2021, and which are reflected in the Aide-Memoires for the Project, and to the letter NO-2021-26040331-GCABA-MHFGC dated September 1, 2021, from the Borrower, requesting to amend the Loan Agreement. I am pleased to inform you that after careful consideration of the modifications requested by the Borrower, the Bank has acceded to said requests and proposes to amend the Loan Agreement as follows:

- (a) Section 3.01 of the Loan Agreement is hereby amended to reflect the revised implementation arrangements for the Project, to read in its entirety as follows:

“3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower, through the CCM, shall carry out the Project, with the assistance of the MoF, for purposes of the financial management aspects of the Project, all in accordance with the provisions of Article V of the General Conditions.”

- (b) Section 5.01 of the Loan Agreement is hereby amended in its entirety to read as follows:

“5.01. The Borrower’s Representative is its Minister of Treasury and Finance.”



- (c) Section 5.02 of the Loan Agreement is hereby amended in its entirety to read as follows:

“5.02. The Borrower’s Address is:
Av. Martín García 346 1° Floor
Autonomous City of Buenos Aires
Argentine Republic”

- (d) Part 1 of the Project in Schedule 1 to the Loan Agreement is hereby amended to read in its entirety as follows:

“Part 1: Institutional Development for Flood Risk Management

Support the creation of modern a sustainable framework for flood risk management with the Borrower’s territory, through:

(a) **Hydro-Meteorological Observation, Surveillance, and Alert System**

Design and implementation of an integrated hydro-meteorological observation, monitoring, alert, alarm and response system to increase the Borrower’s severe weather forecasting capacity and to improve its flood preparedness and emergency management and recovery.

(b) **Flood Risk Communication and Education**

Carrying out of flood risk social communication and education activities, including, *inter alia*: (i) the design and implementation of communication strategies for city dwellers to raise awareness on flood hazards; (ii) the carrying out of an education program on flood hazards, risks, vulnerability, and prevention for professionals in the education and construction sectors, and the provision of support to the Borrower to train communities in the most vulnerable neighborhoods on emergency response; (iii) the provision of support to the Borrower to update the regulatory framework applicable to building activities in the Borrower’s territory; and (iv) the carrying out of an international workshop for the exchange of experiences and sharing of knowledge on flood risk management.

(c) **Capacity Building for Flood Risk Management**

Strengthening the Borrower’s capacity for (i) flood risk management, including support to the Flood Risk Management Inter-Ministerial Council; (ii) acquisition of equipment to increase the Borrower’s capacity to respond and recover from flooding; and (iii) provision of technical assistance to design and disseminate participatory contingency plans.”

- (e) Section I of Schedule 2 of the Loan Agreement is hereby amended in its entirety to read as follows:

“Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower, through the CCM, shall:
 - (a) operate and maintain, at all times during Project implementation, a Project coordination unit (“PCU”), with a structure, functions and responsibilities acceptable to the Bank as set forth in the Operational Manual, including, *inter alia*, the responsibility of the PCU to implement, monitor and supervise the carrying out of the Project; and
 - (b) ensure that the PCU is, at all times during Project implementation, headed by a Project coordinator and assisted by professional staff (including, *inter alia*, a procurement specialist, a financial management specialist, a social specialist and an environmental specialist) and administrative staff, all in numbers and with terms of reference, and qualifications and experience, acceptable to the Bank, as set forth in the Operational Manual.

B. Operational Manual

1. Without limitation to the provisions of Section 3.01 of this Agreement, the Borrower, through the CCM shall carry out the Project in accordance with the provisions of a manual (the Operational Manual), acceptable to the Bank, which shall include, *inter alia*: (a) the procedures for the carrying out, monitoring and evaluation of the Project; (b) the organizational structure of the Project, including the functions and responsibilities of the PCU; (c) the Project procurement and financial management requirements and procedures; (d) environmental guidelines for construction, including procedures to follow in case of unexpected cultural findings; (e) standard environmental provisions to be included in the bidding documents for investments to be carried out under the Project; (f) the Project’s chart of accounts and internal controls; (g) the indicators to be used for Project monitoring and evaluation; and (h) the roles and responsibilities of the CCM under the Project.
2. Except as the Bank shall otherwise agree, the Borrower shall not amend, terminate or waive the Operational Manual or any of its provisions. In case of any conflict among the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

C. Anti-Corruption

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

D. Safeguards

1. The Borrower, through the CCM, shall implement the Project in accordance with the Environmental Impact Assessments (EIAs).



2. Without limitation to paragraph 1 of this Section, and if as a result of the final design of any works under Part 2 of the Project, it is determined by the Bank that Resettlement will be involved, the Borrower, through the CCM, shall: (a) prior to the carrying out of any said works, prepare and furnish to the Bank, a resettlement plan, acceptable to the Bank (which plan shall be consistent with the pertinent provisions of the Resettlement Policy Framework); and (b) immediately thereafter, implement said resettlement plan in accordance with its terms and in a manner acceptable to the Bank.
 3. The Borrower, through the CCM, shall ensure that the terms of reference for any consultancies related to the technical assistance provided under the Project, shall be acceptable to the Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirement of the Bank's Safeguard Policies then in force, as applied to the advice conveyed through such technical assistance.
 4. The Borrower, through the CCM, shall promptly notify the Bank of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, explosions, spills, any workplace accidents that result in death, serious or multiple injury, pollution, any violent labor unrest, any dispute between the Borrower or security forces (assigned to protect the Project) and local communities, any case of gender-based violence and violence against minors, or any incidents in or related to international waterways. The notification shall include sufficient detail regarding the incident or accident, indicating the immediate measures taken to address it (including information provided by any contractor and supervising entity), all in accordance with the Operational Manual".
- (f) Section III of Schedule 2 of the Loan Agreement is hereby amended in its entirety to read as follows:

“Section III. Procurement

All goods, works, and 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.”

- (g) The table set forth in paragraph 2 of Section IV(A) of Schedule 2 to the Loan Agreement is hereby amended in its entirety to read as follows:

“Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
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(1) Goods, works, non-consulting services, consulting services, Training and/or Operating Costs under Parts 1(b), 1(c) and 3 of the Project	13,500,000	100%
(2) Works, non-consulting services and consulting services under Part 2 of the Project	186,000,000	100%
(3) Front-end Fee	500,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions
TOTAL AMOUNT	200,000,000"	

(h) Any references to "consultants' services" are hereby replaced, with "consulting services".

(i) Paragraph 2 of Section IV(B) of Schedule 2 to the Loan Agreement is hereby amended in its entirety to read as follows:

"2. The Closing Date is September 1, 2023."

(j) The following definitions in the current paragraphs 1, 18, 23, and 26 of Section I of the Appendix to the Loan Agreement, respectively, are hereby amended to read as follows:

""Anti-Corruption Guidelines" means the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006, and revised in January 2011 and as of July 1, 2016.

"MoF" means *Ministerio de Hacienda y Finanzas*, the Borrower's Ministry of Treasury and Finance, or any successor thereto acceptable to the Bank.

"PCU" means CCM's unit referred to in Section I.A.1 (a) of Schedule 2 to this Agreement, or any successor thereto acceptable to the Bank."



“Procurement Plan” means the Borrower’s procurement plan for the Project, provided for under Section IV of the Procurement Regulations, as such plan may be updated from time to time with the Bank’s approval.”

- (k) The following definitions are added in alphabetical order in Section I of the Appendix to the Loan Agreement, and the subsequent definitions are renumbered accordingly:

““CCM” means *Jefatura de Gabinete de Ministros*, the Borrower’s Chief of Cabinet of Ministries, or any successor thereto acceptable to the Bank.

“Procurement Regulations” means the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.”

- (l) The following definitions in the current paragraphs 4, 7, 14, 15, and 25 of Section I of the Appendix to the Loan Agreement, respectively, are hereby eliminated in their entirety and the subsequent definitions are renumbered accordingly:

“Beneficiary” means a non-governmental organization (vested with legal personality), which meets the eligibility criteria set forth in the Operational Manual to receive a Grant.

“Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).

“Grant” means a grant made, or to be made, to a Beneficiary out of the proceeds of the Loan, under terms and conditions set forth in the Operational Manual, to partially finance consultants’ services, Non-Consulting Services and/or Training required for the carrying out of the activities referred to in Part 1 (c)(i) of the Project.

“Grant Agreement” means any agreement referred to in Section I.C.(a)(ii) of Schedule 2 to this Agreement.

“Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).

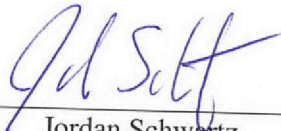
All other terms and conditions of the Loan Agreement that have not been amended hereby shall remain unchanged and in full force and effect.

Please confirm your agreement with the foregoing, on behalf of the Borrower, by signing and dating three originals of this Amendment Letter and returning one fully signed original to us. The amendment set forth in this Amendment Letter will become effective as of the date first above written, upon receipt by the Bank of one fully countersigned original of this Amendment Letter.

Finally, please also note that the relevant Restructuring Paper dated November 15, 2021, will be disclosed on the Bank's external website as per the Bank's Policy on Access to Information.

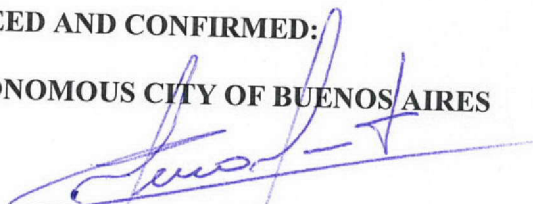
Very truly yours,

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By 

Jordan Schwartz
Director
Argentina, Paraguay and Uruguay
Latin America and the Caribbean Region

AGREED AND CONFIRMED:
AUTONOMOUS CITY OF BUENOS AIRES

By: 

(Authorized Representative)

Name: MARTÍN MURA

Title: MINISTRO DE HACIENDA Y FINANZAS

Date: 23 DE FEBRERO DE 2022

