

**CONFORMED COPY**

**GEF GRANT NUMBER TF092377**

# **Global Environment Facility Grant Agreement**

**(Energy Efficiency Project)**

**between**

**ARGENTINE REPUBLIC**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**acting as an Implementing Agency of the Global Environment Facility**

**Dated October 1, 2009**

**GRANT NUMBER TF092377**

**GLOBAL ENVIRONMENT FACILITY  
GRANT AGREEMENT**

AGREEMENT dated October 1, 2009, entered into between: ARGENTINE REPUBLIC (“Recipient”); and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“World Bank”), acting as an implementing agency of the Global Environment Facility (“GEF”).

The Recipient and the World Bank hereby agree as follows:

**Article I  
Standard Conditions; Definitions**

- 1.01. The Standard Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in the Appendix to this Agreement.

**Article II  
The Project**

- 2.01. The Recipient declares its commitment to the objective of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient, through SE, shall: (a) carry out: (i) Part 1 (a) (i) of the Project, with the participation of the pertinent Beneficiaries in accordance with the corresponding Implementation Agreements; and (ii) Part 1 (a) (ii) and (b), Part 2 (a) (i), (b) (ii), (c) and (d) and Part 3 of the Project, all in accordance with the provisions of Article II of the Standard Conditions; and (b) cause each Distribution Utility to carry out Part 2 (a) (ii) and (iii) and (b) (i) of the Project pursuant to the pertinent Distribution Agreement, and with the participation of ADEERA pursuant to the Framework Agreement.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient, through SE, and the World Bank shall otherwise agree, the Recipient, through SE, shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

**Article III  
The Grant**

- 3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to fifteen million one hundred fifty five thousand United States Dollars (\$15,155,000) (“Grant”) to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

**Article IV  
Additional Remedies**

- 4.01. The Additional Events of Suspension referred to in Section 4.02 (i) of the Standard Conditions consist of the following:
- (a) *Event prior to Effectiveness.* The World Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.
  - (b) *Payment Failure.* The Recipient has failed to make payment of principal or interest or any other amount due to IBRD or IDA: (i) under any agreement between IBRD and the Recipient; or (ii) under any agreement between the Recipient and IDA; or (iii) in consequence of any guarantee extended or financial obligation of any kind assumed by IBRD or IDA to any third party with the agreement of the Recipient.

**Article V  
Effectiveness; Termination**

- 5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished that the following condition has been satisfied, namely, that the execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental and corporate action.
- 5.02. As part of the evidence to be furnished pursuant to Section 5.01 of this Agreement, there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank showing,

on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.

- 5.03 Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 of this Agreement. If before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 5.04 This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank after consideration of the reasons for delay, establishes a later date for the purpose of this Section, which may in no case be later than the eighteen (18) months after the World Bank's approval of the Grant which expire on December 26, 2009. The World Bank shall promptly notify the Recipient of such later date.

**Article VI**  
**Recipient's Representative; Addresses**

- 6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Economy and Public Finance.
- 6.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministerio de Economía y Finanzas Públicas  
Hipólito Yrigoyen 250  
C1086 AAB, Buenos Aires  
Argentina

Cable:

Telex:

Facsimile:

MINISTERIO  
DE ECONOMIA  
Baires

121942-AR

(5411) 4349-8815

- 6.03. 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:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423 (MCI) or 64145 (MCI)	1-202-477-6391

AGREED at Buenos Aires, Argentina as of the day and year first above written.

ARGENTINE REPUBLIC

By /s/ Amado Boudou

Authorized Representative

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
acting as an Implementing Agency of the  
Global Environment Facility

By /s/ Pedro Alba

Authorized Representative

## SCHEDULE 1

### Project Description

The objective of the Project is to increase the efficiency in the use of energy by developing a sustainable and growing market for energy efficiency services and equipment in Argentina.

The Project consists of the following parts:

#### Part 1: Development of the Energy Efficiency Fund

- (a) (i) Carrying out of demand-driven feasibility studies of potential energy efficiency investments in accordance with the criteria set forth in the Operational Manual; and (ii) based on the results of said studies, establishment and maintenance of a data base, acceptable to the World Bank, to store energy efficiency investment proposals.
- (b) Provision of technical assistance to develop an energy efficiency fund.

#### Part 2: Development of a Utility Energy Efficiency Program

- (a) Provision of support to the initial phase of the PRONUREE related to the phase-out incandescent lamps, through, *inter alia*: (i) the acquisition of compact fluorescent lamps for residential use, and the delivery of the same to the Distribution Utilities thereafter as provided in this Agreement; (ii) the distribution of compact fluorescent lamps to residential customers, and the replacement of inefficient incandescent lamps with said distributed compact fluorescent lamps; and (iii) based on the results of the study mentioned in Part 2 (d) below, the carrying out of dissemination activities to educate residential customers on the energy saving benefits of replacing the incandescent lamps mentioned in (ii) herein.
- (b) (i) design and implementation of a distribution plan by each Distribution Utility to distribute the compact fluorescent lamps as referred to in Part 2 (a) (ii) above (which plan shall be designed, and approved by the Recipient, through SE, all in accordance with the criteria set forth in the Operational Manual); and (ii) design and implementation of a specific plan to monitor and evaluate the carrying out of the initial phase of the program mentioned in Part 2 (a) above for purposes of, *inter alia*, determining the effectiveness of said initial phase in achieving said program's objectives, and of the equitable distribution of compact fluorescent lamps and dissemination activities to residential customers.
- (c) Provision of technical assistance to explore new modalities and mechanisms for facilitating energy efficiency in Argentina.

- (d) Carrying out of a study to analyze the specific language and cultural needs of the social groups benefitted by the compact fluorescent lamps under Part 2 (a) (ii) of the Project.

Part 3: Capacity Building and Project Management

- (a) Improvement of the energy efficiency market in Argentina, through, *inter alia*: (i) the carrying out of studies to identify and evaluate the main barriers to the development of the energy efficiency market; and (ii) the design of norms/programs to remove the identified barriers resulting from the carrying out of the studies mentioned in (i) herein.
- (b) Design and implementation of an energy efficiency standardization, testing, certification and labeling program, through, *inter alia*: (i) the strengthening of the public/private organizations that participate in said program; (ii) the design of energy efficiency standards for key energy consuming equipment; (iii) the strengthening of the operational capacity of the testing and certification laboratories, through, *inter alia*, acquisition and utilization of the equipment and the provision of technical assistance and training required therefor, and, if needed and as approved by the World Bank, the carrying out of minor specialized works; and (iv) issuance of energy efficiency labels for key energy consuming equipment.
- (c) Strengthening of the institutional and operational capacity of energy services companies, through the provision of technical assistance and training required therefor.
- (d) Design and implementation of a program to promote public awareness and disseminate energy efficiency best practices, through, *inter alia*, the carrying out of campaigns, and the provision of technical assistance and training required therefor.
- (e) Carrying out of monitoring and evaluation activities under the Project, including an evaluation of the actions to be undertaken by the Beneficiaries as a result of the recommendations of the studies referred to in Part 1 (a) (i) of the Project.
- (f) Strengthening of DNPROM's technical/fiduciary capacity to assist the Recipient, through SE, in the coordination, implementation, monitoring and evaluation of the Project, through, *inter alia*, the provision of technical assistance and training, and the acquisition and utilization of the goods required therefor.

**SCHEDULE 2****Project Execution****Section I. Institutional and Other Arrangements**

- A.** Without limitation to the provisions of Section 2.01 of this Agreement, the Recipient, through SE, shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
- B.** (a) Without limitation to the provisions of Section 2.01 of this Agreement, the Recipient, through SE, shall ensure that the Project is carried out in accordance with the provisions of the Operational Manual.
- (b) In case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.
- C.** (a) For purposes of carrying out any feasibility study under Part 1 (a) (i) of the Project, the Recipient, through SE, shall enter into a separate agreement (the Implementation Agreement) with the corresponding Beneficiary under terms and conditions acceptable to the World Bank, including those set forth in Schedule 3 to this Agreement.
- (b) (i) The Recipient, through SE, shall exercise its rights under each Implementation Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant; and (ii) except as the World Bank shall otherwise agree, the Recipient, through SE, shall not assign, amend, abrogate, terminate, waive or fail to enforce any Implementation Agreement or any provision thereof.
- D.** (a) For purposes of carrying out Parts 2 (a) (ii) and (iii) and (b) (i) of the Project in any given area served by a Distribution Utility, the Recipient, through SE, shall enter into an agreement (the Distribution Agreement) with said Distribution Utility, on terms and conditions acceptable to the World Bank, including those set forth in Schedule 4 to this Agreement.
- (b) (i) The Recipient, through SE, shall exercise its rights under the Framework Agreement and under each Distribution Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant; and (ii) except as the World Bank shall otherwise agree, the Recipient, through SE, shall not assign, amend, abrogate, terminate, waive or fail to enforce the Framework Agreement, and/or any Distribution Agreement, or any provision thereof.



- E.** Without limitation to the provisions of Section I.D of this Schedule, the Recipient, through SE, shall not deliver the compact fluorescent lamps referred to in Part 2 (a) (i) of the Project to any given Distribution Utility, unless: (a) the pertinent Distribution Utility has adhered to the Framework Agreement in a manner acceptable to the World Bank; (b) the study mentioned in Part 2 (d) of the Project has been carried out in a manner acceptable to the World Bank; (c) the pertinent distribution plan has been designed and approved, as provided in Part 2 (b) (i) of the Project; and (d) the corresponding Distribution Agreement has been signed by the parties thereto.
- F.** (a) The Recipient, through SE, shall operate and maintain, at all times during Project implementation, the DNPROM with a structure, functions and responsibilities acceptable to the World Bank, including, *inter alia*, the responsibilities referred to in Part 3 (f) of the Project.
- (b) The Recipient, through SE, shall ensure that the DNPROM is, at all times during Project implementation, assisted by professional staff (including, *inter alia*, a Project coordinator, a financial management specialist/liason, a procurement specialist, and a monitoring and evaluation specialist) and administrative staff, all in numbers and with terms of reference, and qualifications and experience acceptable to the World Bank.
- G.** The Recipient, through SE, shall, prior to the commencement of each calendar year during Project implementation, create, and thereafter maintain throughout each said calendar year of Project implementation, a specific budget line entry in the relevant annual budget in order to keep track of the corresponding expenditures incurred during Project implementation.
- H.** (a) In case any of the laboratories to be benefitted under Part 3 (b) (iii) of the Project are vested with legal personality, or owned by a legal entity, the Recipient, through SE, shall, prior to the carrying out of any of the activities under said Part of the Project in respect of any of said laboratories, enter into a separate agreement (the Laboratory Agreement) with each said laboratory or legal entity (as the case may be), on terms and conditions acceptable to the World Bank, which shall include, *inter alia*, the obligation of each said laboratory or legal entity to undertake all necessary actions to enable the Recipient, through SE, to comply with the pertinent obligations under this Agreement.
- (b) (i) The Recipient, through SE, shall exercise its rights under each Laboratory Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant; and (ii) except as the World Bank shall otherwise agree, the Recipient, through SE, shall not assign, amend, abrogate, terminate,

waive or fail to enforce any Laboratory Agreement, or any provision thereof.

- I. In case it is determined by the Recipient, through SE, of the need to carry out the minor specialized works under Part 3 (b) (iii) of the Project, and as approved by the World Bank, the Recipient, through SE, shall, prior to the carrying out of each of said minor specialized works: (a) carry out, or cause to be carried out, an environmental screening of each of the pertinent works, and if needed, as determined by the World Bank, approve or cause to be approved, an environmental management plan or similar environmental instrument, acceptable to the World Bank, for each of said works (which plan or similar environmental instrument shall be based on the results of the pertinent screening mentioned herein, and the World Bank's comments on the results of said screening, if any); and (b) immediately after said approval, implement and/or cause to be implemented, the corresponding plan (or similar environmental instrument) in accordance with its terms.

## **Section II. Project Monitoring, Reporting and Evaluation**

### **A. Project Reports**

1. The Recipient, through SE, shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the Project indicators set forth in the Operational Manual. Each Project Report shall cover the period of one calendar semester (starting with the first calendar semester after the Effective Date), and shall be furnished to the World Bank not later than two calendar months after the end of the period covered by such report.
2. For purposes of Section 2.06 (b) (i) (B) of the Standard Conditions, the Recipient, through SE, shall, not later than September 30, 2011, exchange views with the World Bank (the mid-term review).
3. Without limitation to the provisions of Sections 2.06 and 2.08 (a) of the Standard Conditions, the Recipient, through SE, shall: (a) not later than sixty days after fifty percent of the compact fluorescent lamps for residential use referred to in Part 2 (a) of the Project have been distributed to residential customers, prepare and furnish to the World Bank, a report, acceptable to the World Bank, concerning the progress in the implementation of the pertinent activities mentioned in Part 2 (a) (ii) and (iii) and (b) (i) of the Project by the pertinent Distribution Utilities in accordance with the monitoring and evaluation plan referred to in Part 2 (b) (ii) of the Project; (b) if determined by the World Bank as necessary, not later than sixty days after the presentation of said report, prepare and furnish to the World Bank, a time-bound action plan, acceptable to the World Bank, which plan shall include, *inter alia*, the actions to implement the

recommendations resulting from said report in respect of the pertinent Distribution Utilities (including the World Bank's views, if any); and (c) if applicable, immediately thereafter, implement and/or cause to be implemented said plan in accordance with its terms.

**B. Financial Management; Financial Reports; Audits**

1. The Recipient, through SE, shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient, through SE, shall prepare and furnish to the Bank, as part of the Project Reports mentioned in Section II. A.1 of this Schedule, interim unaudited financial reports for the Project covering each calendar semester, in form and substance satisfactory to the World Bank.
3. The Recipient, through SE, shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each 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.

**Section III. Procurement**

**A. General**

1. **Procurement and Consultant Guidelines.** All goods, works, Non-Consultant Services and consultants' 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:
  - (a) Section I of the Procurement Guidelines in the case of goods, works and Non-Consultants Services, and Sections I and IV of the Consultant Guidelines in the case of consultants' services;
  - (b) the provisions of this Section III, as the same shall be elaborated in the Procurement Plan; and
  - (c) the special provisions referred to in paragraph 3 of this Section.
2. **Definitions.** The capitalized terms used below in 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 Consultant Guidelines, as the case may be.

3. **Special Provisions.** Without limitation to the provisions in Section III.A.1 of this Schedule, the following additional provisions shall also govern the procurement of goods, works, Non-Consultant Services and consultants' services under the Project (as the case may be):
- (a) procurement of goods, works, Non-Consultant Services and consultants' services (in respect of firms) shall be carried out using: (i) standard bidding documents and standard requests for quotations/proposals (as the case may be), all acceptable to the World Bank, which shall all include, *inter alia*, a settlement of dispute provision; (ii) model bid evaluation forms, and model quotations/proposals evaluation forms (as the case may be); and (iii) model contract forms, all acceptable to the World Bank;
  - (b) a two-envelope bidding procedure shall not be allowed in the procurement of goods, works and Non-Consultant Services;
  - (c) after the public opening of bids for goods, works and Non-Consultant Services, information relating to the examination, clarification and evaluation of bids and recommendations concerning awards, shall not be disclosed to bidders or other persons not officially concerned with this process until the publication of contract award. In addition, bidders and/or other persons not officially concerned with said process shall not be allowed to review or make copies of other bidders' bids;
  - (d) after the public opening of consultants' proposals, information relating to the examination, clarification and evaluation of proposals and recommendations concerning awards, shall not be disclosed to consultants or other persons not officially concerned with this process until the publication of contract award (except as provided in paragraphs 2.20 and 2.27 of the Consultant Guidelines). In addition, consultants and/or other persons not officially concerned with said process shall not be allowed to review or make copies of other consultants' proposals;
  - (e) bidders or consultants shall not, as a condition for submitting bids or proposals and/or for contract award: (i) be required to be registered in Argentina; (ii) have a representative in Argentina; and (iii) be associated or subcontract with Argentine suppliers, contractors or consultants;
  - (f) the invitations to bid, bidding documents, minutes of bid openings, requests for expressions of interest and the pertinent summary of the evaluation reports of bids and proposals of all goods, works, Non-Consultant Services and consultants' services, as the case may be, shall be published in the web page of the Recipient's Office of National

Procurement (*Oficina Nacional de Contrataciones*), and in a manner acceptable to the World Bank. The bidding period shall be counted from the date of publication of the invitation to bid or the date of the availability of the bidding documents, whichever is later, to the date of bid opening;

- (g) the provisions set forth in paragraphs 2.49, 2.50, 2.52, 2.53, 2.54 and 2.59 of the Procurement Guidelines shall also be applicable to contracts for goods, works and Non-Consultant Services to be procured under National Competitive Bidding procedures;
- (h) references to bidders in one or more specialized magazines shall not be used by the Recipient, through SE, in determining if the bidder in respect of goods whose bid has been determined to be the lowest evaluated bid has the capability and resources to effectively carry out the contract as offered in the bid, as referred to in the provision set forth in paragraph 2.58 of the Procurement Guidelines. The provision set forth in paragraph 2.58 of the Procurement Guidelines (including the limitation set forth herein) shall also be applicable to contracts for goods to be procured under National Competitive Bidding procedures;
- (i) witness prices shall not be used as a parameter for bid evaluation, bid rejection or contract award;
- (j) the Recipient, through SE, shall: (i) supply the SEPA with the information contained in the initial Procurement Plan within 30 days after the Project has been approved by the World Bank; and (ii) update the Procurement Plan at least every six months, or as required by the World Bank, to reflect the actual project implementation needs and progress and shall supply the SEPA with the information contained in the updated Procurement Plan immediately thereafter;
- (k) consultants shall not be required to submit bid or performance securities;
- (l) contracts of goods, works and Non-Consultant Services shall not be awarded to the “most convenient” bid, but rather to the bidder whose bid has been determined: (i) to be substantially responsive; and (ii) to offer the lowest evaluated bid, provided that said bidder has demonstrated to the Recipient, through SE, to be qualified to perform the contract satisfactorily; and

- (m) the types of contracts described in Section IV of the Consultant Guidelines shall be the only types of contracts to be used by the Recipient, through SE, in connection with the contracting of consultants' services provided by a firm and to be financed with the proceeds of the Grant.

**B. Particular Methods of Procurement of Goods, Works and Non-Consultant Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and Non-Consultant Services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-Consultant Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and Non-Consultant Services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding; (b) Shopping; and (c) Direct Contracting.

**C. Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan: (a) Selection under a Fixed Budget; (b) Least Cost Selection; (c) Selection Based on the Consultants' Qualifications; (d) Single-source Selection; (e) Procedures set forth in paragraphs 5.2 through 5.4 of the Consultant Guidelines for the Selection of Individual Consultants; and (f) Sole Source Procedures for the Selection of Individual Consultants set forth in paragraph 5.4 of the Consultant Guidelines.

**D. Review by the World Bank of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

**Section IV. Withdrawal of Grant Proceeds**

**A. General**

1. 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 table in paragraph 2 below.
2. The following 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:

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Consultants’ services under Part 1 (a) (i) of the Project	1,800,000	90%
(2) Goods under Part 2 (a) (i) of the Project	8,700,000	100%
(3) Goods, works, Non-Consultant Services, consultants’ services and/or Training under Part 2 (b) (ii), (c) and (d) and Part 3 of the Project (as the case may be)	4,570,000	100%
(4) Operating Costs under Part 3 (f) of the Project	85,000	100%
<b>TOTAL AMOUNT</b>	15,155,000	

For purposes of this table:

- (a) the term “Training” means expenditures (other than those for consultants’ services) incurred by the Recipient, through SE, as approved by the World Bank on the basis of an annual budget acceptable to the World Bank, to finance reasonable transportation costs and per-diem of trainees and trainers (if applicable), training registration fees, and rental of training facilities and equipment under the Project activities under the SE’s responsibility; and
- (b) the term “Operating Costs” means reasonable recurrent expenditures, based on an annual budget previously approved by the World Bank, that would not have been incurred by the DNPROM absent the Project, for transportation and per-diem costs of DNPROM’s staff, Project administration costs (including office rent), operation and maintenance of office equipment (including non-durable goods, but excluding salaries).

**B. Withdrawal Conditions; Withdrawal Period**

- 1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$3,000,000 equivalent may be made for payments made prior to this date but on or after June 1, 2008 (but in no case more than one year prior to the date of this Agreement) for Eligible Expenditures for Categories (1), (2) and (3) provided that the pertinent obligations and/or conditions set forth in this Agreement, as applicable to each Eligible Expenditures, have been complied with or met, respectively;
  - (b) payments made to finance any specific study under Part 1 (a) (i) of the Project in respect of Category (1), unless: (i) the corresponding Implementation Agreement has been signed by the respective parties thereto; and (ii) the pertinent Beneficiary has provided the counterpart fund contribution mentioned in paragraph (c) (i) (A) of Schedule 3 to this Agreement; and
  - (c) payments made to finance the acquisition of compact fluorescent lamps under Part 2 (a) (i) of the Project in respect of Category (2), unless the Recipient, through SE, has prepared and furnished to the World Bank, a plan, acceptable to the World Bank, for the acquisition and receipt of



said lamps, and their delivery to the pertinent Distribution Utilities (which plan shall include, *inter alia*, an implementation timetable).

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2015.

### SCHEDULE 3

#### Terms and Conditions of Implementation Agreements

Each Implementation Agreement shall contain, *inter alia*, the following provisions:

- (a) the obligation of the Recipient, through SE: (i) to ensure that Part 1 (a) (i) of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines; and (ii) to finance, with part of the proceeds of the Grant, 90% of the cost of each feasibility study under Part 1 (a) (i) of the Project as provided in Category (1);
- (b) the right of the Recipient, through SE, to take remedial actions against the pertinent Beneficiary in case said Beneficiary shall have failed to comply with any of its obligations under the pertinent Implementation Agreement (which actions may include, *inter alia*, the termination of the Implementation Agreement, all as previously agreed with the World Bank); and
- (c) the obligation of each Beneficiary:
  - (i) to provide: (A) an upfront counterpart fund contribution of 10% of the total cost of the pertinent study; and (B) facilities, services and other resources, necessary or appropriate, all to enable the Recipient, through SE, to carry out the corresponding feasibility study under Part 1 (a) (i) of the Project;
  - (ii) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Implementation Agreement or any provision thereof unless previously agreed by the World Bank;
  - (iii) if applicable, to comply, or caused to be complied, with the obligations referred to in Sections 2.04, 2.05, 2.08 and 2.09 of the Standard Conditions (relating to use of services, and maintenance of plans, documents and records, cooperation and consultation and visits, respectively) in respect of the pertinent feasibility study financed with a portion of the proceeds of the Grant; and
  - (iv) to take or permit to be taken all action to enable the Recipient, through SE, to comply with its obligations referred to in this

Agreement, as applicable to the carrying out of the pertinent feasibility study.

**SCHEDULE 4****Terms and Conditions of Distribution Agreements**

Each Distribution Agreement shall contain, *inter alia*, the following provisions:

- (a) the obligation of the Recipient, through SE, to deliver the compact fluorescent lamps referred to in Part 2 (a) (i) of the Project to the pertinent Distribution Utility in a manner acceptable to the World Bank;
- (b) the right of the Recipient, through SE, to take remedial actions against the pertinent Distribution Utility in case said Distribution Utility shall have failed to comply with any of its obligations under the pertinent Distribution Agreement (which actions may include, *inter alia*, the termination of the Distribution Agreement, all as previously agreed with the World Bank); and
- (c) the obligation of each Distribution Utility:
  - (i) to provide the funds, facilities, services and other resources, necessary or appropriate to carry out the activities referred to in Parts 2 (a) (ii) and (iii) and (b) (i) of the Project in the area served by the same, and all in a manner acceptable to the World Bank;
  - (ii) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Distribution Agreement or any provision thereof unless previously agreed by the World Bank;
  - (iii) if applicable, to comply, or caused to be complied, with the obligations referred to in Sections 2.04, 2.05, 2.08 and 2.09 of the Standard Conditions (relating to use of services, and maintenance of plans, documents and records, cooperation and consultation and visits, respectively) in respect of the activities mentioned in (c) (i) above; and
  - (iv) to take or permit to be taken all action to enable the Recipient, through SE, to comply with its obligations referred to in this Agreement concerning the Project activities referred to in (c) (i) above, as applicable to the pertinent Distribution Utility.

**APPENDIX****Definitions.**

1. “ADEERA” means *Asociación de Distribuidores de Energía Eléctrica de la República Argentina*, the Distribution Utilities Association of the Argentine Republic .
2. “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.
3. “Beneficiary” means a small and/or medium-sized enterprise which meets the criteria set forth in the Operational Manual (as defined below) to present to SE a feasibility study proposal for grant financing under Part 1 (a) (i) of the Project.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
6. “Distribution Agreement” means any of the agreements referred to in Section I.D (a) of Schedule 2 to this Agreement.
7. “Distribution Utility” means an entity vested with legal personality which has met the criteria set forth in the Operational Manual to participate in the program referred to in Part 2 (a) of the Project.
8. “DNPROM” means the *Dirección Nacional de Promoción*, the Recipient’s National Promotion Directorate established within SE (as defined below), or any successor thereto acceptable to the World Bank.
9. “Effective Date” means the date referred to in Section 5.03 of this Agreement.
10. “Framework Agreement” means the agreement (*Convenio Marco*) entered into between the Recipient, through its Ministry of Federal Planning, Public Investment and Services and ADEERA (as defined above), dated December 21,

2007 for purposes of providing support to the carrying out of the program mentioned in Part 2 (a) of the Project, and to which the Distribution Utilities can adhere.

11. “Implementation Agreement” means any of the agreements referred to in Section I.C (a) of Schedule 2 to this Agreement.
12. “Laboratory Agreement” means any of the agreements referred to in Section I.H (a) of Schedule 2 to this Agreement.
13. “Non-Consultant Services” means services under the Project, which services shall be bid and contracted on the basis of performance of measurable physical outputs.
14. “Operational Manual” means the Recipient’s manual dated May 14, 2008, acceptable to the World Bank, which sets forth, *inter alia*: (a) the criteria for selecting Beneficiaries (as defined above) under Part 1 (a) (i) of the Project; (b) the criteria for evaluating, selecting and approving the studies under Part 1 (a) (i) of the Project; (c) the criteria for selecting Distribution Utilities (as defined above); (d) the criteria for designing and approving the pertinent plan referred to in Part 2 (b) (i) of the Project; (e) the criteria for selecting the laboratories under Part 3 (b) (iii) of the Project; (f) the structures, functions and responsibilities of the DNPROM (as defined above); (g) the Project’s chart of accounts and internal controls; (h) the format of: (A) the unaudited interim financial reports referred to in Section II. B.2 of Schedule 2 to this Agreement; and (B) the Financial Statements; (i) the terms of reference for carrying out the Project audits under Section II.B.3 of Schedule 2 to this Agreement; (j) the Project indicators (including the results framework); (k) the measures to dispose of used incandescent lamps under Part 2 (a) (ii) of the Project; and (l) the Project disbursement and procurement procedures, as said manual may be updated and/or amended from time to time with the agreement of the World Bank.
15. “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
16. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 14, 2008 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.

17. “PRONUREE” means *Programa Nacional de Uso Racional y Eficiente de la Energía*, the Recipient’s National Program for the Rational and Efficient Use of Energy, approved pursuant to Presidential Decree No. 140/2007 of December 21, 2007.
18. “SE” means the *Secretaría de Energía* , Recipient’s Secretariat of Energy, or any successor thereto acceptable to the World Bank.
19. “SEPA” means the World Bank’s publicly accessible Procurement Plans Execution System.
20. “Standard Conditions” means the “Standard Conditions for Grants Made by the World Bank Out of Various Funds”, dated July 20, 2006.