

CONFORMED COPY

LOAN NUMBER 7794-AR

Loan Agreement

(Metropolitan Areas Urban Transport Project)

between

ARGENTINE REPUBLIC

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

LOAN NUMBER 7794-AR

LOAN AGREEMENT

Agreement dated 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 one hundred fifty million Dollars (150,000,000), 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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 March 15 and September 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, through SOT, declares its commitment to the objectives of the Project and the Program. To this end, the Borrower, through the PIU (which is established within SOT as referred to in paragraph 27 of the Appendix to this Agreement), shall carry out: (a) Parts A, B.6 (c), B.7, C.4, D and E of the Project; and (b) the Subprojects with the assistance of the Eligible Municipalities, the Participating Provinces and/or the Rail Service Operators (as the case may be) pursuant to the provisions of the pertinent Implementation Agreements, all in accordance with the provisions of Article V of the General Conditions and the pertinent annual operating plan referred to in Section II. A.2 of Schedule 2 to this Agreement.

- 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 shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — TERMINATION

- 4.01. Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is the date ninety (90) days after the Signature Date, but in no case later than the eighteen (18) months after the Bank's approval of the Loan which expire on April 20, 2011.

ARTICLE V — REPRESENTATIVE; ADDRESSES

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

- 5.02. 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

- 5.03. 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 Buenos Aires, Argentina on behalf of the Bank on August 4, 2010, and on behalf of the Borrower on August 11, 2010.

ARGENTINE REPUBLIC

By /s/Amado Boudou

Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Penelope Brook

Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are: (a) to support the design and creation of a multijurisdictional metropolitan transport agency for the AMBA; (b) to strengthen the institutional capacity of transport authorities with respect to decision-making, planning, priority setting, and resource allocation in urban transport; (c) to improve the quality and performance of urban transport infrastructure and/or services in Metropolitan Areas I; and (d) to improve the physical integration and access to public transport networks in the AMBA.

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

Part A: Creation of a Metropolitan Transport Agency for the AMBA

1. Design of an adequate legal and institutional framework for the creation of a multijurisdictional metropolitan transport agency for the AMBA, including, *inter alia*, the design of the structure, functions and responsibilities of said agency.
2. (a) Update of the AMBA's current transport planning databases, through, *inter alia*, the carrying out of automatic traffic counts, bus supply surveys, bus frequency surveys and passenger oriented focus groups; (b) improvement of the AMBA's urban transport model; (c) design of a master transport plan for the AMBA; and (d) carrying out of feasibility studies and/or detailed designs for selected potential (non-Project) investments in the AMBA.
3. Provision of technical support for the creation of an observatory that will collect, process and maintain all urban transport and air quality databases in the AMBA, through, *inter alia*: (a) the carrying out of a study to design the technical aspects of said observatory; (b) the acquisition and utilization of the necessary equipment for the operation of said observatory; and (c) the design of a website which will make available to the public the data collected by the observatory mentioned herein.
4. Provision of technical support to supervise: (a) the acquisition of goods/equipment for the provision of a single fare media payment technology system (*Sistema Único de Boleto Electrónico*) for all transportation modes in the AMBA; and (b) the implementation of the system mentioned in (a) herein.
5. Hiring of selected professional staff (in accordance with criteria set forth in the Operational Manual) to assist in the creation of the agency mentioned in Part A.1 above, including the provision of Operating Costs needed for the initial setting-up of said agency.

Part B: Urban Transport Improvements in Metropolitan Areas I

1. Carrying out of infrastructure investment works (including civil works supervision) in the *Colector Papagayo* located in the Metropolitan Area I of the city of Mendoza, which works consist of the pavement of the existing road, and the construction of accompanying infrastructure.
2. Carrying out of infrastructure investment works (including civil works supervision) in the *Avenida Uruguay* located in the Metropolitan Area I of the city of Posadas, which works consist of the construction of a segregated busway and accompanying infrastructure.
3. Carrying out of infrastructure investment works (including civil works supervision) in the *Barrio 11 de Marzo* neighborhood located in the Metropolitan Area I of the city of Tucumán, which works consist of: (a) the pavement of the street grid; (b) the construction of a storm water drainage system; (c) the reconstruction and improvement of the sidewalk network; (d) the redirection of the public transport routes through said neighborhood; and (e) the construction of accompanying infrastructure.
4. Carrying out of detailed designs of the potential (non-Project) infrastructure investment works for the construction of the *Mitre* intermodal transport terminal located in the Metropolitan Area I of the city of Córdoba.
5. Carrying out of detailed designs of the potential (non-Project) infrastructure investment works in the North-South corridor located in the Metropolitan Area I of the city of Rosario, which works would consist of, *inter alia*, the construction of an approximately 12.25 kilometers of a high quality transit system.
6. (a) Carrying out of feasibility studies and/or detailed designs of selected potential (non-Project) infrastructure investment works located in any of the Metropolitan Areas I; (b) carrying out of origin-destination studies and/or transport modeling work, as well as the preparation of transport master plans, all for the benefit of Metropolitan Areas II for purposes of assisting the same in meeting the Metropolitan Areas I eligibility criteria; and (c) provision of technical assistance to Metropolitan Areas I and Metropolitan Areas II to improve their institutional capacity in transport.
7. Strengthening of the environmental and social management capacity of Metropolitan Areas I.

Part C: Public Transport Access and Modal Integration in the AMBA

1. Carrying out of preparation studies and/or detailed designs of potential (non-Project) infrastructure investment works in selected intermodal centers in the AMBA, which works would consist of, *inter alia*, the construction of terminals and the redesign of access roads and boarding platforms.
2. Carrying out of minor improvement works (including civil works supervision) in selected train stations in the AMBA, which works consist of, *inter alia*, the improvement of sidewalks, the repair of potholes, the replacement of bicycle shelters, the construction of ramps for the handicapped, improvements in the signaling and traffic light systems, as well as any other work of a similar nature acceptable to the Bank.
3. Carrying out of infrastructure investment works in the *Monte Grande* railway station located in the Esteban Echeverría area within AMBA, which works consist of, *inter alia*, the construction of a grade-separated road/rail crossing for pedestrians and vehicles.
4. Carrying out of preparation studies to define potential (non-Project) operational improvements in the train signaling system, as well as to define potential (non-Project) infrastructure improvements in critical rail crossings, all located in the AMBA.

Part D: Sectoral Training

1. (a) Design of a post-graduate masters program in urban transport, including the provision of technical assistance to identify and select educational institutions in which said program would be carried out; (b) carrying out of an analysis of the option of creating an ad-hoc institution to coordinate the masters program; and (c) develop mechanisms to finance the implementation of the masters program.
2. (a) Implementation of the masters program mentioned in Part D.1 above; (b) provision of Scholarships; and (c) monitoring and supervision of said masters program.
3. Design and implementation of a teacher training program for the professors who will participate in the implementation of the masters program mentioned in Part D.1 above.

Part E: Project Management

Strengthening of the operational and environmental capacity of the PIU to carry out its functions and responsibilities under the Project.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements and Other Arrangements

- A. The Borrower, through the PIU, 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 3.01 of this Agreement, the Borrower, through the PIU, shall: (i) carry out of the Project in accordance with the provisions of the Operational Manual and the pertinent provisions of the Environmental and Social Management Manual; and (ii) cause the pertinent Eligible Municipalities, the Participating Provinces and/or Rail Service Operators (as the case may be) to comply with the pertinent provisions of the Operational Manual and the Environmental and Social Management Manual in connection with their participation in the carrying out of Subprojects.
- (b) In case of any conflict among the terms of the Operational Manual, the Environmental and Social Management Manual, and those of this Agreement, the terms of this Agreement shall prevail.
- C. (a) For purposes of carrying out any given Metropolitan Area I Subproject, and prior to the carrying out of any of the works or Project activities under the pertinent Metropolitan Area I Subproject, the Borrower, through the PIU, shall enter into an agreement (the Metropolitan Area I Subproject Agreement) with the pertinent Eligible Municipality, and, if applicable, with the corresponding Participating Province, under terms and conditions acceptable to the Bank, which shall include, *inter alia*, those set forth in Schedule 4 to this Agreement.
- (b) (i) The Borrower, through the PIU, shall exercise its rights and carry out its obligations under each Metropolitan Area I Subproject Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan; and (ii) except as the Bank shall otherwise agree, the Borrower, through the PIU, shall not assign, amend, abrogate, terminate, waive or fail to enforce any Metropolitan Area I Subproject Agreement or any provision thereof.
- D. (a) For purposes of carrying out any given Metropolitan Area II Subproject, and prior to the carrying out of any of the Project activities under the pertinent Metropolitan Area II Subproject, the Borrower, through the PIU, shall enter into an agreement (the Metropolitan Area II Subproject Agreement) with the pertinent Eligible Municipality, and, if applicable,

with the corresponding Participating Province, under terms and conditions acceptable to the Bank, which shall include, *inter alia*, those set forth in Schedule 5 to this Agreement.

- (b) (i) The Borrower, through the PIU, shall exercise its rights and carry out its obligations under each Metropolitan Area II Subproject Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan; and (ii) except as the Bank shall otherwise agree, the Borrower, through the PIU, shall not assign, amend, abrogate, terminate, waive or fail to enforce any Metropolitan Area II Subproject Agreement or any provision thereof.

- E. (a) For purposes of carrying out any given Integration Subproject, and prior to the carrying out of any works or Project activity under the pertinent Integration Subproject, the Borrower, through the PIU, shall enter into an agreement (the Integration Subproject Agreement) with the pertinent Eligible Municipality, and, if applicable, with the corresponding Participating Province and Rail Service Operator, under terms and conditions acceptable to the Bank, which shall include, *inter alia*, those set forth in Schedule 6 to this Agreement.

- (b) (i) The Borrower, through the PIU, shall exercise its rights and carry out its obligations under each Integration Subproject Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan; and (ii) except as the Bank shall otherwise agree, the Borrower, through the PIU, shall not assign, amend, abrogate, terminate, waive or fail to enforce any Integration Subproject Agreement or any provision thereof.

- F. (a) For purposes of carrying out the Grade-Separated Crossing Subproject, and prior to the carrying out of any of the works under said subproject, the Borrower, through the PIU, shall enter into an agreement (the Grade-Separated Crossing Subproject Agreement) with the pertinent Eligible Municipality, and, if applicable, with the corresponding Participating Province and Rail Service Operator, under terms and conditions acceptable to the Bank, which shall include, *inter alia*, those set forth in Schedule 7 to this Agreement.

- (b) (i) The Borrower, through the PIU, shall exercise its rights and carry out its obligations under the Grade-Separated Crossing Subproject Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan; and (ii) except as the Bank shall otherwise agree, the Borrower, through the PIU, shall not

assign, amend, abrogate, terminate, waive or fail to enforce the Grade-Separated Crossing Subproject Agreement or any provision thereof.

- G. Without limitation to the pertinent provisions of this Agreement in respect of any given Metropolitan Area I Subproject in which works are involved, the Borrower, through the PIU, shall: (a) upon the definition of the precise sitting alignments, and prior to the carrying out of any said works, if applicable as determined by the Bank, update/adjust or cause to be updated/adjusted (as the case may be) the existing pertinent environmental impact assessment for the corresponding Metropolitan Area I Subproject under terms of reference acceptable to the Bank; (b) based on said updated/adjusted environmental impact assessment, and if determined by the Bank, update/adjust or cause to be updated/adjusted (as the case may be) the pertinent existing environmental management plan; and (c) thereafter, implement and/or cause to be implemented, the existing pertinent environmental management plan or the updated/adjusted environmental management plan (as the case may be), all in accordance with its terms and in a manner acceptable to the Bank.
- H. Without limitation to the pertinent provisions of this Agreement in respect of any given Metropolitan Area I Subproject in which works are involved (other than under the Metropolitan Area I Subproject under Part B.1 (a) of the Project), and if as a result of the definition of the precise sitting alignments it is determined by the Bank that Resettlement will be involved, the Borrower, through the PIU, shall: (a) prior to the carrying out of any said works, prepare and/or cause to be prepared and furnish to the Bank, a resettlement plan, acceptable to the Bank (which plan shall consistent with the pertinent provisions of the Resettlement Policy Framework); and (b) thereafter, implement and/or cause to be implemented, said resettlement plan in accordance with its terms and in a manner acceptable to the Bank.
- I. Without limitation to the pertinent provisions of this Agreement in respect of the Metropolitan Area I Subproject under Part B.1 of the Project, the Borrower, through the PIU, shall, prior to the carrying out of any said works under said Metropolitan Area I Subproject, implement and/or cause to be implemented the Abbreviated Resettlement Plan in accordance with its terms and in a manner acceptable to the Bank.
- J. Upon selection of an Integration Subproject in which works are involved, and prior to the carrying out of the pertinent works, the Borrower, through the PIU, shall: (a) carry out and/or cause to be carried out an environmental assessment of the pertinent works, and based on the results of said assessment and if determined by the Bank, approve and/or cause to be approved an environmental management plan or similar environmental instrument, acceptable to the Bank, for each said works (which plan or similar environmental instrument shall be based on the results of the environmental assessment mentioned herein, and the Bank's

comments on the results of said assessment, if any), all in accordance with the provisions of the Environmental and Social Management Manual; and (b) immediately after said approval, implement and/or cause to be implemented (as the case may be) the corresponding environmental management plan (or similar environmental instrument) in accordance with its terms, and in a manner acceptable to the Bank.

- K. Without limitation to the pertinent provisions of this Agreement in respect of any given Integration Subproject in which works are involved, and if as a result of the definition of the precise sitting alignments it is determined by the Bank that Resettlement will be involved, the Borrower, through the PIU, shall: (a) prior to the carrying out of any said works, prepare and/or cause to be prepared and furnish to the Bank, a resettlement plan, acceptable to the Bank (which plan shall be consistent with the pertinent provisions of the Resettlement Policy Framework); and (b) thereafter, implement and/or cause to be implemented, said resettlement plan in accordance with its terms and in a manner acceptable to the Bank.
- L. With respect to the Grade-Separated Crossing Subproject, the Borrower, through the PIU, shall: (a) ensure that no Resettlement is involved in connection with the carrying out of said subproject; and (b) carry out the pertinent environmental management plan in accordance with its terms, and in manner acceptable to the Bank.
- M. In connection with the carrying out of the Project activities under Parts A.2 (b), (c) and (d), B.4, B.5, B.6 (a), B.6 (b), C.1 and C.4 of the Project, the Borrower, through the PIU, shall ensure that the terms of reference for said Project activities include a provision, satisfactory to the Bank, mandating that the Borrower, through the PIU, incorporate and/or cause to be incorporated the applicable Bank Safeguard Policies to said Project activities.
- N. (a) The Borrower, through SOT, shall operate and maintain, at all times during Project implementation, a Project implementation unit (the PIU) with a structure, functions and responsibilities set forth in the Operational Manual, which shall include, *inter alia*, the responsibility to carry out, coordinate, monitor and supervise the Project.
- (b) The Borrower, through SOT, shall ensure that the PIU is, at all times during Project implementation, assisted by professional staff (including, *inter alia*, a Project coordinator, a financial management specialist, a procurement specialist, an environmental specialist, a social 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 Bank.

- O. (a) For purposes of carrying out Part D.2 (b) of the Project, the Borrower, through the PIU, shall enter into an agreement with each selected Beneficiary, all under terms and conditions acceptable to the Bank.
- (b) (i) The Borrower, through the PIU, shall exercise its rights and carry out its obligations under each of the agreements mentioned in (a) above in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan; and (ii) except as the Bank shall otherwise agree, the Borrower, through the PIU, shall not assign, amend, abrogate, terminate, waive or fail to enforce any of said mentioned agreements or any provision thereof.
- P. The Borrower, through the PIU, 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.
- Q. The Borrower, through the PIU, shall, not later than six months after the Effective Date, establish, and thereafter operate and maintain, at all times during Project implementation, a web page for purposes of disseminating Project information (as determined by the Bank), all acceptable to the Bank.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

- 1. The Borrower, through the PIU, shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the indicators set forth in the Operational Manual. Each Project Report shall cover the period of one calendar semester (starting with the calendar semester in which the Effective Date falls), and shall be furnished to the Bank not later than forty five calendar days after the end of the period covered by each such report.
- 2. Without limitation to the provisions of Section 5.08 (b) of the General Conditions, and as part of the Project Reports to be presented to the Bank as stipulated in Section II.A.1 of this Schedule, the Borrower, through the PIU, shall include: (a) a summary of the Eligible Expenditures incurred during the calendar semester covered by the pertinent Project Report and their corresponding payment (including those expenditures incurred by the Borrower, through the PIU, during said period of time which are financed by the same with its counterpart funds) in form and substance satisfactory to the Bank; and (b) the list of signed contracts for goods, works and consultants' services under the Project, as reflected in the Borrower's financial management system during the period

covered by each said Project Report, provided, however, that the Project Report covering the second calendar semester of each year of Project implementation shall also include an annual operating plan, acceptable to the Bank, which plan shall include the Project activities to be carried out during the calendar year following the date of presentation of the pertinent Project Report, and a timetable to carry out the same.

3. For purposes of Section 5.08 (b) of the General Conditions, the Borrower, through the PIU, shall, not later than September 30, 2013, exchange views with the Bank (the mid-term review) on the execution of the Project, and the pertinent Project Reports covering the last two calendar semesters preceding the date of said mid-term review.
4. For purposes of Section 5.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Bank not later than six months prior to the Closing Date.

B. Financial Management, Financial Reports and Audits

1. The Borrower, through the PIU, shall maintain or cause to be maintained 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, through the PIU, shall prepare and furnish to the Bank, as part of the Project Report after the end of each calendar semester, interim unaudited financial reports for the Project covering the pertinent calendar semester, in form and substance satisfactory to the Bank.
3. The Borrower, through the PIU, shall 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.

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.
4. **Special Provisions.** Without limitation to the other provisions in Section III.A 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 (which bidding documents in respect of works shall include, if applicable, a provision whereby the pertinent contractor must comply with the pertinent provisions of: (A) the Environmental and Social Management Manual; and (B) the corresponding environmental management plan (including the provisions of any updated/adjusted version) or similar environmental instrument referred to in Section I.G, I.H, I.I, I.J and I.K of Schedule 2 to this Agreement in respect of the relevant Subproject) and standard requests for quotations/proposals (as the case may be), all acceptable to the Bank, which shall all include, *inter alia*, a settlement of dispute provision and the pertinent provisions of the Anti-Corruption Guidelines; (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 Bank;
 - (b) all contracts for works to be procured under the Project shall contain a methodology, acceptable to the Bank, whereby the price of each said contracts shall be adjusted through the use of price adjustment formulas, in a manner acceptable to the Bank;
 - (c) a two-envelope bidding procedure shall not be allowed in the procurement of goods, works and Non-Consultant Services;
 - (d) 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;

- (e) 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;
- (f) foreign bidders or foreign consultants shall not, as a condition for submitting bids or proposals and/or for contract award: (i) be required to be registered in Argentina (except as provided in the standard bidding documents referred to in paragraph 4 (a) (i) above); (ii) be required to have a representative in Argentina; and (iii) be required to be associated or subcontract with Argentine suppliers, contractors or consultants;
- (g) 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 procured by the Borrower, through the PIU, shall be published in the web page of the Borrower's Office of National Procurement (*Oficina Nacional de Contrataciones*), and in a manner acceptable to the 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;
- (h) 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;
- (i) references to bidders in one or more specialized magazines shall not be used by the Borrower, through the PIU, 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;

- (j) witness prices shall not be used as a parameter for bid evaluation, bid rejection or contract award;
- (k) the Borrower, through the PIU, 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 Bank; and (ii) update the Procurement Plan at least every three months, or as required by the 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;
- (l) the provisions of paragraphs 2.55 and 2.56 of the Procurement Guidelines providing for domestic preference in the evaluation of bids shall apply to goods manufactured in the territory of the Borrower in respect of contracts for goods to be procured under International Competitive Bidding procedures;
- (m) compliance by bidders with the norms issued by ISO with respect to any given good procured under the Project shall not be used as parameter for contract award;
- (n) consultants shall not be required to submit bid or performance securities;
- (o) 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 Borrower, through the PIU, to be qualified to perform the contract satisfactorily; and
- (p) the types of contracts described in Section IV of the Consultant Guidelines shall be the only types of contracts to be used by the Borrower, through the PIU, in connection with the contracting of consultants’ services provided by a firm and to be financed with the proceeds of the Loan.

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 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.

<u>Procurement Method</u>
(a) National Competitive Bidding
(b) Direct Contracting
(c) Shopping

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.

<u>Procurement Method</u>
(a) Least Cost Selection
(b) Quality-Based Selection
(c) Selection Based on the Consultants’ Qualifications
(d) Single Source Selection
(e) Procedures set forth in paragraphs 5.1 through 5.3 of the Consultant Guidelines for the Selection of Individual Consultants
(f) Sole Source Procedures for the Selection of Individual Consultants set forth in paragraph 5.4 of the Consultant Guidelines for the Selection of 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.

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.

<u>Category</u>	<u>Amount of the Loan Allocated (expressed in USD)</u>	<u>Percentage of Expenditures to be financed (inclusive of Taxes)</u>
(1) Works under Subprojects	63,000,000	70%
(2) Goods, consultants’ services and Non-Consultant Services	56,240,000	100%
(3) Scholarships and Training	1,860,000	100%
(4) Operating Costs (a) under Part A.5 of the Project (b) under the Project (other than under Part A. 5 of the Project)	100,000 2,100,000	100%
(5) Premia for Interest Rate and Caps and Interest Collars	0	Amounts payable pursuant to Section 2.07 (c) of this Agreement
(6) Front-end Fee	375,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(7) Unallocated	26,325,000	
TOTAL AMOUNT	150,000,000	

For purposes of this paragraph, the term “Training” means expenditures (other than those for consultants’ services) incurred by the Borrower, through the PIU, as approved by the Bank on the basis of an annual budget acceptable to the Bank, to finance reasonable transportation costs and per-diem of trainees and trainers (if applicable), training registration fees, training materials, and rental of training facilities and equipment under the Project.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed \$30,000,000 equivalent may be made for payments made prior to the Signature Date but on or after September 1, 2009 (but in no case more than one year prior to the Signature Date) for Eligible Expenditures for Categories (1) through (4), if the pertinent obligations set forth in this Agreement, as applicable to each Eligible Expenditure have been complied with.
2. The Closing Date is February 29, 2016.

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.

Principal Payment Date	Installment Share (Expressed as a Percentage)
On each March 15 and September 15 Beginning March 15, 2015 through September 15, 2039	2%

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 Metropolitan Area I Subproject Agreements

Each Metropolitan Area I Subproject Agreement shall contain, *inter alia*, the following provisions:

- (a) the obligation of the Borrower, through the PIU, to carry out each Metropolitan Area I Subproject in accordance with the pertinent provisions of this Agreement, including the provision referred to in Section I.A of Schedule 2 to this Agreement;
- (b) the right of the Borrower, through the PIU to take remedial actions against the Eligible Municipality and/or the Participating Province (as the case may be) in case the Eligible Municipality and/or the Participating Province shall have failed to comply with any of its obligations under the Metropolitan Area I Subproject Agreement (which actions shall previously be agreed with the Bank);
- (c) the obligation of the Eligible Municipality:
 - (i) to ensure that the pertinent Metropolitan Area I Subproject 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);
 - (ii) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Metropolitan Area I Subproject Agreement or any provision thereof unless previously agreed by the Bank;
 - (iii) to take or permit to be taken all action to enable the Borrower, through the PIU, to comply with its obligations referred to in this Agreement, as applicable to the carrying out of the pertinent Metropolitan Area I Subproject; and
 - (iv) if applicable, upon satisfactory completion of the pertinent Metropolitan Area I Subproject, as determined by the Bank, to operate and maintain said subproject with due diligence and efficiency; and

- (d) if applicable, the obligation of the Participating Province:
- (i) to ensure that the pertinent Metropolitan Area I Subproject 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);
 - (ii) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Metropolitan Area I Subproject Agreement or any provision thereof unless previously agreed by the Bank;
 - (iii) to take or permit to be taken all action to enable the Borrower, through the PIU, to comply with its obligations referred to in this Agreement, as applicable to the carrying out of the pertinent Metropolitan Area I Subproject; and
 - (iv) to provide the necessary funds to the Eligible Municipality to comply with its obligation referred to in paragraph (c) (iv) above.

SCHEDULE 5

Terms and Conditions of Metropolitan Area II Subproject Agreements

Each Metropolitan Area II Subproject Agreement shall contain, *inter alia*, the following provisions:

- (a) the obligation of the Borrower, through the PIU, to carry out each Metropolitan Area II Subproject in accordance with the pertinent provisions of this Agreement, including the provision referred to in Section I.A of Schedule 2 to this Agreement;
- (b) the right of the Borrower, through the PIU to take remedial actions against the Eligible Municipality and/or the Participating Province (as the case may be) in case the Eligible Municipality and/or the Participating Province shall have failed to comply with any of its obligations under the Metropolitan Area II Subproject Agreement (which actions shall previously be agreed with the Bank);
- (c) the obligation of the Eligible Municipality:
 - (i) to ensure that the pertinent Metropolitan Area II Subproject 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);
 - (ii) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Metropolitan Area II Subproject Agreement or any provision thereof unless previously agreed by the Bank; and
 - (iii) to take or permit to be taken all action to enable the Borrower, through the PIU, to comply with its obligations referred to in this Agreement, as applicable to the carrying out of the pertinent Metropolitan Area II Subproject; and
- (d) if applicable, the obligation of the Participating Province:
 - (i) to ensure that the pertinent Metropolitan Area II Subproject 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);

- (ii) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Metropolitan Area II Subproject Agreement or any provision thereof unless previously agreed by the Bank; and
- (iii) to take or permit to be taken all action to enable the Borrower, through the PIU, to comply with its obligations referred to in this Agreement, as applicable to the carrying out of the pertinent Metropolitan Area II Subproject.

SCHEDULE 6

Terms and Conditions of Integration Subproject Agreements

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

- (a) the obligation of the Borrower, through the PIU, to carry out each Integration Subproject in accordance with the pertinent provisions of this Agreement, including the provision referred to in Section I.A of Schedule 2 to this Agreement;
- (b) the right of the Borrower, through the PIU to take remedial actions against the Eligible Municipality, the Participating Province and/or the Rail Service Operator (as the case may be) in case the Eligible Municipality, the Participating Province and/or the Rail Service Operator shall have failed to comply with any of its obligations under the Integration Subproject Agreement (which actions shall previously be agreed with the Bank);
- (c) if applicable, a legal representation by the relevant Rail Service Operator providing that, through the signing of the pertinent Integration Subproject Agreement, said Rail Service Operator has provided its written consent to permit the Borrower, through the PIU, to carry out the pertinent Integration Subproject within the administrative/concessional jurisdiction of said Rail Service Operator;
- (d) the obligation of the Eligible Municipality:
 - (i) to ensure that the pertinent Integration Subproject 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);
 - (ii) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Integration Subproject Agreement or any provision thereof unless previously agreed by the Bank;
 - (iii) to take or permit to be taken all action to enable the Borrower, through the PIU, to comply with its obligations referred to in this Agreement, as applicable to the carrying out of the pertinent Integration Subproject; and

- (iv) if applicable, upon satisfactory completion of the pertinent Integration Subproject, as determined by the Bank, to operate and maintain said subproject with due diligence and efficiency;
- (e) if applicable, the obligation of the Participating Province:
 - (i) to ensure that the pertinent Integration Subproject 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);
 - (ii) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Integration Subproject Agreement or any provision thereof unless previously agreed by the Bank;
 - (iii) to take or permit to be taken all action to enable the Borrower, through the PIU, to comply with its obligations referred to in this Agreement, as applicable to the carrying out of the pertinent Integration Subproject; and
 - (iv) to provide the necessary funds to the Eligible Municipality to comply with its obligation referred to in paragraph (d) (iv) above; and
- (f) if applicable, the obligation of the Rail Service Operator:
 - (i) to ensure that the pertinent Integration Subproject 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);
 - (ii) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Integration Subproject Agreement or any provision thereof unless previously agreed by the Bank; and
 - (iii) to take or permit to be taken all action to enable the Borrower, through the PIU, to comply with its obligations referred to in this Agreement, as applicable to the carrying out of the pertinent Integration Subproject.

SCHEDULE 7

Terms and Conditions of the Grade-Separated Crossing Subproject Agreement

The Grade-Separated Crossing Subproject Agreement shall contain, *inter alia*, the following provisions:

- (a) the obligation of the Borrower, through the PIU, to carry out the Grade-Separated Crossing Subproject in accordance with the pertinent provisions of this Agreement, including the provision referred to in Section I.A of Schedule 2 to this Agreement;
- (b) the right of the Borrower, through the PIU to take remedial actions against the Eligible Municipality, the Participating Province and/or the Rail Service Operator (as the case may be) in case the Eligible Municipality, the Participating Province and/or the Rail Service Operator shall have failed to comply with any of its obligations under the Grade-Separated Crossing Subproject Agreement (which actions shall previously be agreed with the Bank);
- (c) if applicable, a legal representation by the relevant Rail Service Operator providing that, through the signing of the Grade-Separated Crossing Subproject Agreement, said Rail Service Operator has provided its written consent to permit the Borrower, through the PIU, to carry out the Grade-Separated Crossing Subproject within the administrative/concessional jurisdiction of said Rail Service Operator;
- (d) the obligation of the Eligible Municipality:
 - (i) to ensure that the Grade-Separated Crossing Subproject 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);
 - (ii) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Grade-Separated Crossing Subproject Agreement or any provision thereof unless previously agreed by the Bank;
 - (iii) to take or permit to be taken all action to enable the Borrower, through the PIU, to comply with its obligations referred to in this Agreement, as applicable to the carrying out of the Grade-Separated Crossing Subproject; and

- (iv) upon satisfactory completion of the Grade-Separated Crossing Subproject, as determined by the Bank, to operate and maintain said subproject with due diligence and efficiency;
- (e) if applicable, the obligation of the Participating Province:
 - (i) to ensure that the Grade-Separated Crossing Subproject 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);
 - (ii) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Grade-Separated Crossing Subproject Agreement or any provision thereof unless previously agreed by the Bank;
 - (iii) to take or permit to be taken all action to enable the Borrower, through the PIU, to comply with its obligations referred to in this Agreement, as applicable to the carrying out of the Grade-Separated Crossing Subproject; and
 - (iv) to provide the necessary funds to the Eligible Municipality to comply with its obligation referred to in paragraph (d) (iv) above; and
- (f) if applicable, the obligation of the Rail Service Operator:
 - (i) to ensure that the Grade-Separated Crossing Subproject 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);
 - (ii) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Grade-Separated Crossing Subproject Agreement or any provision thereof unless previously agreed by the Bank; and
 - (iii) to take or permit to be taken all action to enable the Borrower, through the PIU, to comply with its obligations referred to in this Agreement, as applicable to the carrying out of the Grade-Separated Crossing Subproject.

APPENDIX

Section I. Definitions

1. “Abbreviated Resettlement Plan” means the resettlement plan for the Metropolitan Area I Subproject under Part B.1 of the Project, dated August 25, 2009, acceptable to the Bank, which includes, *inter alia*: (a) the objectives of said plan; and (b) the applicable legal and institutional framework governing the implementation of said plan.
2. “AMBA” means the *Area Metropolitana de Buenos Aires* (the metropolitan area which includes the Borrower’s City of Buenos Aires and the surrounding Eligible Municipalities located within the Borrower’s Province of Buenos Aires).
3. “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.
4. “Bank Safeguard Policies” means the Bank’s operational policies and procedures set forth in the Bank’s Operational Manual under OP/BPs 4.01, 4.04, 4.07, 4.09, 4.10, 4.11, 4.12, 4.36 and 4.37, as said manual is published under www.WorldBank.org/opmanual.
5. “Beneficiary” means an individual who has met the eligibility criteria set forth in the Operational Manual to receive a Scholarship.
6. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
7. “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.
8. “Eligible Municipality” means the Borrower’s City of Buenos Aires, a political subdivision of any of the Participating Provinces, a group of said political subdivisions or a legal entity owned by any of said political subdivisions or by a group of said political subdivisions, which exercise partial or total jurisdiction over a Subproject.
9. “Environmental and Social Management Manual” means each of the following separate environmental and social management manuals for: (a) the works under the Integration Subprojects and the Grade-Separated Crossing Subproject, dated August 25, 2009; (b) the Metropolitan Area I Subproject in respect of the works under Part B.1 of the Project, dated August 25, 2009; (c) the Metropolitan Area I Subproject in respect of the works under Part B.2 of the Project, dated August 25,

2009; and (d) the Metropolitan Area I Subproject in respect of the works under Part B.3 of the Project, dated August 25, 2009, all acceptable to the Bank and included in the Operational Manual, which manuals set forth, *inter alia*, as applicable: (i) the guidelines for updating/adjusting the environmental assessments and/or environmental management plans referred to in Section I.G of Schedule 2 to this Agreement; (ii) the guidelines for carrying out the environmental assessments referred to in Section I.J of Schedule 2 to this Agreement; (iii) the generic description of the type of environmental impacts which may affect Integration Subprojects in which works are involved; (iv) the guidelines to be followed in connection with the finding of cultural property; (v) the guidelines to be followed to prevent natural habitat conversion or degradation; (vi) the actions to mitigate any environmental negative impact as a result of the carrying out of: (A) Metropolitan Area I Subprojects in which works are involved; and (B) the Grade-Separated Crossing Subproject; (vii) the guidelines for public consultation; (viii) the procedures and technical specifications to be followed by contractors in the carrying out of Subprojects; and (ix) the Resettlement Policy Framework, as said manual may be updated and/or amended from time to time with the agreement of the Bank.

10. “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.
11. “Grade-Separated Crossing Subproject” means the investment referred to in Part C.3 of the Project.
12. “Grade-Separated Crossing Subproject Agreement” means the agreement referred to in Section I.F (a) of Schedule 2 to this Agreement.
13. “Implementation Agreement” means the Grade-Separated Crossing Subproject Agreement, an Integration Subproject Agreement, a Metropolitan Area I Subproject Agreement, and/or a Metropolitan Area II Subproject Agreement (as the case may be).
14. “Integration Subproject” means any of the studies/detailed designs and/or investments referred to in Parts C.1 and C.2 of the Project, respectively.
15. “Integration Subproject Agreement” means any of the agreements referred to in Section I.E (a) of Schedule 2 to this Agreement.
16. “ISO” means International Organization for Standardization, an international-standard-setting body composed of representatives from various national standards organizations which issues world-wide proprietary industrial and commercial standards for products.

17. “Metropolitan Area I” means a metropolitan area within any of the following medium-sized cities: Córdoba, Mendoza, Posadas, Rosario and Tucumán, which area: (a) is located within the territorial jurisdiction of one or more Eligible Municipalities; and (b) has met the criteria set forth in the Operational Manual to participate under Parts B.1 through B.6 (a), and B.7 of the Project, as well as any other metropolitan area of a medium-sized city within the Borrower’s territory as approved by the Bank, and the term “Metropolitan Areas I” means all of said areas.
18. “Metropolitan Area II” means a metropolitan area (other than a Metropolitan Area I) which: (a) may be located within the territorial jurisdiction of one or more Eligible Municipalities; and (b) has met the criteria set forth in the Operational Manual to participate in Part B.6 (b) of the Project, and the term “Metropolitan Areas II” means all of said areas.
19. “Metropolitan Area I Subproject” means any of the investments and/or feasibility studies/detailed designs referred to in Part B.1 through B.6 (a) of the Project.
20. “Metropolitan Area II Subproject ” means any of the Project activities referred to in Part B.6 (b) of the Project.
21. “Metropolitan Area I Subproject Agreement” means any of the agreements referred to in Section I.C (a) of Schedule 2 to this Agreement.
22. “Metropolitan Area II Subproject Agreement” means any of the agreements referred to in Section I.D (a) of Schedule 2 to this Agreement.
23. “Non-Consultant Services” means services which will be bid and contracted on the basis of performance of measurable physical outputs.
24. “Operating Costs’ means reasonable recurrent expenditures, based on an annual budget previously approved by the Bank, that would not have been incurred by the Borrower, through the PIU, absent the Project, for: (a) Project administration (including office rent), operation and maintenance of office equipment, non-durable goods and salaries for non-professional staff assigned to the PIU to carry out administrative (e.g. secretarial) responsibilities under the Project (but excluding any type of civil servant salaries); and (b) the support of setting up the agency as referred to in Part A.5 of the Project (excluding civil servant salaries).
25. “Operational Manual” means the Borrower’s manual dated September 11, 2009, acceptable to the Bank, which sets forth, *inter alia*: (a) the criteria for selecting the investments under Part A.2 (d) of the Project; (b) the criteria for selecting the personnel under Part A.5 of the Project; (c) the criteria for selecting the Metropolitan Area I Subprojects under Part B.6 (a) of the Project; (d) the criteria

for selecting Integration Subprojects; (e) the criteria to select the educational institutions under Part D.1 (a) of the Project; (f) the structures, functions and responsibilities of the PIU; (g) the Environmental and Social Management Manual; (h) the Project's chart of accounts and internal controls; (i) 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; (j) the terms of reference for carrying out the Project audits under Section II.B.3 of Schedule 2 to this Agreement; (k) the Project indicators (including the results framework); 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 Bank.

26. "Participating Province" means any of the Borrower's political subdivisions, as per title Two of the Borrower's 1994 Constitution (excluding the Borrower's City of Buenos Aires which, for purposes of the Project, has been defined as an Eligible Municipality), which exercise territorial jurisdiction over an Eligible Municipality.
27. "PIU" means the unit referred to in Section I.N (a) of Schedule 2 this Agreement established within SOT pursuant to SOT's Resolution No. 137/97, dated December 22, 1997, or any successor thereto, acceptable to the Bank.
28. "Procurement Guidelines" means the "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the Bank in May 2004 and revised in October 2006.
29. "Procurement Plan" means the Borrower's procurement plan for the Project, dated September 14, 2009 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.
30. "Program" means the program designed to improve the quality and sustainability of urban transport systems in Metropolitan Areas I and Metropolitan Areas II, through the improvement of sectoral decision-making frameworks, and by giving priority to public transport modes in the urban transport sector of said metropolitan areas, and set forth or referred to in the letter dated August 7, 2009 from the Borrower to the Bank.
31. "Rail Service Operator" means a rail service legal entity which is either publicly owned and/or controlled or privately owned which has been granted and/or assigned the responsibility to provide railway services within a rail line benefited by an Integration Subproject.
32. "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.

33. “Resettlement Policy Framework” means the Borrower’s framework, dated August 25, 2009, acceptable to the Bank (included in the Environmental and Social Management Manual) which sets forth, *inter alia*, the principles and objectives governing Resettlement preparation and implementation, and a description of the applicable legal framework of the Borrower and of each Eligible Municipality and the process for preparing and approving resettlement plans under Section I.H and I.K of Schedule 2 to this Agreement.
34. “Scholarship” means a grant made out of the proceeds of the Loan to finance reasonable expenditures, acceptable to the Bank (as the same are determined in accordance with a formula set forth in the Operational Manual), in respect of the cost of living allowance, books and learning materials, and/or transportation costs and per-diem (as the case may be), all under Part D.2 (b) of the Project.
35. “SEPA” means the Bank’s publicly accessible Procurement Plans Execution System.
36. “Signature Date” means the latest of the two dates on which the Borrower and the Bank signed the Loan Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
37. “SOT” means the *Secretaría de Transporte*, the Borrower’s Secretariat of Transport established under the administrative jurisdiction of the Borrower’s Ministry of Federal Planning, Public Investment and Services, or any successor thereto with similar functions and responsibilities as of the Signature Date.
38. “Subproject” means the Grade-Separated Crossing Subproject, an Integration Subproject, a Metropolitan Area I Subproject and/or a Metropolitan Area II Subproject (as the case may be).

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Paragraph (a) of Section 2.07 is modified to read as follows:

“Section 2.07. *Refinancing Preparation Advance; Capitalizing Front-end Fee and Interest*

(a) If the Loan Agreement provides for the repayment out of the proceeds of the Loan of an advance made by the Bank or the Association (“Preparation Advance”), the Bank shall, on behalf of such Loan Party, withdraw from the Loan Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Loan Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Bank shall pay the amount so withdrawn to itself or the Association, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance.”

2. 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.”

3. 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 term “Project Preparation Advance” is modified to read “Preparation Advance” and its definition is modified to read as follows:

“‘Preparation Advance’ means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07.”

- (b) 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.”