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OFFICIAL DOCUMENTS

LN 8633-AR

Bouchar 547, 29th floor
 C1106ABG
 Ciudad Autónoma de Buenos Aires
 Argentine Republic

Tel.: (54-11) 4316-9700 / 44
 Fax: (54-11) 4313-1233

September 30, 2016

His Excellency
 Alfonso Prat Gay
 Minister of Treasury and Public Finance
 Ministry of Treasury and Public Finance
 Hipólito Yrigoyen 250
 Buenos Aires, Republic of Argentina

**Re: IBRD Loan 8633-AR Children and Youth Protection Project
Additional Instructions: Disbursement Letter**

Dear Minister:

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (the “Bank”) and the *República Argentina* (the “Borrower”) for the above-referenced project, dated September 30, 2016. The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 8633-AR (“Loan”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

The attached *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006, (“Disbursement Guidelines”) (Attachment 1), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Loan is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

- (i) **Disbursement Methods (section 2).** The following Disbursement Methods may be used under the Loan:
- a. Reimbursement for Part 1 of the Project
 - b. Advance, and
 - c. Direct Payment.
- (ii) **Disbursement Deadline Date (subsection 3.7).** The Disbursement Deadline Date is four months after the Closing Date specified in the Schedule 2 Section IV.B.7 to the Loan Agreement, any changes to this date will be notified by the Bank.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Conditions in Schedule 2 Section IV.B.1.a, 1.b, 2.a, 2.b, 2.c, 2.d, 2.e, 2.f, 2.g, 2.h, 2.i, 4, and 5 to the Loan Agreement.

II. Withdrawal of Loan Proceeds

(i) Authorized Signatures (subsection 3.1). An authorized signatory letter in the Form attached (Attachment 2) should be furnished to the Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank
Torre Bouchard
Bouchard 547
C1106ABG
Buenos Aires, Argentina
Attention: **Jesko S. Hentschel**, Country Director
Argentina, Paraguay and Uruguay.

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed (a) applications for withdrawal, together with supporting documents, to the address indicated below:

Banco Mundial
SCN, Quadra 02, Lote A
Edificio Corporate Finance Center
7° andar
70712-900 Brasilia, D.F.
Brazil
Attention: **Monica Tambucho**, Sr. Finance Officer, Loan Department

(iii) Electronic Delivery (subsection 3.4). The Bank may permit the Borrower to electronically deliver to the Bank Applications (with supporting documents) through the Bank's Client Connection, web-based portal. The option to deliver Applications to the Bank by electronic means may be effected if: (a) the Borrower has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive Secure Identification Credentials ("SIDC") from the Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Borrower have registered as users of Client Connection. If the Bank agrees, the Bank will provide the Borrower with SIDC for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (<https://clientconnection.worldbank.org>). The Borrower may continue to exercise the option of preparing and delivering Applications in paper form. The Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower.

(iv) Terms and Conditions of Use of SIDC to Process Applications. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Borrower confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of

Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of Secure Identification Credentials”) provided in Attachment 3; and (b) to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications for Direct Payments and Reimbursements is USD 2,500,000 equivalent, except Part 1 of the Project.

(vi) Advances (sections 5 and 6), for Part 2, 3 and 4 of the project (account to be managed by ANSES)

- ***Designated Account*** to be managed by ANSES
 1. ***Type of Designated Account (subsection 5.3):*** Segregated
 2. ***Currency of Designated Account (subsection 5.4):*** United States Dollars (USD)
 3. ***Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):*** Banco de la Nación Argentina
 4. ***Ceiling (subsection 6.1):*** USD 70,000,000 equivalent.¹
- ***Operative Accounts***

Funds from the Designated Account will be transferred to two local currency operative accounts:

 1. ***Operative Account A*** – To be managed by ANSES for the implementation of Part 2 and Part 3 of the Project (as stated in Schedule 1 to the Loan Agreement), and
 2. ***Operative Account B*** – To be managed by the PMU within the MDS for the implementation of Part 4 of the Project (as stated in Schedule 1 to the Loan Agreement)

III. Reporting on Use of Loan Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each application for withdrawal as set out below:

- ***For requests for reimbursement*** for eligible expenditures paid under Part 1 of the Project - Provision of AUH Grants to AUH Recipients
 - Proceeds of the Loan will be transferred to the Single Treasury Account (CUT) managed by the National Treasury Office (TGN) at the Ministry of Finance (*Ministerio de Hacienda y Finanzas Públicas*), and as reported in the Interim Unaudited Financial Report (IFR), in the form attached (Attachment 4), which will include (A) agreed evidence of compliance with the corresponding DLI(s) stated in Section IV.B.3 of Schedule 2 to the Loan Agreement and in line with Table 1 below, and (B) the report “*Liquidación Puesta al Pago*” accompanied by the name and amount of the first and last beneficiary of the list of eligible beneficiaries covered in such IFR;

¹ Advances may be requested for any amount considered necessary

- **For reporting eligible expenditures paid from the Designated Account through the Operative Account A** under Part 2.1 (a) and 2.2 (a) of the Project - Closing the coverage gaps of the AUH Program (to be managed by ANSES)
 - Customized Statement of Expenditure (SOE), in the form attached (Attachment 5), to report verified outputs generated by municipalities and sub national civil registries, for the cost of expenditures stated in *Table 2* below, as stated in Section IV.A.4 (a) and 4 (b) of Schedule 2 to the Loan Agreement, and
 - Concurrent audit report

- **For reporting eligible expenditures paid from the Designated Account through:**
 - Operative Account A** under Part 2.1 (b), 2.2 (b), and 2.3 of the Project - Institutional Strengthening of ANSES on Information Procedures and Transparency and Project Management, and Part 3.1 and 3.2 of the Project - Institutional Strengthening of ANSES on Information Procedures and Transparency and Project Management, and
 - Operative Account B** under Part 4.1 and 4.2 of the Project - Institutional Strengthening of the Ministry of Social Development and Project Management
 - Consolidated Statement of Expenditure (SOE), in the form attached (Attachment 7), without supporting documentation (no threshold), and
 - List of payments against contracts that are subject to the Bank's prior review, in the form attached (Attachment 6)

- **For requests for direct payment:**
 - Records evidencing eligible expenditures, e.g., copies of receipts, suppliers/contractors' invoices.

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): Not applicable

(iii) Other Supporting Documentation Instruction. A Designated Account activity reconciliation statement (Attachment 8) and Bank Statement should be submitted with each withdrawal application reporting on the use of Loan proceeds from the Designated Account.

Table 1

Disbursement Linked Indicators

Timetable

Disbursement Indicators	Disbursement will be authorized not before	Allocated amount in USD (million)
First Set	Upon Effectiveness	\$ 180.0
Second Set	Three (3) months after effectiveness	\$ 80.0
Third Set	Six (6) months after effectiveness	\$ 37.4
Fourth Set	Nine (9) months after effectiveness	\$ 37.4
Fifth Set	Twelve (12) months after effectiveness	\$ 37.4
Sixth Set	Fifteen (15) months after effectiveness	\$ 37.4
Seventh Set	Eighteen (18) months after effectiveness	\$ 37.4
Eighth Set	Twenty-one (21) months after effectiveness	\$ 37.4
Ninth Set	Twenty-four (24) months after effectiveness	\$ 37.6

Table 2 **Outputs** *Unit cost and underlying expenditures*

Component	Output	Total	Cost Breakdown	
		Unit Cost (average) AR\$		
Subcomponent 2.1 a Gathering information from Civil Registries	Action Plan prepared and included in the respective registry agreement.	173,200	Salaries.	Subcomponent 2.1 a Gathering information from Civil Registries
	Updated information in ANSES ADP of each child listed in the pertinent plan, through the submission of birth certificates by each participating registry.	125	Salaries.	
Subcomponent 2.2 a Gathering information from local level	PAT developed and included in the respective municipality agreement.	220,500	Salaries.	Subcomponent 2.2 a Gathering information from local level
	<i>Ficha social</i> completed for each household with children under AUH and included in the pertinent PAT.	1,992	Salaries Operating costs i.e. transport fares, travel expenses and per diem, as well as nondurable/consumable office materials.	

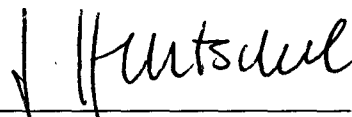
V. Other Important Information

For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the Bank's public website at <https://www.worldbank.org> and its secure website "Client Connection" at <https://clientconnection.worldbank.org>. Print copies are available upon request.

If you have not already done so, the Bank recommends that you register as a user of the Client Connection website (<https://clientconnection.worldbank.org>). From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information. All Borrower officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be effected. For more information about the website and registration arrangements, please contact the Bank by email at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact us at wfaln_lcr@worldbank.org (with copy to Victor Ordonez, Senior Finance Officer at vconde@worldbank.org) using the above reference.

Yours sincerely,



Jesko S. Hentschel
Country Director
Argentina, Paraguay and Uruguay
The World Bank

Attachments - NOT ATT

1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Form for Authorized Signatures
3. Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation
4. Interim Unaudited Financial Report – IUFR
5. Customized Statement of Expenditure (SOE)
6. Form of Payments against Contracts Subject to the Bank's Prior Review
7. Statement of Expenditure (SOE)
8. Designated Account activity reconciliation