

**CONFORMED COPY**

**LOAN NUMBER 7991-AR**

# **Loan Agreement**

**(Norte Grande Road Infrastructure Project)**

**between**

**ARGENTINE REPUBLIC**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

## **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 four hundred million Dollars (\$400,000,000), 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 the Reference Rate for the Loan Currency plus the Variable 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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 (e) 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, or from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; 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 MPF, declares its commitment to the objective of the Project. To this end, the Borrower, through UCPyPFE-UEP, shall carry out the Project with the assistance of the Participating Provinces pursuant to the provisions of the pertinent Participation, Transfer and Maintenance Agreements and the Annual Operating Plans, 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 shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

**ARTICLE IV —EFFECTIVENESS; TERMINATION**

- 4.01. The Additional Condition of Effectiveness consists of the following, namely, that at least one of the Participating Provinces has entered into a Participation, Transfer and Maintenance Agreement with the Borrower.
- 4.02. The Additional Legal Matter consists of, namely, that the Participation, Transfer and Maintenance Agreement to be entered into as per the condition set forth in Section 4.01 of this Agreement has been duly authorized or ratified by the Borrower, through MFP, and the corresponding Participating Province, and once executed, will become legally binding upon the Borrower and said Participating Province in accordance with its terms.
- 4.03. 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 June 20, 2012.

**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 April 11, 2011, and on behalf of the Borrower on May 4, 2011.

**ARGENTINE REPUBLIC**

**By /s/ Amado Boudou**

**Authorized Representative**

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

**By /s/ Penelope J. Brook**

**Authorized Representative**

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to reduce transport costs for users of provincial roads along selected corridors of the provinces of the Norte Grande region, through the improvement of the quality of those roads and the introduction of improved road asset management tools and methods.

The Project consists of the following parts:

#### **Part A: Rehabilitation, Upgrading and Reconstruction of Provincial Roads**

Carrying out of rehabilitation, upgrading and reconstruction civil works through the realization of Subprojects (such as base reconstruction, resurfacing, paving and/or asphalt concrete overlaying, as the case may be, including associated shoulder, sidewalks, drainage, masonry, signage, lighting and ancillary works plus road safety improvements) under the jurisdiction of Participating Provinces in the Norte Grande region.

#### **Part B: Institutional Development and Project Management**

1. Provision of support to strengthen the institutional capacity of DPVs, and improve their investment planning and management capabilities through the carrying out of eligible activities that may include, *inter alia*: (a) the acquisition of road data collection equipment, computers and software, traffic equipment, weights, and related training; (b) building or updating of DPV websites; (c) the setting up of GIS-based transport observatories; (d) preparation of multi-annual road maintenance plans and annual performance reports; (e) preparation of revised design standards documents; (f) technical assistance to review institutional framework, management and financing of provincial roads, current maintenance practices, and recommendations for their improvement; (g) provision of non-consulting services for data collection; and (h) technical assistance and training to provincial staff on social, environmental, and fiduciary aspects of project implementation.

2. Provision of support and strengthening of the operational, social and environmental supervision capacities of UCPyPFE, UCPyPFE-UEP and Participating Provinces to carry out its functions and responsibilities under the Project (including Project audits) through, *inter alia*, the provision of tailored technical assistance and training in the preparation of potential road and institutional strengthening investments, including the preparation of related feasibility studies, project designs, economic impact studies, social and environmental impact assessments, and sector strategic studies.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation and Other Arrangements

##### A. Institutional Arrangements

1. The Borrower, through MPF, shall operate and maintain, at all times during Project implementation, a Project implementation unit organized within UCPyPFE, (the "UCPyPFE-UEP") with the structure, functions and responsibilities set forth in the Operational Manual, which shall include, *inter alia*, the responsibility to carry out the Project (and assist the UCPyPFE in the coordination, monitoring and supervision of the Project).
2. The Borrower, through MPF, shall ensure that UCPyPFE-UEP 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.

##### B. Manuals

1. Without limitation to the provisions of Section 3.01 of this Agreement, the Borrower, through UCPyPFE-UEP, shall: (i) carry out the Project in accordance with the provisions of a manual (the Operational Manual) and the pertinent provisions of the Environmental and Social Management Framework (including the EMPs, the RPF, the IPPF and the Chaco IPP, as determined by the Bank); and (ii) cause the pertinent Participating Provinces (as the case may be) to comply with the pertinent provisions of the Operational Manual and the Environmental and Social Management Framework (including the EMPs, the RPF, the IPPF and the Chaco IPP, as determined by the Bank) in connection with their participation in the carrying out of Subprojects.
2. In case of any conflict among the terms of the Operational Manual, the Environmental and Social Management Framework, and those of this Agreement, the terms of this Agreement shall prevail.

##### C. Implementation Agreements

1. For purposes of carrying out any given Subproject, and prior to the carrying out of any of the works or Project activities under the pertinent Subproject, the Borrower, through MPF (through UCPyPFE), shall enter into an agreement (the Participation, Transfer and Maintenance Agreement) 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.

2. The Borrower, through MPF (through UCPyPFE), shall exercise its rights and carry out its obligations under each Participation, Transfer and Maintenance 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, the Borrower shall not assign, amend, abrogate, terminate, waive or fail to enforce any Participation, Transfer and Maintenance Agreement or any of its provisions.

**D. Anti-Corruption**

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

**E. Safeguards**

1. Upon the selection of any given Subproject and prior to the carrying out of the pertinent works under said Subproject, the Borrower, through UCPyPFE-UEP, shall: (a) carry out and/or cause to be carried out an environmental/social assessment of the pertinent works, and based on the results of said assessment as determined by the Bank, approve and/or cause to be approved an environmental/social management plan or similar environmental or social safeguards instrument, acceptable to the Bank, for each said works (which plan or similar environmental/social safeguards instrument shall be based on the results of the environmental/social 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 Framework; and (b) immediately after said approval, implement and/or cause to be implemented (as the case may be) the corresponding environmental/social management plan (or similar environmental/social safeguards instrument) in accordance with its terms, and in a manner acceptable to the Bank.
2. Without limitation to the pertinent provisions of this Agreement in respect of Subprojects, the Borrower, through UCPyPFE-UEP, shall: (a) upon the definition of the precise sitting alignments, and prior to the carrying out of any 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 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.

3. Without limitation to the pertinent provisions of this Agreement in respect of any given 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 UCPyPFE-UEP, 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.
4. With respect to the carrying out of any given Subproject and when so determined by the Bank as set forth in the IPPF and the Environmental and Social Management Framework, the Borrower, through UCPyPFE-UEP, shall: (a) prior to the carrying out of any said Subproject, prepare and/or cause to be prepared and furnish to the Bank, an Indigenous Peoples' Plan, acceptable to the Bank (which plan shall be consistent with the pertinent provisions of the IPPF); and (b) thereafter, adopt and implement (and/or cause to be adopted and implemented) said Indigenous Peoples' Plan in accordance with its terms and in a manner acceptable to the Bank.
5. Without limitation to the provisions of this Section, the Borrower, through UCPyPFE-UEP, shall ensure that the Identified Subprojects are carried out in accordance with their respective EMPs.
6. Without limitation to the provisions of this Section, the Borrower, through UCPyPFE-UEP, shall ensure that the Chaco Identified Subproject is carried out in accordance with the Chaco IPP.

**F. Other Arrangements**

1. The Borrower, through UCPyPFE-UEP, 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.
2. The Borrower, through UCPyPFE-UEP, shall ensure, and/or cause the Participating Provinces to ensure, that the terms of reference for any consultancy in respect of any Project activity under Parts B.1 (d), (e) and (h), and B.2 of the Project shall be satisfactory to the Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the Bank Safeguards Policies then in force, as applied to the advice conveyed through such technical assistance.

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

**A. Project Reports**

1. The Borrower 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 Project indicators 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, through UCPyPFE-UEP, 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. The Borrower, through UCPyPFE-UEP, shall prepare and furnish to the Bank as part of the Project Report, interim unaudited financial reports for the Project covering a semester, in form and substance satisfactory to the Bank.
3. The Borrower, through UCPyPFE-UEP, 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.
4. The Borrower, through MPF, 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 national annual budget (starting in calendar year 2011) in order to keep track of the corresponding expenditures incurred during Project implementation.

**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 Framework; and (B) the corresponding environmental management plan, a resettlement plan, and/or an indigenous peoples' plan (including the provisions of any updated/adjusted version) or similar safeguards instrument referred to in Sections I.E.1 through I.E.4 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 contract 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 UCPyPFE-UEP, 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 UCPyPFE-UEP, 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 UCPyPFE-UEP, 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 UCPyPFE-UEP, 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 UCPyPFE-UEP, 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.

<b>Procurement Method</b>
(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.

<b>Procurement Method</b>
(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.

<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) Works under Subprojects	365,000,000	80%
(2) Goods, consultants’ services, Non-consultant Services, Training and Operating Costs	34,000,000	100%
(3) Front-end Fee	1,000,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(4) Premia for Interest Rate Caps and Interest Rate Collars	0	Amount due under Section 2.07 (c) of this Agreement
<b>TOTAL AMOUNT</b>	<b>\$400,000,000</b>	

3. For purposes of this paragraph:
- (a) the term “Training” means expenditures (other than those for consultants’ services) incurred by the Borrower, through UCPyPFE-UEP, 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; and

- (b) “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 UCPyPFE-UEP, absent the Project, for Project administration (including office rent), operation and maintenance of office equipment, non-durable goods and salaries for non-professional staff assigned to UCPyPFE and UCPyPFE-UEP to carry out administrative (e.g. secretarial) responsibilities under the Project (but excluding any type of civil servant salaries).

**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 \$80,000,000 equivalent may be made for payments made prior to the Signature Date but on or after October 1, 2010 (but in no case more than one year prior to the Signature Date) for Eligible Expenditures for Categories (1) and (2), if the pertinent obligations set forth in this Agreement, as applicable to each Eligible Expenditure, have been complied with.
- 2. The Closing Date is June 30, 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.

<b>Principal Payment Date</b>	<b>Installment Share (Expressed as a Percentage)</b>
On each March 15 and September 15 Beginning March 15, 2018 through September 15, 2036	2.56%
On March 15, 2037	2.72%

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 Participation, Transfer and Maintenance Agreements**

Each Participation, Transfer and Maintenance Agreement shall contain, *inter alia*, the following provisions:

1. The obligation of the Borrower, through MPF (through UCPyPFE-UEP), to carry out each Subproject in accordance with the pertinent provisions of this Agreement.
2. The right of the Borrower, through MPF (through UCPyPFE-UEP), to take remedial actions against the pertinent Participating Province (as the case may be) in case the Participating Province shall have failed to comply with any of its obligations under the corresponding Participation, Transfer and Maintenance Agreement (which actions shall have been previously agreed with the Bank).
3. The obligation of the Participating Province:
  - (i) to assist the Borrower, through UCPyPFE-UEP, in the carrying out of the pertinent Subproject in accordance with the pertinent provisions of this Agreement, including technical, financial, administrative, environmental and fiduciary standards acceptable to the Bank;
  - (ii) if applicable as determined by the Bank, to comply with the provisions of the Environmental and Social Management Framework, the Resettlement Policy Framework and the IPPF, and adopt and undertake the obligation of preparing and/or carrying out the pertinent EMPs, IPPs, resettlement plans (as referred to in Section I.E.3 of Schedule 2 to this Agreement) or similar safeguards acceptable instruments, as applicable, in accordance with their terms and those of this Agreement and the Operational Manual;
  - (iii) to ensure that the pertinent 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);
  - (iv) to take or permit to be taken all action to enable the Borrower, through UCPyPFE-UEP, to comply with its obligations referred to in this Agreement, as applicable to the carrying out of the pertinent Subproject;
  - (v) to cause the corresponding DPV to inspect, when applicable, the corresponding Subproject, in accordance with the pertinent provisions of this Agreement and the Operational Manual;

- (vi) upon satisfactory completion of the pertinent Subproject, as determined by the Borrower, through UCPyPFE-UEP, and the Bank, to operate and maintain said Subproject with due diligence and efficiency, and in accordance with adequate technical, social and environmental standards; and
- (vii) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Participation, Transfer and Maintenance Agreement or any provision thereof unless previously agreed by the Borrower, through UCPyPFE-UEP and the Bank.

## APPENDIX

### Section I. Definitions

1. “Annual Operating Plan” means the Borrower’s plan, prepared through UCPyPFE-UEP, on an annual basis, setting forth the planning of Project activities for each year of Project implementation.
2. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 with the modifications set forth in Section II of this Appendix.
3. “Bank Safeguards Policies” means the Bank’s operational policies and procedures set forth in the Bank’s Operational Manual under OP/BPs 4.01, 4.04, 4.09, 4.10, 4.11, 4.12, 4.36, 4.37, 7.50 and 7.60 as said manual is published under [www.WorldBank.org/opmanual](http://www.WorldBank.org/opmanual).
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “Chaco Identified Subproject” means the Subproject in the Province of Chaco: Provincial Road: RP No. 3, *Pampa del Indio – Villa Río Bermejito* (59.45 km).
6. “Chaco Indigenous Peoples’ Plan” or “Chaco IPP” means the Borrower’s plan dated November 15, 2010, setting forth the indigenous peoples policy actions applicable to the activities to be carried out under the Subproject Province of Chaco: Provincial Road: RP No. 3, *Pampa del Indio – Villa Río Bermejito* (59.45 km).
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 and May 2010.
8. “DPV” means *Dirección Provincial de Vialidad*, or Provincial Road Department, which may or may not be vested with legal personality, or any other entity (which may or may not be vested with legal personality) with similar functions and responsibilities, all within the administrative jurisdiction of a Participating Province.
9. “Environmental Management Plans” or “EMPs” means any of the following Borrower documents, all dated November 8, 2010: (a) Plan “RP No. 3, *Pampa del Indio – Villa Río Bermejito*”; (b) Plan “RP No. 304, *Los Gutiérrez – Río Urueña*”; and (c) Plan “RP No. 94, *Santo Tomé – Arroyo Chimiray*”, setting forth the environmental management actions applicable to activities to be carried out

under the Identified Subprojects; and/or (d) any of the plans or environmental/social instruments, acceptable to the Bank, referred to in Sections I.E.1 and I.E.2 of Schedule 2 to this Agreement.

10. “Environmental and Social Management Framework” or “ESMF” means the Borrower’s framework, dated November 15, 2010, (included in the Operational Manual) which sets forth, *inter alia*: (i) the guidelines for updating/adjusting the environmental assessments and/or environmental management plans referred to in Sections I.E.1 and I.E.2 of Schedule 2 to this Agreement; (ii) the guidelines for carrying out the environmental assessments referred to in Sections I.E.1 and I.E.2 of Schedule 2 to this Agreement; (iii) the EMPs; (iv) the generic description of the type of environmental impacts which may affect Subprojects and the actions to mitigate any negative impacts that may occur as a result of their implementation; (v) the guidelines to be followed in connection with the finding of cultural property; (vi) the guidelines to be followed to prevent natural habitat conversion or degradation; (vii) the guidelines for public consultation; (viii) the procedures and technical specifications to be followed by eligible contractors in the carrying out of Subprojects; (ix) the Indigenous Peoples Planning Framework; (x) the Chaco Indigenous Peoples’ Plan; and (xi) the Resettlement Policy Framework, as said framework may be updated and/or amended from time to time with the agreement of the Bank.
11. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 31, 2010.
12. “Identified Subprojects” means, collectively, the following Subprojects: (a) Province of Chaco: Provincial Road: RP No. 3, *Pampa del Indio – Villa Río Bermejito* (59.45 km); (b) Province of Tucuman: Provincial Road: RP No. 304, *Los Gutiérrez – Río Urueña* (86.80 km); and (c) Province of Corrientes: Provincial Road: RP No. 94, *Santo Tomé – Arroyo Chimiray* (66.5 km).
13. “Indigenous Peoples Plan” or “IPP” means any of the plans acceptable to the Bank, adopted by the Borrower, through UCPyPFE-UEP, and/or the pertinent Participating Province when applicable as set forth in the Operational Manual, all prepared and to be carried out following the requirements of the Indigenous Peoples Planning Framework.
14. “Indigenous Peoples Planning Framework” or “IPPF” means the Borrower’s framework, acceptable to the Bank (included in the ESMF) dated November 15, 2010, setting forth the indigenous peoples policy framework applicable to all the activities to be carried out under the Project and the basis and procedures to prepare specific indigenous peoples’ plans or related instruments during Project implementation.

15. “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.
16. “MPF” means *Ministerio de Planificación Federal, Inversión Pública y Servicios*, 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.
17. “Non-consultant Services” means services which will be bid and contracted on the basis of performance of measurable physical outputs, and which are not otherwise covered by any other category of Eligible Expenditures.
18. “Norte Grande region” means the Borrower’s region comprised of the following Participating Provinces: Catamarca, Chaco, Corrientes, Formosa, Jujuy, Misiones, Tucumán, Salta and Santiago del Estero.
19. “Operational Manual” means the Borrower’s manual dated November 15, 2010, acceptable to the Bank, which sets forth, *inter alia*: (a) the criteria for selecting any investments under Subprojects; (b) the structures, functions and responsibilities of UCPyPFE-UEP under the Project; (c) the Environmental and Social Management Framework; (d) the Project’s chart of accounts and internal controls; (e) the format of: (i) the unaudited interim financial reports referred to in Section II.B.2 of Schedule 2 to this Agreement; and (ii) the Financial Statements; (f) the terms of reference for carrying out the Project audits under Section II.B.3 of Schedule 2 to this Agreement; (g) the Project performance indicators (including the results framework); and (h) 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.
20. “Participating Province” means any of the Borrower’s political subdivisions, as per title Two of the Borrower’s 1994 Constitution, which exercise partial or total jurisdiction over a Subproject in the Norte Grande region.
21. “Participation, Transfer and Maintenance Agreement” means any of the agreements referred to in Section I.C.1 of Schedule 2 to this Agreement.
22. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006 and May 2010.

23. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated November 10, 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.
24. “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.
25. “Resettlement Policy Framework” or “RPF” means the Borrower’s framework, dated November 15, 2010, acceptable to the Bank (included in the Environmental and Social Management Framework) 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 Participating Province and the process for preparing and approving resettlement plans under Section I.E.3 of Schedule 2 to this Agreement.
26. “SEPA” means the Bank’s publicly accessible Procurement Plans Execution System.
27. “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.
28. “Subproject” means any of the works under Part A of the Project (including the Identified Subprojects), to be carried out by eligible contractors, on behalf of the Borrower, pursuant to the terms of each Participation, Transfer and Maintenance Agreement, the Environmental and Social Management Framework and the Operational Manual.
29. “UCPyPFE” or “*Unidad de Coordinación de Programas y Proyectos con Financiamiento Externo*” means the MPF’s Unit for Coordination of Externally Financed Programs and Projects, as referred to in Section I.A.1 of Schedule 2 to this Agreement, established within MPF pursuant to Ministerial Resolution No. 165/2000, dated June 21, 2000, as amended by Executive Decree No. 1,142/2003, or any successor thereto, acceptable to the Bank.
30. “UCPyPFE-UEP” means the Project executing unit established within the UCPyPFE and referred to in Section I.A.1 of Schedule 2 to this Agreement, or any successor thereto, acceptable to the Bank.



## **Section II. Modifications to the Anti-Corruption Guidelines**

The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

“... (b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

2. Section 11(a) is modified to read as follows:

“... (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”