

LOAN NUMBER 8093-AR

Loan Agreement

(Socio-Economic Inclusion in Rural Areas Project)

between

ARGENTINE REPUBLIC

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

LOAN AGREEMENT

Agreement dated as of the Signature Date 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.

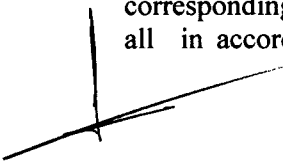
ARTICLE II — LOAN

- 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 fifty-two million five hundred thousand dollars, (\$52,500,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 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 Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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.
- 2.06. The Payment Dates are June 15 and December 15 in each year.



- 2.07. The principal amount of the Loan shall be repaid in accordance with the provisions of Schedule 3 to this Agreement.
- 2.08. (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; (A) 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 (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding 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 or the Reference 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 or the Reference Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall: (a) carry out Parts 1, 3(a) and 4 of the Project through MAGyP; (b) if applicable, cause: (i) the pertinent Participating Province to cause each Beneficiary Community to carry out the corresponding Rural Investment Subproject; or (ii) the pertinent Beneficiary Community to carry out the corresponding Rural Investment Subproject with the assistance of the MAGyP, all in accordance with the provisions of the corresponding Rural Investment
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Subproject Agreement; and (c) cause each Producer Organization to carry out the pertinent Productive Alliance Subproject with the assistance of MAGyP, and in accordance with the provisions of the corresponding Productive Alliance Subproject Agreement; all in accordance with the provisions of Article V of the General Conditions.

- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower, through MAGyP, 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 the Operational Manual has been duly adopted by the Borrower, through MAGyP.
- 4.02. Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is the date one hundred twenty (120) 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 December 9, 2016.

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 November 13, 2015,
and on behalf of the Borrower on December 9, 2015.


ARGENTINE REPUBLIC

By


Authorized Representative

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By


Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to increase the socio-economic inclusion of rural poor (small producers, indigenous peoples, and rural workers) by: (a) strengthening their organizational, planning and management capacity to achieve poverty-reduction goals; (b) improving their access to community infrastructure and services; and (c) piloting a new model for developing sustainable access to markets.

The Project consists of the following parts:

Part 1: Capacity Development


Carrying out of capacity-building activities for purposes of increasing the impact of development actions on targeted rural groups, consisting of: (a) the provision of technical support to communities and organizations of small producers, indigenous peoples and rural workers, through the carrying out of activities aimed at improving their organizational, planning and management capacity; and (b) the provision of technical support to strengthen the capacity of targeted rural groups through the preparation of studies, strategies and planning instruments aimed at the local level, all under terms of reference acceptable to the Bank.

Part 2: Rural Livelihood

Carrying out of demand-driven investments/activities aimed at improving the living conditions of the targeted poor rural communities and consisting of, *inter alia*, small-scale investments such as the rehabilitation or construction of rural community infrastructures, the provision of support aimed at improving agricultural production, the carrying out of food-security activities and natural resources management, and the construction or improvement of household water and sanitation systems.

Part 3: Access to Markets

Provision of support for the identification, formulation and implementation of Productive Alliances Subprojects through: (a) the carrying out of activities for the promotion and preparation of Productive Alliances Subprojects, including, *inter alia*: (i) the realization of a promotional campaign targeted at potential Producer Organizations and Buyers; (ii) the formulation of alliance profiles reflecting joint expressions of interest by Producer Organizations and potential Buyers; (iii) the provision of support for the process of evaluating, ranking and approving Productive Alliances Subprojects; (iv) the provision of training to Producer Organizations on the design and negotiation of alliance business plans which may eventually result in Productive Alliances; and (v) the provision of support for the preparation of Productive Alliance Subproject Agreements and related documentation, all acceptable to the Bank; and (b) the carrying out of Productive



Alliance-driven investments/activities (such as small-scale civil works and the improvement of the production processes and production quality standards of Producer Organizations) for purposes of developing sustainable access to markets for Producer Organizations based on Productive Alliances.

Part 4: Project Management

Provision of operational support to the Borrower, through UCAR, in the implementation, coordination, administration, monitoring and evaluation of the Project.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower, through MAGyP, shall operate and maintain, at all times during Project implementation: (a) the UCAR, with a structure, functions and responsibilities adequate for the carrying out of the Project, which shall include, *inter alia*, the responsibility of the fiduciary management of the Project at the central level (which consists of, *inter alia*, the approval of annual work plans and related costs, the monitoring and evaluation of the Project, and the oversight of procurement activities and compliance with the Environmental and Social Management Framework); and (b) within UCAR, a network of coordination units at the provincial level, all with a structure, functions and responsibilities acceptable to the Bank, which shall include, *inter alia*, the responsibility for day-to-day technical implementation of the Project and the provision of support in the preparation of Rural Investment Subprojects.
2. The Borrower, through MAGyP, shall ensure that UCAR is, at all times during Project implementation, assisted by technical and administrative staff, all in numbers and with terms of reference, and qualifications and experience, acceptable to the Bank, as described in the Operational Manual.
3. The Borrower, through MAGyP, shall cause the Participating Provinces, through the respective Participation Agreements, to operate and maintain, at all times during Project implementation, provincial implementation units with functions and responsibilities acceptable to the Bank and with staff in numbers and with qualifications and experience acceptable to the Bank.
4.
 - (a) For purposes of assisting the Borrower in the carrying out of Parts 1 and 3(a) of the Project, the Borrower, through UCAR, may enter into technical assistance agreements with one or more Technical Assistance Entities ("Technical Assistance Agreements") under terms and conditions acceptable to the Bank (as these are further detailed in the Operational Manual).
 - (b) The Borrower, through UCAR, shall: (i) exercise its rights under each Technical Assistance Agreement in such manner as to protect the interest of the Borrower and the Bank to accomplish the purposes of the Loan; and (ii) except as the Bank shall otherwise agree, not amend, terminate, waive or fail to enforce the pertinent Technical Assistance Agreement or any provision thereof.



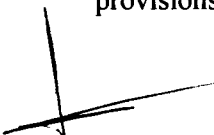
- (c) In case of any conflict between the provisions of a Technical Assistance Agreements and those of the Operational Manual and/or this Agreement, the provisions of this Agreement shall prevail.
- 5.
 - (a) For purposes of assisting the Borrower, through MAGyP, in the managing of contracting and payment of individual consultants under Parts 1 and 3(a) of the Project, the Borrower, through UCAR, may enter into an agreement (the "Contracting Management Agreement") with an agency (the "Contracting Management Entity"), under terms and conditions acceptable to the Bank (as these are further detailed in the Operational Manual).
 - (b) The Borrower, through UCAR, shall: (i) exercise its rights under the Contracting Management Agreement in such manner as to protect the interest of the Borrower and the Bank to accomplish the purposes of the Loan; and (ii) except as the Bank shall otherwise agree, not amend, terminate, waive or fail to enforce the Contracting Management Agreement or any provision thereof.
 - (c) In case of any conflict between the provisions of the Contracting Management Agreement and those of the Operational Manual and/or this Agreement, the provisions of this Agreement shall prevail.

B. Manuals

- 1. Without limitation to the provisions of Section 3.01 of this Agreement, the Borrower, through MAGyP, shall: (a) carry out the Project in accordance with the provisions of the Operational Manual and the Environmental and Social Management Framework; (b) if applicable, cause: (i) the pertinent Beneficiary Community or Producer Organization (as the case may be) to comply with the pertinent provisions of the Operational Manual and the Environmental and Social Management Framework (ESMF) in connection with their participation in the carrying out of relevant Subprojects; or (ii) the pertinent Participating Province to cause the pertinent Beneficiary Community to comply with the pertinent provisions of the Operational Manual and the ESMF in connection with its participation in the carrying out of the relevant Rural Investment Subproject.
- 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.

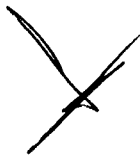
C. Anti-Corruption

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



D. Subprojects

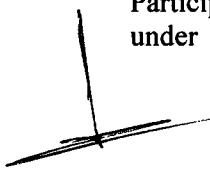
1. For purposes of carrying out Part 2 of the Project, the Borrower, through MAGyP, shall:
 - (a) if applicable, prior to the carrying out of any given Rural Investment Subproject, transfer, on a grant basis, part of the proceeds of the Loan to either: (i) the corresponding Participating Province pursuant to the terms of an agreement (the Participation Agreement) to be entered between the Borrower, through MAGyP, and the pertinent Participating Province, under terms and conditions acceptable to the Bank, which shall include, *inter alia*, those set forth in Schedule 6 to this Agreement; or (ii) the corresponding Beneficiary Community pursuant to the terms of an agreement (the Rural Investment Subproject Agreement) to be entered into between the Borrower, through MAGyP, and the pertinent Beneficiary Community, under terms and conditions acceptable to the Bank, which shall include, *inter alia*, those set forth in Schedule 4 to this Agreement
 - (b) exercise its rights and carry out its obligations under each Participation Agreement and each Rural Investment Subproject Agreement in such manner as to protect the interest of the Borrower and the Bank and to accomplish the purposes of the Loan.
2. Except as the Bank shall otherwise agree, the Borrower, through MAGyP, shall not assign, amend, abrogate, terminate, waive or fail to enforce any Participation Agreement and/or any Rural Investment Subproject Agreement, or any of their provisions.
3. For the purposes of carrying out Part 3 (b) of the Project, the Borrower, through MAGyP shall:
 - (a) prior to the carrying out of any given Productive Alliance Subproject, transfer, on a grant basis, part of the proceeds of the Loan to the corresponding Producer Organization pursuant to the terms of an agreement (the Productive Alliance Subproject Agreement), under terms and conditions acceptable to the Bank, which shall include, *inter alia*, those set forth in Schedule 5 to this Agreement; and
 - (b) exercise its rights and carry out its obligations under each Productive Alliance Subproject Agreement in such manner as to protect the interest of the Borrower and the Bank to accomplish the purposes of the Loan.



4. Except as the Bank shall otherwise agree, the Borrower, through MAGyP, shall not assign, amend, abrogate, terminate, waive or fail to enforce any Productive Alliance Subproject Agreement or any of its provisions.

E. Safeguards

1. Without limitation to the provisions of Section I.D of this Schedule, and prior to the carrying out of any given Subproject, the Borrower, through MAGyP, shall and, if applicable, shall cause the pertinent Participating Province (under the pertinent Participation Agreement) to: (a) carry out an environmental/social screening and/or an environmental/social assessment (as the case may be) of the pertinent works/activities, and if provided for in the ESMF, prepare and approve an environmental/social management plan or similar environmental or social safeguards instrument, acceptable to the Bank, for each said works/activities, all in accordance with the pertinent provisions of the Environmental and Social Management Framework; and (b) immediately after said approval, implement and/or cause the corresponding Beneficiary Community or Producer Organization to implement (as the case may be) the corresponding environmental/social management plan (or similar environmental/social safeguards instrument) in accordance with its terms.
2. Without limitation to the pertinent provisions of this Agreement, and if, as a result of the definition of the zone of impact in respect of any given Subproject and/or of the carrying out of the pertinent environmental/social screening and/or environmental/social assessment (as referred to in Section I.E.1, of this Schedule), it is determined that Resettlement will be involved in respect of any given Subproject, the Borrower, through MAGyP, shall and, if applicable, shall cause the pertinent Participating Province (under the pertinent Participation Agreement) to: (a) prior to the carrying out of any works/activities under the corresponding Subproject, prepare and furnish to the Bank, a resettlement plan (acceptable to the Bank) for each said Subproject (which plan shall be consistent with the provisions of the Resettlement Policy Framework included in the ESMF); and (b) immediately thereafter implement and/or cause the corresponding Beneficiary Community or Producer Organization to implement each resettlement plan in accordance with its terms, and in a manner acceptable to the Bank.
3. Without limitation to the pertinent provisions of this Agreement, and if as a result of the carrying out of the environmental/social screening and/or environmental/social assessment referred to in Section I.E.1 of this Schedule, and when so determined by the Bank as set forth in the IPPF and the Environmental and Social Management Framework, the Borrower, through MAGyP, shall and, if applicable, shall cause the pertinent Participating Province (under the pertinent Participation Agreement) to: (a) prior to the carrying out of any works/activities under the corresponding Subproject, prepare and furnish to the Bank an



indigenous peoples development plan (acceptable to the Bank) for each said Subproject (which plan shall be consistent with the provisions of the Indigenous Peoples Planning Framework included in the ESMF); and (b) immediately thereafter implement and/or cause the corresponding Beneficiary Community or Producer Organization to implement each indigenous peoples development plan in accordance with its terms, and in a manner acceptable to the Bank.

F. Other Arrangements

The Borrower, through UCAR, shall ensure the terms of reference for any consultancy in respect of any Project activity under Part 1(b) 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.

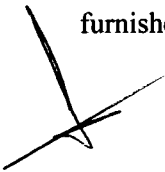
Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower, through UCAR, 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 (starting on the second semester of 2015), and shall be furnished to the Bank not later than forty five (45) calendar days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

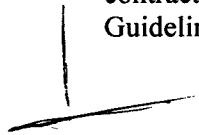
1. The Borrower, through UCAR, shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. Without limitation to the provisions of Part A of this Section, the Borrower, through UCAR, shall prepare and furnish to the Bank as part of the Project Report, interim unaudited financial reports for the Project, covering the pertinent calendar semester, in form and substance, satisfactory to the Bank.
3. The Borrower, through UCAR, 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.



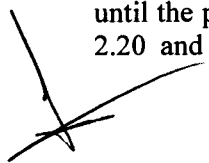
4. The Borrower, through UCAR, shall, prior to the commencement of each calendar year during Project implementation, create, and thereafter maintain throughout each said calendar year of Project implementation, a specific budget line entry in the national annual budget (starting in calendar year 2015) in order to keep track of the corresponding expenditures incurred during Project implementation.
5. Without limitation to the provisions of Section II.B.3 of this Schedule, the Borrower, through UCAR, shall: (a) hire an independent auditor with experience and qualifications acceptable to the Bank, for purposes of carrying out semi-annual financial, procurement and technical audits of the activities under Parts 2 and 3(b) of the Project; (b) each calendar year (starting with the year 2016) have Parts 2 and 3(b) of the Project semi-annually (or any other period as agreed with the Bank) audited by the auditor mentioned in (a) herein, relating to the Borrower's previous calendar semester of Project implementation (or any other period as agreed with the Bank), in accordance with terms of reference set forth in the Operational Manual, and consistently applied auditing financial and technical standards, all acceptable to the Bank; and (c) not later than forty five (45) calendar days after the end of each calendar semester (or any other period as agreed with the Bank), furnish or cause to be furnished to the Bank the information as so audited, and such other information concerning the audited information and such auditors, as the Bank may from time to time reasonably request.

Section III. Procurement

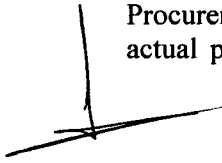
A. General

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting 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.
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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-consulting services and consultants' services under the Project (as the case may be):

- (a) procurement of goods, works, non-consulting services and consultants' services (in respect of firms) shall be carried out, when applicable as determined by the Bank, 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 development plan (including the provisions of any updated/adjusted version) or similar safeguard instrument referred to in Sections I.E.1 through I.E.3 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 in respect of Subprojects 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-consulting services;
 - (d) after the public opening of bids for goods, works and non-consulting 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
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and/or other persons not officially concerned with said process shall not be allowed to review or make copies of other consultants' proposals;

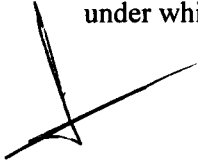
- (f) foreign bidders or foreign consultants shall not, as a condition for submitting bids or proposals and/or for contract award: (i) be required to be registered in Argentina (except as provided in the standard bidding documents referred to in paragraph 4 (a) (i) above); (ii) be required to have a 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-consulting services and consultants' services procured by the Borrower, through UCAR, 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-consulting 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 UCAR, 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 UCAR, 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 biannually, or as required by the Bank, to reflect the actual project implementation needs and progress and shall supply the
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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-consulting 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 UCAR, 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 UCAR, 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-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used.



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

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following 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) Selection based on Consultants' Qualifications
(b) Single-source Selection
(c) Individual Consultants

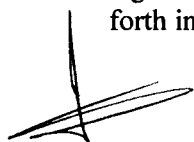
D. Review by the Bank of Procurement Decisions

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

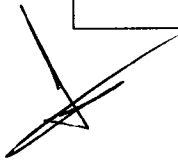
A. General

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.

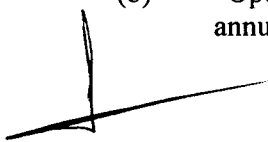
<u>Category</u>	<u>Amount of the Loan Allocated (expressed in USD)</u>	<u>Percentage of Expenditures to be financed (inclusive of Taxes)</u>
(1) Consultants' services, non-consulting services, Training and Operating Costs under Part 1 of the Project	2,100,000	100%
(2) (a) Works and goods under Community Subprojects under Part 2 of the Project (b) Non-consulting services and consultants' services under Community Subprojects under Part 2 of the Project	25, 935,000 1,365,000	100% of the amount disbursed under the pertinent Rural Investment Subproject Agreement 100% of the amount disbursed under the pertinent Rural Investment Subproject Agreement
(3) (a) Works and goods under IP Community Subprojects under Part 2 of the Project (b) Non-consulting services and consultants' services under IP Community Subprojects under Part 2 of the Project	11,115,000 585,000	100% of the amount disbursed under the pertinent Rural Investment Subproject Agreement 100% of the amount disbursed under the pertinent Rural Investment Subproject Agreement
(4) Consultants' services, non-consulting services, Goods, Training and Operating Costs under Part 3(a) of the Project	1,000,000	100%



<u>Category</u>	<u>Amount of the Loan Allocated (expressed in USD)</u>	<u>Percentage of Expenditures to be financed (inclusive of Taxes)</u>
(5) (a) Works and goods under Productive Alliances Subprojects under Part 3(b) of the Project	9,500,000	100% of amount disbursed under the pertinent Productive Alliances Subproject Agreement
(b) Non-consulting services, consultants' services and Operating Costs under Productive Alliances Subprojects under Part 3 (b) of the Project	500,000	100% of amount disbursed under the pertinent Productive Alliances Subproject Agreement
(6) Goods, consultants' services and non-consulting services under Part 4 of the Project	268,750	100%
(7) Front-end Fee	131,250	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(8) Premia for Interest Rate Caps or Interest Rate Collars	0	Amount due pursuant to Section 2.08(c) of this Agreement
TOTAL AMOUNT	52,500,000	

3. For purposes of this paragraph:

- (a) the term "Training" means expenditures (other than those for consultants' services) incurred by the Borrower, through UCAR, all 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, and rental of training facilities and equipment; 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 UCAR, absent the Project, for the implementation of the Project including, *inter alia*: (i) lodging, *per diem* and transportation expenditures incurred by Buyers who provide technical assistance to Producer Organizations under Productive Alliance Subprojects up to the percentage established in the Operational Manual; and (ii) fees to intermediary agents who participate in the process of alliance promotion and preparation and whose work is assessed by technical evaluation groups in accordance with the conditions provided in the Operational Manual; excluding 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 \$10,500,000 equivalent may be made for payments made prior to this date but on or after October 23, 2014 (but in no case more than one year prior to the Signature Date), for Eligible Expenditures 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 28, 2021.
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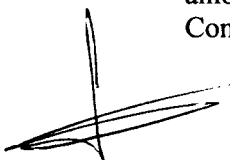
SCHEDULE 3

Amortization Schedule

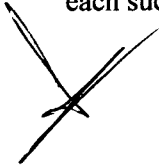
1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal 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 June 15 and December 15 Beginning June 15, 2022 through December 15, 2045	2.04%
On June 15, 2046	2.08%

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.

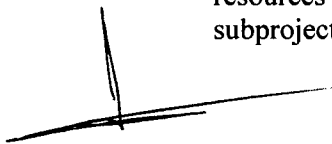


SCHEDULE 4


Terms and Conditions of Rural Investment Subproject Agreements

Each Rural Investment Subproject Agreement monitored and supervised by the Borrower shall contain, *inter alia*, the following provisions:

- (a) the obligation of the Borrower, through MAGyP:
 - (i) to promptly disburse to each Beneficiary Community the proceeds of the Loan allocated to the corresponding Rural Investment Subproject in a manner acceptable to the Bank; and
 - (ii) to ensure that the pertinent Rural Investment Subproject is carried out in accordance with the provisions of the Anti-Corruption Guidelines;
- (b) the right of the Borrower, through MAGyP, to take remedial actions against the pertinent Beneficiary Community in case said Beneficiary Community shall have failed to comply with any of its obligations under the pertinent Rural Investment Subproject Agreement (which actions may include, *inter alia*, the partial or total suspension and/or cancellation of the proceeds of the Loan allocated to said Rural Investment Subproject, all as previously agreed with the Bank); and
- (c) the obligation of each Beneficiary Community:
 - (i) to carry out the pertinent Rural Investment Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental, social and cultural property practices, in accordance with the provisions of the Anti-Corruption Guidelines (applicable to recipients of Loan proceeds other than the Borrower), the Procurement Guidelines, the Consultant Guidelines, the Operational Manual and the ESMF;
 - (ii) to use the proceeds of the Loan allocated to the pertinent Rural Investment Subproject solely for purpose of financing said subproject;
 - (iii) to co-finance part of the cost of the pertinent Rural Investment Subproject as provided in the Operational Manual, and provide, promptly as needed, the services, facilities and other counterpart resources necessary or appropriate to carry out the corresponding subproject;



- (iv) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the pertinent Rural Investment Subproject Agreement or any provision thereof, unless previously agreed by the Borrower, through MAGyP, and the Bank;
- (v) if applicable, to comply, or caused to be complied, with the obligations referred to in Sections 5.05, 5.06 (a), 5.07, 5.10 and 5.11 of the General Conditions (relating to land acquisition, use of goods, works and services, plans, supporting documentation, cooperation, consultation and visits, respectively) in respect of the pertinent Rural Investment Subproject; and
- (vi) to take or permit to be taken all action to enable the Borrower, through MAGyP, to comply with its obligations referred to in this Agreement, as applicable to the carrying out of the pertinent Rural Investment Subproject.

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SCHEDULE 5

Terms and Conditions of Productive Alliance Subproject Agreements

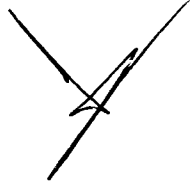
Each Productive Alliance Subproject Agreement shall contain, *inter alia*, the following provisions:

- (a) the obligation of the Borrower, through MAGyP:
 - (i) to promptly disburse to each Producer Organization the proceeds of the Loan allocated to the corresponding Productive Alliance Subproject in a manner acceptable to the Bank;
 - (ii) if a Buyer were to provide technical assistance to a Producer Organization under a Productive Alliance Subproject, to reimburse Operating Costs (as such term is defined in Section IV.A.3(b) of Schedule 2 to this Agreement) up to the percentage set forth in the Operational Manual to that effect;
 - (iii) if necessary, to guarantee credit access to Producer Organizations, with the objective of financing their respective percentage of the cost of the pertinent Productive Alliance Subproject (as such percentage is set forth in the Operational Manual);
 - (iv) to ensure that the pertinent Productive Alliance Subproject is carried out in accordance with the provisions of the Anti-Corruption Guidelines; and
- (b) the right of the Borrower, through MAGyP, to take remedial actions against the pertinent Producer Organization in case said Producer Organization shall have failed to comply with any of its obligations under the pertinent Productive Alliance Subproject Agreement (which actions may include, *inter alia*, the partial or total suspension and/or cancellation of the proceeds of the Loan allocated to the pertinent Productive Alliance Subproject (as the case may be), all as previously agreed with the Bank); and
- (c) the obligation of each Producer Organization:
 - (i) to carry out the pertinent Productive Alliance Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental, social and cultural property practices, in accordance with the provisions of the Anti-Corruption Guidelines (applicable to recipients of



Loan proceeds other than the Borrower), the Procurement Guidelines, the Consultant Guidelines, the Operational Manual and the ESMF;

- (ii) to use the proceeds of the Loan allocated to the pertinent Productive Alliance Subproject solely for purpose of financing said subproject;
- (iii) to co-finance part of the cost of the pertinent Productive Alliance Subproject as provided in the Operational Manual, and provide, promptly as needed, the services, facilities and other counterpart resources necessary or appropriate to carry out the corresponding subproject;
- (iv) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Productive Alliance Subproject Agreement or any provision thereof, unless previously agreed by the Borrower, through MAGyP, and the Bank;
- (v) if applicable, to comply, or caused to be complied, with the obligations referred to in Sections 5.05, 5.06 (a), 5.07, 5.10 and 5.11 of the General Conditions (relating to land acquisition, use of goods, works and services, plans, supporting documentation, cooperation, consultation and visits, respectively) in respect of the pertinent Productive Alliance Subproject; and
- (vi) to take or permit to be taken all action to enable the Borrower, through MAGyP, to comply with its obligations referred to in this Agreement, as applicable to the carrying out of the pertinent Productive Alliance.

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SCHEDULE 6

Terms and Conditions of Participating Agreements

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

- (a) the obligation of the Borrower, through MAGyP:
 - (i) to promptly disburse, on a grant basis, to each Participating Province the proceeds of the Loan allocated to the corresponding Rural Investment Subproject(s) in a manner acceptable to the Bank; and
 - (ii) to ensure that the pertinent Rural Investment Subproject is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
- (b) the right of the Borrower, through MAGyP, to take remedial actions against the pertinent Participating Province in case said Participating Province shall have failed to comply with any of its obligations under the pertinent Participation Agreement (which actions may include, *inter alia*, the partial or total suspension and/or cancellation of the proceeds of the Loan allocated to said Rural Investment Subproject, all as previously agreed with the Bank); and
- (c) the obligation of each Participating Province:
 - (i) to ensure that the pertinent Rural Investment Subproject is carried out in accordance with the pertinent provisions of this Agreement (including the pertinent obligations set forth in the Procurement and Financial Management sections), the Operational Manual, the ESMF and the Anti-Corruption Guidelines; and
 - (ii) prior to the carrying out of any given Rural Investment Subproject, enter into an agreement with the corresponding Beneficiary Community under terms and conditions acceptable to the Bank which shall include the terms set forth in paragraph (c) of Schedule 4 to this Agreement.



APPENDIX

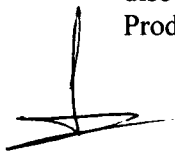
Section I. Definitions

1. “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 and revised in January 2011.
2. “Bank’s 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.
3. “Buyer” means a qualified market agent (such as a wholesaler, large retailer, agroprocessor or exporter) who participates in a Productive Alliance, as specified in the Operational Manual.
4. “Beneficiary Community” means a group of individuals, communities (including indigenous people communities) or organizations who have met the criteria set forth in the Operational Manual to carry out Rural Investment Subprojects.
5. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
6. “Community Subproject” means any of the investments referred to in Part 2 of the Project (except for IP Community Subprojects).
7. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 and revised July 2104.
8. “Contracting Management Agreement” means the agreement referred to in Section I.A.5 of Schedule 2 to this Agreement.
9. “Contracting Management Entity” means any private or public entity acceptable to the Bank, that may assist the Borrower in the carrying out of Parts 1(a), 1(b), 2 and 3(a) of the Project, and that complies with the terms, conditions and eligibility criteria set forth to that effect in the Operational Manual.
10. “Environmental and Social Management Framework” or “ESMF” means the Borrower’s framework, dated October 21, 2014 (included in the Operational Manual), which sets forth, *inter alia*: (a) the guidelines for carrying out the environmental assessments referred to in Section I.E.1 of Schedule 2 to this Agreement; (b) 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; (c) the guidelines to be followed in connection with the finding of cultural property; (d) the guidelines to be followed to prevent natural habitat conversion or degradation; (e) the guidelines for public consultation; (f) the procedures and technical specifications to be followed by eligible contractors in the carrying out of Subprojects; (g) the Indigenous Peoples Planning Framework; and (h) 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 March 12, 2012, with the modifications set forth in Section II of this Appendix.
12. “Indigenous Peoples Planning Framework” or “IPPF” means the Borrower’s framework, acceptable to the Bank (included in the ESMF), dated October 21, 2014, 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 under Section I.E.3 of Schedule 2 to this Agreement.
13. “IP Community Subproject” means any of the investments referred to in Part 2 of the Project in which indigenous peoples are direct Beneficiary Communities of the activities supported by said investments.
14. “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.
15. “MAGyP” means *Ministerio de Agricultura, Ganadería y Pesca*, the Borrower’s Ministry of Agriculture, Livestock and Fisheries, or any successor thereto.
16. “Operational Manual” means the manual acceptable to the Bank, which sets forth, *inter alia*: (a) the eligibility criteria for selecting Beneficiary Communities, Producer Organizations, Buyers and approval of Subprojects; (b) the structures, functions and responsibilities of UCAR under the Project; (c) the Environmental and Social Management Framework; (d) the Project’s chart of accounts and internal controls; (e) the formats 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); (h) the Project disbursement and procurement procedures; and (i) standard models of the Productive Alliance Subproject Agreement and the Rural Investment Subproject



Agreement, as said manual may be updated and/or amended from time to time with the agreement of the Bank.

17. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 and revised July 2014.
18. "Participation Agreement" means any of the agreements referred to in Section I.D.1 (a) (i) of Schedule 2 to this Agreement.
19. "Participating Province" means any of the political subdivisions of the Borrower as per Title Two of the Borrower's Constitution which has met the eligibility criteria set forth in the Operational Manual to monitor and supervise a Rural Investment Subproject.
20. "Procurement Plan" means the Borrower's procurement plan for the Project, dated October 23, 2014, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
21. "Producer Organization" means an organization of small producers which has met the eligibility criteria set forth in the Operational Manual (as defined above) to benefit from a Productive Alliance Subproject under Part 3(b) of the Project.
22. "Productive Alliance" means a business venture between a Producer Organization and a Buyer to carry out a Productive Alliance Subproject that will meet particular specifications such as quantity, quality and delivery schedule.
23. "Productive Alliance Subproject" means any of the investments referred to in Part 3 (b) of the Project.
24. "Productive Alliance Subproject Agreement" means any of the agreements referred to in Section I.D.3 (a) of Schedule 2 to this Agreement.
25. "Resettlement" means the impact of an involuntary taking of land under the Project, which taking causes affected persons to have their: (a) standard of living adversely affected; or (b) 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 (c) access to productive assets adversely affected, temporarily or permanently; or (d) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently.



26. “Resettlement Policy Framework” or “RPF” means the Borrower’s framework, dated October 21, 2014, acceptable to the Bank (included in the ESMF) 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.2 of Schedule 2 to this Agreement.
27. “Rural Investment Subproject” means either a Community Subproject and/or an IP Community Subproject, as specified in the Operational Manual.
28. “Rural Investment Subproject Agreement” means any of the agreements referred to in Section I.D.1 (a) (ii) of Schedule 2 and paragraph (c) (ii) of Schedule 6 to this Agreement.
29. “SEPA” means the Bank’s publicly accessible Procurement Plans Execution System.
30. “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.
31. “Subproject” means either a Community Subproject, an IP Community Subproject and/or a Productive Alliances Subproject, all as specified in the Operational Manual.
32. “Technical Assistance Agreement” means any of the agreements referred to in Section I.A.4 of Schedule 2 to this Agreement.
33. “Technical Assistance Entity” means any public or private entity (or entities), acceptable to the Bank, that may assist the Borrower in the carrying out of Parts 1(a), 1(b) and 3(a) of the Project, and that complies with the technical eligibility criteria set forth to that effect in the Operational Manual.
34. “UCAR” means *Unidad para el Cambio Rural*, the Unit for Agricultural Change, established within MAGyP, or any successor thereto acceptable to the Bank.



Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
2. Section 3.01. (*Front-end Fee*) is modified to read as follows:

“Section 3.01. *Front-end Fee; Commitment Charge*

(a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the “Front-end Fee”).

(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the “Commitment Charge”). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date.”
3. In the Appendix, **Definitions**, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.
4. The Appendix is modified by inserting a new paragraph 19 with the following definition of “Commitment Charge”, and renumbering the subsequent paragraphs accordingly:

“19. “Commitment Charge” means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b).”
5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of “Front-end Fee” is modified by replacing the reference to Section 3.01 with Section 3.01 (a).
6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term “Loan Payment” is modified to read as follows:

“68. “Loan Payment” means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if



any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”

7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of “Payment Date” is modified by deleting the word “is” and inserting the words “and Commitment Charge are” after the word “interest”.

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