

**CONFORMED COPY**

**LOAN NUMBER 7861-AR**

# **Loan Agreement**

**(Road Safety Project – Phase I)**

**between**

**ARGENTINE REPUBLIC**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**LOAN NUMBER 7861-AR**

**LOAN AGREEMENT**

Agreement, as of the Signature Date (as defined in the Appendix to the Loan Agreement), between ARGENTINE REPUBLIC (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

**ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General 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 General Conditions or in the Appendix to this Agreement.

**ARTICLE II — LOAN**

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of thirty million Dollars (\$30,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to LIBOR for the Loan Currency plus the Fixed Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (d) of the General Conditions.
- 2.05. The Payment Dates are February 15 and August 15 in each year.

- 2.06. The principal amount of the Loan shall be repaid in accordance with the provisions of Schedule 3 to this Agreement.
- 2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; and (iii) the setting of limits on the Variable Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

### **ARTICLE III — PROJECT**

- 3.01. The Borrower declares its commitment to the objective of the Project and the Program. To this end, the Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV to carry out the Project with the assistance of: (a) Eligible NGOs under Part 1.B(iv) of the Project pursuant to the terms of the corresponding CAE Grant Agreement; and (b) Participating Provinces and Participating Municipalities under Part 2.B of the Project, pursuant to the terms of the corresponding RSI Participation Agreement, all in accordance with the provisions of Article V of the General Conditions.

- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower, acting within the sphere of the Ministry of the Interior, shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

#### **ARTICLE IV — REMEDIES OF THE BANK**

- 4.01. The Additional Events of Suspension consist of the following:
- (a) That ANSV shall have failed to comply with any of its obligations under the Subsidiary Agreement.
  - (b) That ANSV's Legislation shall have been amended, suspended, abrogated, repealed, not enforced or waived so as to affect materially and adversely, in the opinion of the Bank, the ability of ANSV to perform any of its obligations under the Subsidiary Agreement.
- 4.02. The Additional Event of Acceleration consists of the following, namely, that any event specified in Section 4.01 of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Bank to the Borrower.

#### **ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Condition of Effectiveness consists of the following, namely, that the Subsidiary Agreement has been duly executed on behalf of the parties thereto.
- 5.02. The Additional Legal Matter consists of the following, namely, that the Subsidiary Agreement has been duly authorized or ratified by the Borrower and ANSV, and is legally binding upon the Borrower and ANSV in accordance with its terms.
- 5.03. Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is the date ninety (90) days after Signature Date, but in no case later than the eighteen (18) months after the Bank's approval of the Loan which expire on October 6, 2011.

#### **ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. The Borrower's Representative is its Minister of Economy and Public Finance.

6.02. The Borrower's Address 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 Bank's Address is:

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

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

AGREED at Washington, D.C., United States of America, on behalf of the Bank on May 28, 2010 and at Buenos Aires, Argentina, on behalf of the Borrower on June 11, 2010.

**ARGENTINE REPUBLIC**

**By /s/Amado Boudou**

**Authorized Representative**

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

**By /s/ Stefan Koeberle**

**Authorized Representative**

## SCHEDULE 1

### Project Description

The objective of the Project is to contribute to the reduction of road traffic injuries and fatalities in the Borrower's territory through the strengthening of the Borrower's institutional framework and management capacity for road safety, as well as to the reduction of crashes in selected pilot corridors.

The Project constitutes the first phase of the Program, and consists of the following parts:

#### **Part 1 Institutional Capacity Building**

- A. Provision of equipment and technical assistance to ANSV with the objective of adopting best practices in international road safety through, *inter alia*: (i) the creation of a national driver license registry system; (ii) the creation of a national traffic records and infractions registry system; and (iii) the preparation of ANSV's Strategic Plan.
  
- B. Provision of support to ANSV, Eligible NGOs and private sector entities with a view to improving public awareness and sensitization on road safety issues, through *inter alia*: (i) the development and implementation of a plan for national social communications and education campaigns; (ii) the development of road safety education kits for teachers, students and the general population; (iii) the provision of assistance for the design, evaluation and implementation of social communication and educational campaigns, through different mass media; (iv) the provision of CAE Grants to Eligible NGOs for the carrying out of NGO CAE Subprojects; (v) the non-pecuniary support to corporate social responsibility initiatives, such as identification of best practices and their dissemination; and (vi) the provision of training and the carrying out of workshops and educational seminars related to road safety.
  
- C. Provision of technical assistance to improve the Borrower's response capacity to emergencies and the development of an effective trauma and medical services system, through *inter alia*: (i) the carrying out of diagnosis of current capabilities and protocols of the Borrower's emergency services to road crashes on national roads; (ii) design of action plans, improved protocols and guidelines for emergency response; (iii) design and implementation of improvements in emergency coordination systems amongst concerned agencies (e.g. police, ambulance services, hospitals, insurance companies); (iv) training for emergency response personnel; and (v) acquisition of equipment to facilitate the work of road crash emergency personnel, including communications equipment, aimed at enhancing emergency response capability.

- D. Enhancement of the regulatory framework and traffic enforcement capabilities of the ANSV and other traffic control institutions, through: (i) the delivery of training modules acceptable to the Bank; (ii) the acquisition of alcoholmeters, speed control radar guns, cinemometers, and other fixed or mobile radar technology; and (iii) the development of a national plan for speed control, including the implementation of speed controls, radar and photo recording systems, all for the exclusive use of traffic control.
- E. Carrying out of supervision activities and provision of support directed to ensuring adequate Project management, including the carrying out of audits for the Project.

### **Part 2 Demonstration Corridors and Incentive Fund Program**

- A. Development and implementation of a comprehensive, integrated road safety program along the Selected High-Risk Corridors, including *inter alia*: (i) the provision of support for the implementation of pilot interventions aimed at improving the safety of road infrastructure and operations; (ii) improvement of road safety awareness through the carrying out of education and social communication campaigns; (iii) acquisition of technological equipment to support better driving conducts; and (iv) support to improve emergency and post-crash response activities.
- B. The provision, through an incentive fund program organized within ANSV, of RSI Reimbursable Costs for the carrying out of RSIs with the goal of improving road safety policies and conditions.

### **Part 3 Monitoring and Evaluation through the National Road Safety Observatory**

- A. Development and promotion of the National Road Safety Observatory through, *inter alia*, the provision of support to strengthen: (i) Road safety information systems in the National Registry of Road Safety Statistics; (ii) road monitoring systems (including the design and development of a crash management system); (iii) road crash data collection and reporting systems; (iv) coordination among the National Road Safety Observatory and IRTAD; (v) monitoring and evaluation capabilities of ANSV; (vi) quality control audits of national road crash data; and (vii) road crash research studies relevant to the National Road Safety Observatory.



## SCHEDULE 2

### Project Execution

#### Section I. Implementation and Other Arrangements

##### A. Subsidiary Agreement

1. Without limitation to the provisions of Section 3.01 of this Agreement, and for purposes of carrying out the Project, the Borrower shall make the proceeds of the Loan available to ANSV under a subsidiary agreement (the Subsidiary Agreement) to be entered into by and between the Borrower, through its Ministry of Economy and Public Finance, and ANSV, under terms and conditions acceptable to the Bank, which shall include, *inter alia*, those set forth in Schedule 4 to this Agreement.
2. The Borrower shall: (a) exercise its rights and carry out its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan; and (b) except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, terminate, waive or fail to enforce the Subsidiary Agreement or any provision thereof.
3. In case of any conflict between the terms of the Subsidiary Agreement and those of this Agreement, the terms of this Agreement shall prevail.

##### B. Institutional Arrangements

1. The Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV to operate and maintain, at all times during Project implementation, a Project coordinating unit (the UCP) with a structure, functions and responsibilities acceptable to the Bank, including, *inter alia*, the responsibility of the UCP to assist ANSV in the coordination, monitoring and supervision of the carrying out of the Project.
2. The Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV to ensure that the UCP is, at all times during Project implementation, headed by a general coordinator and assisted by other adequate professional staff (with expertise in administrative, procurement and financial management matters) and administrative staff, all with qualifications and experience acceptable to the Bank.
3. The Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV to, prior to the commencement of each calendar year during Project implementation, starting in 2011, 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.

**C. Operational Manual and Safeguards**

1. Without limitation to the provisions of Article V of the General Conditions and Section 3.01 of this Agreement, the Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV to carry out the Project in accordance with a manual (the Operational Manual), acceptable to the Bank, which shall set forth, *inter alia*:
  - (a) (i) the criteria for the selection of Eligible NGOs under Part 1.B (iv) of the Project; (ii) the mechanisms, rules and eligibility criteria required for the provision of CAE Grants and other incentives under Part 1.B (iv) of the Project; (iii) the technical, environmental, social and operational rules applicable to the carrying out of NGO CAE Subprojects under Part 1.B (iv) of the Project; (iv) a model CAE Grant Agreement;
  - (b) (i) the rules, terms and conditions for the setting up and operation of an incentive fund to provide RSI Reimbursable Costs under Part 2.B of the Project; (ii) the criteria, terms and conditions for the involvement of Participating Provinces and/or Participating Municipalities in the Project activities under Part 2.B of the Project; (iii) the mechanisms, rules, reimbursement limits, adjustment methodology, supervision guidelines and further operational requirements needed for the carrying out of RSIs and the provision of RSI Reimbursable Costs under Part 2.B of the Project; (iv) the technical, environmental, social and operational rules applicable to the carrying out of RSIs under Part 2.B of the Project; (v) the terms of reference for carrying out the concurrent audits under Part 2.B of the Project, as referred to under Section II.B.4 of this Schedule; and (vi) a model RSI Participation Agreement;
  - (c) (i) the Project's chart of accounts and internal controls; (ii) the format of the unaudited interim financial reports referred to in Section II.B.2 of this Schedule; (iii) the format of the Financial Statements; (iv) the terms of reference for carrying out Project audits under Section II.B.3 of this Schedule; (v) the Project monitoring indicators; (vi) the Project flow of funds structure, disbursement and procurement procedures; (vii) the institutional and administrative structure of the ANSV and the UCP directly in charge of Project implementation, including their functions and responsibilities;
  - (d) the Environmental and Social Management Plan;

- (e) the Indigenous Peoples Planning Framework;
  - (f) the Indigenous Peoples Plans; and
  - (g) the Resettlement Framework.
2. In case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.
  3. Prior to the commencement of any proposed civil works to be included as part of an RSI under Part 2.B of the Project, the Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV to ensure that the relevant Participating Province or Participating Municipality, as the case may be, applies the Environmental and Social Management Plan, in order to:
    - (a) carry out an environmental screening and assessment of such proposed civil works, as prescribed in the Operational Manual;
    - (b) prepare the relevant Environmental Impact Assessments/Environmental Management Plans, as necessary; and
    - (c) include in each Environmental Management Plan, as necessary, the provisions for the prevention, mitigation and remediation of any potential environmental damage arising from the implementation of such proposed civil works.
  4. During the implementation of any civil works as part of an RSI under Part 2.B of the Project, the Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV to ensure that the respective Participating Province or Participating Municipality applies the provisions of the relevant Environmental Management Plan referred to in subparagraph 3 (c) above.
  5. In the event that any given activity under the Project may affect an indigenous group, the Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV, prior to the carrying out of any said activity, to prepare and furnish to the Bank, or cause to be prepared and furnished to the Bank through ANSV: (a) an indigenous peoples plan, acceptable to the Bank (which plan shall be prepared in accordance with the Indigenous Peoples Planning Framework) in respect of said Project activity; and (b) thereafter implement and/or cause to be implemented said plan in accordance with its terms.
  6. In the event that any given activity under Part 2.B of the Project causes Resettlement, the Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV, prior to the commencement of said activity, to prepare and furnish to the Bank, or cause the pertinent Participating Province or

Participating Municipality to prepare and furnish to the Bank through ANSV: (a) a Resettlement Action Plan, acceptable to the Bank (which plan shall be prepared in accordance with the Resettlement Framework) in respect of said Project activity; and (b) thereafter implement and/or cause to be implemented said plan in accordance with its terms.

**D. Anti-Corruption**

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

**E. CAE Grants and NGO CAE Subprojects**

1. For the purposes of carrying out Part 1.B (iv) of the Project, the Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV to approve NGO CAE Subprojects and, if applicable, to provide CAE Grants to the pertinent Eligible NGOs to finance the carrying out of approved NGO CAE Subprojects, in accordance with eligibility criteria and procedures acceptable to the Bank and pursuant to the terms and conditions set forth to that effect in the Operational Manual.
2. The Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV to provide each CAE Grant under a CAE Grant Agreement to be entered into by ANSV with the respective Eligible NGO, setting forth the technical, financial, administrative, safeguard and fiduciary aspects of the participation in the implementation and use of funds under Part 1.B(iv) of the Project, on terms and conditions approved by the Bank, which shall include, *inter alia*, those set forth in the Operational Manual and in Schedule 4 to this Agreement.
3. The Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV to exercise its rights and carry out its obligations under each CAE Grant Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, ANSV shall not assign, amend, abrogate or waive any CAE Grant Agreement or any of its provisions.
4. In case of any conflict between the terms of each CAE Grant Agreement and those of this Agreement, the terms of this Agreement shall prevail.

**F. Road Safety Interventions (RSIs)**

1. For the purposes of carrying out RSIs under Part 2.B of the Project, the Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV to enter into an agreement (each, a RSI Participation Agreement) with each Participating Province or Participating Municipality, setting forth the

technical, financial, administrative, safeguard and fiduciary aspects of the participation in the implementation and use of funds of Part 2.B of the Project, on terms and conditions approved by the Bank, including, *inter alia*, those set forth in the Operational Manual and in Schedule 4 to this Agreement.

2. The Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV to exercise its rights and carry out its obligations under each RSI Participation Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, ANSV shall not assign, amend, abrogate or waive any RSI Participation Agreement or any of its provisions.
3. In case of any conflict between the terms of each RSI Participation Agreement and those of this Agreement, the terms of this Agreement shall prevail.
4. The Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV to provide RSI Reimbursable Costs to Provinces and/or Municipalities, only after each such Province or Municipality has fulfilled the requirements set forth in the Operational Manual in order to become a Participating Province or Participating Municipality. The provision of RSI Reimbursable Costs shall be made in accordance with the terms of this Agreement and those set forth in the Operational Manual.
5. The Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV to: (a) review jointly with the Bank and not later than 12 months after the Effective Date and yearly thereafter, the RSI Reimbursable Costs and the composition of eligible output activities included in the Road Safety Interventions List; and (b) immediately thereafter adjust them as necessary, in a manner satisfactory to the Bank.

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

### **A. Project Reports**

1. The Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV to monitor and evaluate the progress of the Project, and prepare and furnish to the Bank, Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the indicators agreed with the Bank and set forth in the Operational Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than forty five days after the end of the period covered by such report.

**B. Financial Management, Financial Reports and Audits**

1. The Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV to maintain a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV to prepare and furnish to the Bank not later than forty five days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.
3. The Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV to have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.
4. Pursuant to terms of reference previously agreed with the Bank, including *inter alia* the scope and period of the audits to be conducted and furnished to the Bank, and as further specified in the Operational Manual, the Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV to contract independent technical auditors acceptable to the Bank for the carrying out of audits on Project activities under Part 2.B of the Project.

**Section III. Procurement**

**A. General**

1. **Goods, Works and Non-consultant Services.** All goods, works and Non-consultant 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 Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' 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 Sections I and IV of the Consultant Guidelines and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

**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 procedures.
2. **Other Methods of Procurement of Goods, Works and Non-consultant services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and Non-consultant Services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<b><u>Procurement Method</u></b>
(a) National Competitive Bidding
(b) Shopping
(c) Community Participation under Section 3.17 of the Procurement Guidelines, pursuant to the terms and conditions set forth for this method in the Operational Manual

**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 table specifies the methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<b><u>Procurement Method</u></b>
(a) Least Cost Selection
(b) Consultants Qualifications Selection
(c) Single Source Selection
(d) Individual Consultants

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

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

**E. Special Provisions**

The following special procurement provisions shall apply to procurement under the Project:

**General**

1. All procurement shall be done using standard bidding documents, standard requests for proposals, model bid evaluation forms, model proposal evaluation forms and contract forms previously agreed with the Bank.
2. Bidding documents for National Competitive Bidding shall include anticorruption clauses as required by the Anti-Corruption Guidelines and acceptable to the Bank, including those that give the Bank audit rights over bidders, suppliers, contractors and consultants. These clauses shall be substantially identical to those pertaining to the Bank Standard Bidding Documents for International Competitive Bidding.
3. For consultant services contracts, only the types of contracts listed in Section IV of the Consultant Guidelines may be used, and “*Convenios*” will not be permitted.
4. Foreign and local contractors, service providers, consultants and suppliers shall not be required:
  - (a) to register;
  - (b) establish residence in the Argentine Republic; or
  - (c) enter into association with other national or international bidders as a condition for submitting bids or proposals.
5. The invitations to bid, bidding documents, minutes of bid opening, requests for expressions of interest and notifications of contract award of all processes aimed at the procurement of goods and services (including consultants’ services), as the case may be, shall be published in the web page of *Oficina Nacional de Contrataciones* in a manner acceptable to the Bank.
6. The Borrower, acting within the sphere of the Ministry of the Interior, shall cause ANSV to:
  - (a) feed the Bank publicly accessible Procurement Plans Execution System (SEPA) within 30 days of Loan approval with the information contained in the initial Procurement Plan; and



- (b) update the Procurement Plan at least every quarter or as needed to reflect the actual Project implementation needs and progress and will feed the Bank Procurement Plans Execution System (SEPA) with the information contained in the updated Procurement Plan immediately thereafter.
7. Bidders and consultants shall not be allowed to review or make copies of other bidders' bids or consultants' proposals, as the case may be.

**Goods and Non-consultant Services**

- 1. A two-envelope system of procurement will not be used for the procurement of goods or services (other than consultants' services).
- 2. Contracts of goods and services, other than consulting services, shall not be awarded to the "most convenient" bid but to the one that has been determined to be substantially responsive and the lowest evaluated bid, provided that further the bidder is determined to be qualified to perform the contract satisfactorily.
- 3. Compliance with the International Organization for Standardization (ISO) standards shall not be required to foreign bidders.
- 4. Minimum terms for submitting bids and quotations shall be the following: (a) 30 days for NCB processes amounting to \$80,000 and above; (b) 15 days for NCB processes amounting to \$20,000 and above; and (c) 10 days for Shopping procedures amounting to \$3,000 and above.

**Section IV. Withdrawal of Loan Proceeds**

**A. General**

- 1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the 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 Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

<b><u>Category</u></b>	<b><u>Amount of the Loan Allocated (expressed in USD)</u></b>	<b><u>Percentage of Expenditures to be financed (inclusive of Taxes)</u></b>
(1) Goods, works and Non-consultant Services	12,560,000	80%
(2) CAE Grants	1,000,000	100%
(3) Consultants' services and audits	5,200,000	100%
(4) RSI Reimbursable Costs	10,000,000	100% adjustable pursuant to Section I.F.5 of this Schedule
(5) Training	965,000	100%
(6) Operating Costs	200,000	100%
(7) Premia for Interest Rate Caps and Interest Collars	0	Amounts payable pursuant to Section 2.07 (c) of this Agreement
(8) Front-end Fee	75,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
<b>TOTAL AMOUNT</b>	<b>30,000,000</b>	

For purposes of this table:

- (a) "Training" means the reasonable expenditures incurred by the Borrower for the carrying out of training activities under the Project, including, *inter alia*, reasonable costs of travel, subsistence, rental of training facilities, and *per diem* for trainers and trainees, registration fees and training materials;
- (b) "Operating Costs" means the reasonable incremental expenses incurred on account of Project implementation, management and monitoring, including, *inter alia*, office supplies, insurance, communication expenses, equipment, computer operation and maintenance, supervision costs, travel and *per diem*.

**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 Signature Date, except that withdrawals up to an aggregate amount not to exceed \$6,000,000 equivalent may be made for payments made within one year prior to the Signature Date but on or after June 1, 2009 for Eligible Expenditures;
  - (b) under Category (2) unless the relevant Eligible NGO has met the criteria set forth in the Operational Manual to receive CAE Grants and the corresponding CAE Grant Agreement has been signed by the respective parties thereto; or
  - (c) for payments made to provide RSI Reimbursable Costs under Category (4) unless: (i) ANSV has duly established the incentive fund program under Part 2.B of the Project, under terms and operating conditions acceptable to the Bank; and (ii) the relevant Province or Municipality has met the criteria set forth in the Operational Manual to become a Participating Province or Participating Municipality, which criteria shall include, *inter alia*, that the corresponding RSI Participation Agreement has been signed by the respective parties thereto.
2. The Closing Date is August 30, 2015.

**SCHEDULE 3**

**Amortization Schedule**

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<b>Principal Payment Date</b>	<b>Installment Share (Expressed as a Percentage)</b>
On each February 15 and August 15 Beginning August 15, 2015 through February 15, 2040	2.0%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
- (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
  - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.
3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as

withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

- (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
- 4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
- 5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

## SCHEDULE 4

### Terms and Conditions of the Subsidiary Agreement, CAE Grant Agreements and RSI Participation Agreements

#### Section I. Subsidiary Agreement

The Subsidiary Agreement shall contain, *inter alia*, the following provisions:

- A. The obligation of the Borrower:
  - 1. to promptly disburse to ANSV the proceeds of the Loan in a manner acceptable to the Bank;
  - 2. to ensure that ANSV carries out the Project in accordance with the provisions of the Anti-Corruption Guidelines; and
  - 3. with respect to Part 1.B (iv) and Part 2.B of the Project, to cause ANSV to ensure that: (a) the Eligible NGOs in respect of Part 1.B (iv) of the Project; and (b) the Participating Provinces and Participating Municipalities in respect of Part 2.B of the Project, comply with the provisions of the Anti-Corruption Guidelines.
- B. The right of the Borrower to take remedial actions against ANSV in case ANSV shall have failed to comply with any of its obligations under the Subsidiary Agreement (which actions may include, *inter alia*, the partial or total suspension and/or cancellation of the Loan proceeds (as the case may be), all as previously agreed with the Bank).
- C. The obligation of ANSV:
  - 1. to carry out the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental, social and cultural property practices, including those contained in the Operational Manual;
  - 2. to provide the counterpart funds, facilities, services and other resources, necessary or appropriate to carry out the Project;
  - 3. to ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines (by, for example, allowing Bank inspection and audit rights under paragraph 9 (d) of the Anti-Corruption Guidelines);

4. not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Subsidiary Agreement or any provision thereof, unless previously agreed with the Bank;
5. if applicable, to comply, or cause to be complied, with the obligations referred to in Sections 5.04, 5.05, 5.06, 5.07, 5.10 and 5.11 of the General Conditions (relating to insurance, land acquisition, use of goods, works and services, maintenance of facilities, plans, documents and records, cooperation and consultation and visits, respectively) in respect of the Project; and
6. to take or permit to be taken all actions to enable the Borrower to comply with its obligations set forth in Sections 3.01 and Schedule 2 to this Agreement in respect of the carrying out of the Project by ANSV.

**Section II. CAE Grant Agreements**

The CAE Grant Agreements shall contain, *inter alia*, the following provisions:

- A. The obligation of ANSV:
  1. to promptly disburse to each Eligible NGO the proceeds of the CAE Grant in a manner acceptable to the Bank; and
  2. to ensure that each Eligible NGO carries out the respective NGO CAE Subproject in accordance with the provisions of the Anti-Corruption Guidelines (by, for example, allowing Bank inspection and audit rights under paragraph 9 (d) of the Anti-Corruption Guidelines).
- B. The right of ANSV to suspend or terminate the right of the respective Eligible NGO to use the proceeds of the CAE Grant, or to obtain a refund of all or any part of the amount of the CAE Grant then withdrawn, upon the Eligible NGO's failure to perform any of its obligations under the CAE Grant Agreement.
- C. The obligation of each Eligible NGO to:
  1. Carry out its NGO CAE Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including in accordance with the provisions of the Operational Manual and the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Borrower, and to provide, promptly as needed, the resources required for this purpose;

2. procure the goods and services to be financed out of the CAE Grant in accordance with the provisions of this Agreement and those of the Operational Manual;
3. maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Bank, the progress of the NGO CAE Subproject and the achievement of its objectives;
4. prepare and furnish to the ANSV and the Bank, through the Borrower, all such information as ANSV or the Bank shall reasonably request related to its participation in Project; and
5. not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the relevant CAE Grant Agreement or any provision thereof without the prior no objection of ANSV and the Bank.

**Section III. RSI Participation Agreements**

The RSI Participation Agreements shall contain, *inter alia*, the following provisions:

- A. The obligation of ANSV:
  1. to promptly provide to the respective Participating Province or Participating Municipality (as the case may be) the applicable RSI Reimbursable Costs in a manner acceptable to the Bank; and
  2. to ensure that each Participating Province or Participating Municipality (as the case may be) carries out the respective RSI in accordance with the provisions of the Anti-Corruption Guidelines (by, for example, allowing Bank inspection and audit rights under paragraph 9 (d) of the Anti-Corruption Guidelines).
- B. The right of ANSV to take remedial actions against the Participating Province or Participating Municipality (as the case may be) in case any such Participating Province or Participating Municipality shall have failed to comply with any of its obligations under the respective RSI Participation Agreement.
- C. The obligation of the Participating Provinces and/or Participating Municipalities to:
  1. Upon the execution of each respective RSI Participation Agreement, and every calendar year thereafter, as necessary, enter into a performance agreement with ANSV (the Annual Performance Agreement), acceptable to the Bank and substantively reflecting the form and substance



described in the Operational Manual, setting forth annual targets, work programs and resource requirements for the implementation of Part 2.B of the Project;

2. carry out RSIs with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including in accordance with the Operational Manual and the pertinent provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Borrower, and to provide, promptly as needed, the resources required for this purpose;
3. when applicable in accordance with the provisions of the IPPF, the ESMP and/or the Resettlement Framework, to carry out and implement, respectively, the applicable Indigenous Peoples Plan, Environmental Management Plan/Environmental Impact Assessment and/or the Resettlement Action Plan in accordance with its terms;
4. procure any goods, works and services necessary for the carrying out of the respective RSI in accordance with the provisions of this Agreement and those of the Operational Manual;
5. take all necessary actions to enable the Borrower to comply with its obligations under this Agreement, including those set forth or referred to in the General Conditions, in respect of the carrying out of the Project as it may apply to the assistance provided by the respective Participating Province and/or Participating Municipality;
6. prepare and furnish to the ANSV and the Bank, through the Borrower, all such information as ANSV or the Bank shall reasonably request related to its participation in Project; and
7. not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the relevant RSI Participation Agreement or any provision thereof without the prior no objection of ANSV and the Bank.

## APPENDIX

### Section I. Definitions

1. “ANSV” means *Agencia Nacional de Seguridad Vial*, the Borrower’s National Agency for Road Safety, a decentralized organism within the sphere of the Borrower’s Ministry of the Interior, with economic and financial autarchy, as well as legal personality, constituted as such by the Borrower’s Law 26.363 of April 29, 2008.
2. “ANSV’s Legislation” means the Borrower’s Law 26.363 of April 29, 2008, and the Decree No. 1787/2008 of November 5, 2008.
3. “ANSV’s Strategic Plan” means *Plan Estratégico 2010-2015*, ANSV’s plan setting forth measures and guidelines for strategic ANSV’s actions for years 2010-2015, on the area of road safety.
4. “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.
5. “CAE Grant” means any communication, awareness or educational grant made or proposed to be made out of the proceeds of the Loan to an Eligible NGO, to finance a given NGO CAE Subproject.
6. “CAE Grant Agreement” means each of the agreements referred to in Section I.E.2 of Schedule 2 to this Agreement, as the same may be amended from time to time with the agreement of the Bank.
7. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
8. “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.
9. “Eligible NGO” means a non-governmental organization which meets the criteria set forth in the Operational Manual to carry out an NGO CAE Subproject and participate in the Project activities referred to in Part 1.B (iv) of the Project.
10. “Environmental Impact Assessment” means any of the environmental assessment studies prepared by the Borrower, or ANSV, or any Participating Province or Participating Municipality, in accordance with the ESMP, for the carrying out of RSIs.

11. “Environmental Management Plan” means any of the plans, acceptable to the Bank, that may be completed during the implementation of the Project and in the carrying out of RSIs under Part 2.B thereof, in accordance with the ESMP, and which may be amended from time to time with the prior no objection from the Bank.
12. “Environmental and Social Management Plan” or “ESMP” means the Borrower’s environmental and social framework for the Project, acceptable to the Bank, dated February 11, 2010 that contains specific environmental and social procedures for Project implementation, including *inter alia*, the environmental and social guidelines and procedures applicable to Project activities and to the carrying out of RSIs and NGO CAE Subprojects.
13. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005 (as amended through February 12, 2008) with the modifications set forth in Section II of this Appendix.
14. “Indigenous Peoples Plan” or “IPP” means any of the plans that may be completed during the implementation of the Project, which shall follow the relevant provisions contained to that effect in the IPPF, and which may be amended from time to time with the prior no objection from the Bank.
15. “Indigenous Peoples Planning Framework” or “IPPF” means the framework dated February 8, 2010 acceptable to the Bank, which framework includes, *inter alia*, the principles, objectives, methodology and the contents to be included in each IPP.
16. “IRTAD” means International Road Traffic Accident Database, a database managed by OECD and the International Transport Forum in Paris, covering road safety data in countries within and outside of Europe.
17. “Municipality” means a political sub-division within any of the Borrower Provinces.
18. “National Registry of Road Safety Statistics” means *Registro Nacional de Estadísticas en Seguridad Vial*, the Borrower’s registry in charge of gathering information related to road crashes, as established by ANSV’s Legislation.
19. “National Road Safety Observatory” means *Observatorio de Seguridad Vial*, the Borrower’s observatory established by ANSV’s Legislation, in charge of performing assessments on causes and consequences of road crashes, as well as to formulate possible preventive measures to be taken in the field of road safety.

20. “NGO CAE Subproject” means an activity in the area of communications, awareness or education related to road safety, to be financed partly or totally by a CAE Grant, and that complies with the eligibility and operational criteria set forth to that effect in the Operational Manual.
21. “Non-consultant Services” means logistical service expenses for capacity-building events, printing of training materials and media campaigns, as well as other services which are not rendered by consultants, obtained at reasonable cost on account of Project implementation and which are not covered in the definitions of Training and/or Operating Costs.
22. “Operational Manual” means the manual dated February 16, 2010 as the same may be amended from time to time by agreement between the Borrower and the Bank.
23. “Participating Municipality” means a Municipality which meets the criteria set forth in the Operational Manual to carry out RSIs.
24. “Participating Province” means a Province which meets the criteria set forth in the Operational Manual to carry out RSIs.
25. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
26. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated February 16, 2010 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.
27. “Program” means the program designed to drastically reduce the number of deaths and serious injuries due to road crashes in the Borrower’s road network, and set forth or referred to in the letter dated February 15, 2010 from the Borrower to the Bank.
28. “Province” means a political subdivision of the Borrower as per Title Two of the Borrower’s Constitution, and the Autonomous City of Buenos Aires.
29. “Resettlement” means the impact of an involuntary taking of land under the Project, which taking causes affected persons to have their: (i) standard of living adversely affected; or (ii) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (iii) access to productive assets adversely affected, temporarily or permanently; or (iv) business,

occupation, work or place of residence or habitat adversely affected, temporarily or permanently.

30. “Resettlement Action Plan” means the resettlement plans, acceptable to the Bank, that may be completed during the implementation of the Project, which shall follow the relevant provisions contained in the Resettlement Framework and which may be amended from time to time with the prior no objection from the Bank.
31. “Resettlement Framework” means the Borrower's framework published on February 8, 2010 and available to the public on the website [www.mininterior.gov.ar/ansv](http://www.mininterior.gov.ar/ansv), outlining implementation procedures, mitigation measures and monitoring procedures in relation to any Resettlement (as defined below) under the Project; said framework may be amended from time to time with the Bank's prior approval.
32. “Road Safety Interventions List” means the positive list of eligible RSIs (as defined below) included in the Operational Manual, as the same may be amended from time to time with the prior agreement of the Bank.
33. “RSI” or “Road Safety Intervention” means any of the output-based activities included in the Road Safety Interventions List, aimed at improving road safety policies and conditions.
34. “RSI Participation Agreement” means each of the agreements referred to in Section I.F.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the agreement of the Bank.
35. “RSI Reimbursable Cost” means an average of the operating and investment costs required for implementing each one of the RSIs, including *inter alia* the costs of inputs, human resources, supplies and use of equipment, to be reimbursed by ANSV to the respective Participating Province or Participating Municipality (as the case may be) pursuant to the pertinent provisions of the Operational Manual, as such cost may be adjusted from time to time with the agreement of the Bank as provided for in Section I.F.5 of Schedule 2 to this Agreement.
36. “Selected High-Risk Road Corridors” means any of the road segments under the Borrower’s jurisdiction listed in the Operational Manual.
37. “Signature Date” means the latest of the two dates on which the Borrower and the Bank signed the Loan Agreement and such definition applied to all references to “the date of the Loan Agreement” in the General Conditions.

38. “Subsidiary Agreement” means the agreement referred to in Section I.A.1 of Schedule 2 to this Agreement pursuant to which the Borrower shall make the proceeds of the Loan available to ANSV, as the same may be amended from time to time with the agreement of the Bank.
39. “UCP” means *Unidad de Coordinación de Proyecto*, the Project coordinating unit within ANSV referred to in Section I.B.1 of Schedule 2 to this Agreement, or any successor thereto acceptable to the Bank.

## **Section II. Modifications to the General Conditions**

The modifications to the General Conditions are as follows:

1. Paragraph (l) of Section 7.02 is modified to read as follows:

“Section 7.02. *Suspension by the Bank*

... (l) *Ineligibility*. The Bank or the Association has declared the Borrower (other than the Member Country) or the Project Implementing Entity ineligible to receive proceeds of any financing made by the Bank or the Association or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Bank or the Association, as a result of a determination by the Bank or the Association that the Borrower or the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Bank or the Association.”

2. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

- (a) The definition of the term “Conversion Date” is modified to read as follows:

“‘Conversion Date’ means, in respect of a Conversion, the Execution Date (as herein defined) or such other date as requested by the Borrower and accepted by the Bank, on which the Conversion enters into effect, and as further specified in the Conversion Guidelines.”