

**OFFICIAL
DOCUMENTS**

LOAN NUMBER 8484-AR

Loan Agreement

(Argentina Renewable Energy for Rural Areas Project)

between

ARGENTINE REPUBLIC

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

Dated *OCTOBER 9*, 2015

LOAN AGREEMENT

Agreement dated OCTOBER 9, 2015 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 two hundred million Dollars, (\$200,000,000), 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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 April 15 and October 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in 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 objectives of the Project. To this end, the Borrower shall carry out the Project through SE with the assistance of the Participating Provinces (as provided in the corresponding Participation Agreements), 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 — REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists of the following, namely, that any Participating Province shall have failed to comply with any of its obligations under the pertinent Participation Agreement.

- 4.02. The Additional Event of Acceleration consists of the following, namely, that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Bank to the Borrower.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following, namely, that at least two Participation Agreements have been executed on behalf of the Borrower and each Participating Province.
- 5.02. The Additional Legal Matter consists of the following, namely that the Participation Agreements to be entered into as per the condition set forth in Section 5.01 of this Agreement have been duly authorized or ratified by the Borrower and each Participating Province, and are legally binding upon the Borrower and each Participating Province in accordance with their terms.
- 5.03. Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement, but in no case later than eighteen months (18) months after the Bank's approval of the Loan which expire on October 7, 2016.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

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

Ministerio de Economía y Finanzas Públicas
Hipólito Yrigoyen 250
C1086 AAB, Buenos Aires
Argentina

| | | |
|-------------------------------------|-----------|------------------|
| Cable: | Telex: | Facsimile: |
| MINISTERIO DE ECONOMIA Baires | 121942-AR | (5411) 4349-8815 |

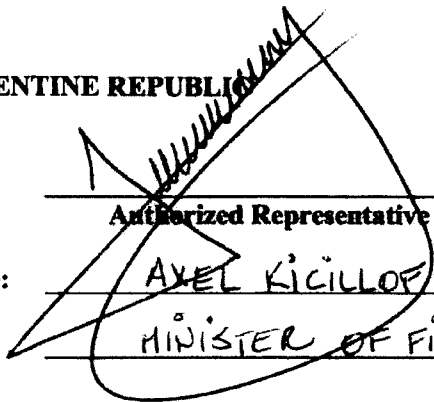
- 6.03. The Bank's Address is:

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


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

AGREED at LIMA, REPUBLIC OF PERU, as of the day and year first
above written.

ARGENTINE REPUBLIC

By: 
Authorized Representative
Name: AXEL KICILLOF
Title: MINISTER OF FINANCE

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By: 
Authorized Representative
Name: JESKO S. HENTSCHEL
Title: COUNTRY DIRECTOR

SCHEDULE 1

Project Description

The objective of the Project is to provide and enhance access to modern energy services in the Borrower's selected rural areas.

The Project consists of the following parts:

Part 1: Renewable Electricity Service Provision

Provision of renewable electricity services through, *inter alia*: (a) the acquisition and installation of stand-alone solar systems, stand-alone wind systems, Pico PV for isolated individual households and public facilities in rural areas of the Participating Provinces; (b) the construction and/or upgrade of mini grids (including mini hydro, as applicable) for, *inter alia*, rural and isolated population clusters and/or public institutions located in rural areas of the Participating Provinces; (c) the acquisition and installation of water pumping systems in isolated individual households, public facilities and isolated communities, all located in rural areas of the Participating Provinces; (d) the acquisition and installation of equipment to micro-enterprises for the development of individual or collective productive uses activities; and (e) the provision of small works and goods as in-kind compensation under the relevant resettlement plan referred to in Section I.E.2 of Schedule 2 to this Agreement.

Part 2: Solar Thermal Service Provision

Provision of solar thermal energy services through, *inter alia* the acquisition and installation of, solar water heaters, solar spatial heating systems, cookers and ovens for: (a) selected dispersed public facilities; and (b) public buildings located in rural areas in the Participating Provinces.

Part 3: Project Deployment Support

Provision of support for the design, implementation and execution of Subprojects and the carrying out of activities to enhance renewable energy deployment in the Borrower's territory including, *inter alia*: (a) the carrying out of market studies to determine potential energy demand and technologies at both urban and rural levels; (b) the carrying out of monitoring and evaluation activities, including the deployment of new technologies to remotely measure electricity consumption and use as well as Subprojects performance; (c) the carrying out of communication strategies and outreach activities, including: (i) the carrying out of studies to support the Borrower's renewable energy goals; (ii) the dissemination of lessons learned, best practices and relevant experiences; and (iii) provision of capacity building for the weakest stakeholders to ensure their participation in the Project; and (d) provision of support for the development of pilot studies for technologies that have not been fully deployed in the Borrower's territory, such as solar space heating systems.

Part 4: Project Management

Carrying out Project management activities, including, *inter alia*: (a) the strengthening of the operational capacity of: (i) the PCU for the implementation, monitoring, administration and supervision of the Project; and (ii) the Participating Provinces and their respective PEUs to carry out the Project activities under their responsibility; (b) the carrying out of the Project audits; (c) the carrying out of training; (d) the financing of travel costs for PCU and PEUs staff; and (e) the rental of vehicles for the carrying out of Project supervision activities.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower shall vest the overall responsibility for the implementation, monitoring and supervision of the Project in SE, and to this end shall, through SE:
 - (a) maintain, throughout Project implementation, a unit ("PCU") with structure, functions and responsibilities acceptable to the Bank as set forth in the Operational Manual, including *inter alia*, the responsibility of the PCU to implement, monitor and supervise the carrying out of the Project (including its financial and procurement aspects);
 - (b) ensure that the PCU is, throughout Project implementation, headed by a Project coordinator, and staffed with adequate professional, fiduciary, administrative and technical personnel (including social and environmental specialists), all with qualifications, experience and terms of reference acceptable to the Bank, as set forth in the Operational Manual; and
 - (c) cause the Participating Provinces, through the respective Participation Agreements, to operate and maintain throughout the execution of the Project, provincial implementation units (the PEUs), with functions and responsibilities acceptable to both the Borrower and the Bank and with staff in number and with qualifications and experience acceptable to both the Borrower and the Bank.

B. Other Implementation Arrangements

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 SE, shall enter into an agreement (the Participation Agreement) with the corresponding Participating Province (or, if applicable, amend the existing Participation Agreement with said Participating Province), all under terms and conditions acceptable to the Bank, which shall include, *inter alia*, the obligation of each Participating Province:
 - (a) to assist the Borrower, through SE, 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;
 - (b) to provide the counterpart funds, facilities, services and other resources necessary or appropriate to carry out the corresponding Subproject;
 - (c) to comply with the provisions of the Environmental and Social Management Framework (ESMF), the Resettlement Policy Framework (RPF) and the

Indigenous People Policy Framework (IPPF), as applicable, in accordance with their terms and those of this Agreement and the Operational Manual;

- (d) to ensure that the pertinent Subproject is carried out in accordance with the provisions of the Anti-Corruption Guidelines;
- (e) to take or permit to be taken all action to enable the Borrower, through SE, to comply with its obligations referred to in this Agreement, as applicable to the carrying out of the pertinent Subproject;
- (f) in those cases in which the pertinent Participating Province (with or without the assistance of a Qualified Service Provider) will carry out the activities under a Subproject, the Borrower, through SE, shall cause the corresponding Participating Province to carry out/cause (through the pertinent Operation, Maintenance and Replacement Agreement) to be carried out the Subproject in compliance with the pertinent provisions of this Agreement (including procurement) and the Operational Manual, and, when applicable: (i) prior to the carrying out of any Subproject activities, prepare/cause to be prepared an environmental management plan in accordance with the ESMF and acceptable to the Bank, and/or an indigenous people management plan in accordance with the IPPF and acceptable to the Bank, and/or a resettlement action plan in accordance with the RPF and acceptable to the Bank; and (ii) immediately thereafter, implement/cause to be implemented the relevant approved environmental management plan, and/or the relevant approved indigenous people management plan, and/or the relevant resettlement action plan; all in accordance with their respective terms and in a manner acceptable to the Bank;
- (g) immediately upon the installation of the corresponding goods or the completion of the corresponding works under a Subproject (as determined by the Borrower and verified by the Participating Province and/or the Qualified Service Provider, as the case may be, in accordance with the provisions of the Operational Manual): (i) to operate and maintain (including, if applicable, replacement of the installed goods under said Subproject) the same in accordance with the pertinent provisions of this Agreement and the Operational Manual; or (ii) to enter into an agreement with a Qualified Service Provider (the Operation, Maintenance and Replacement Agreement), or amend the existing Operation, Maintenance and Replacement Agreement, all under terms and conditions acceptable to the Bank, which shall include, *inter alia*: (A) the obligation of the Qualified Service Provider to immediately upon the installation of the corresponding goods under a Subproject (as determined by the Borrower and verified by the Qualified Service Provider in accordance with the provisions of the Operational Manual) operate and maintain (including, if applicable, replacement of the installed goods under a Subproject) the same in accordance with the provisions of the respective Participation Agreement, the ESMF and the Operational Manual, all in a manner acceptable to the Bank; and (B) the right of the Participating Province to take remedial actions against the Qualified Service Provider in case said Qualified Service Provider shall

have failed to comply with any of its obligations under the corresponding Operation, Maintenance and Replacement Agreement;

- (h) if applicable, to comply, or cause to be complied, with the obligations referred to in Sections 5.04, 5.05, 5.06, 5.07 and 5.10 of the General Conditions (relating to insurance, land acquisition, use of goods, works and services, and maintenance of facilities, plans, documents and records, cooperation and consultations and visits, respectively) in respect of the respective Subproject;
 - (i) to operate and maintain at all times during Project implementation, the pertinent PEU, with functions and responsibilities acceptable to both the Borrower and the Bank and with staff in number and with qualifications and experience acceptable to both the Borrower and the Bank; and
 - (j) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Participation Agreement or any provision thereof unless previously agreed by the Borrower, through SE, and the Bank.
2. The Borrower, through SE, shall exercise its rights and carry out its obligations under any Participation Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower, through SE, shall not assign, amend, terminate, abrogate, waive or fail to enforce any Participation Agreement or any of its provisions.

C. Operational Manual

- 1. Without limitation to the provisions of Section 3.01 of this Agreement, the Borrower, through SE, shall and shall cause the Participating Province (as the case may be) to carry out the Project in accordance with the provisions of a manual (the Operational Manual), acceptable to the Bank.
- 2. In case of any conflict among the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

D. Anti-Corruption

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

E. Safeguards

- 1. The Borrower, through SE, shall and, if applicable, shall cause the Participating Provinces to: (a) implement the Project in accordance with the Environmental and Social Management Framework (ESMF), including the procedures detailed in said ESMF for environmental screening, evaluation, implementation and monitoring of the works under the Subprojects, as well as the procedures for the preparation of environmental management plans, when applicable; and (b) implement and/or cause to be implemented

the pertinent environmental management plan, in accordance with its terms and in a manner acceptable to the Bank.

2. The Borrower, through SE, shall and, if applicable, shall cause the Participating Provinces to: (a) implement the Project in accordance with the Resettlement Policy Framework (RPF), including the procedures detailed in said RPF for screening, evaluation, implementation and monitoring of the Project activities, as well as the procedures for the preparation of resettlement action plans, when applicable; and (b) implement and/or cause to implement the pertinent resettlement action plan in accordance with its terms and in a manner acceptable to the Bank.
3. The Borrower, through SE, shall and, if applicable, shall cause the Participating Provinces to: (a) implement the Project in accordance with the Indigenous People Planning Framework (IPPF), including the procedures detailed in said IPPF for screening, evaluation, implementation, and monitoring of the Subprojects, as well as procedures for the preparation of indigenous peoples plans, when applicable; and (b) implement the pertinent indigenous peoples plan in accordance with its terms, and in a manner acceptable to the Bank.
4. The Borrower, through SE, shall ensure that the terms of reference for any consultancies related to the technical assistance provided under the Project, shall be acceptable to the Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirement of the Bank's Safeguard 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 the SE, 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 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 SE, shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Borrower, through SE, shall prepare and furnish to the Bank as part of the Project Report not later than forty five days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.

3. The Borrower, through SE, 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 SE, 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.

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 Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the 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-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 using: (i) (A) 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: (I) the EMSF; (II) the IPPF; and (III) the RPF); and (B) standard requests for quotations/proposals (as the case may be), all acceptable to the Bank, which shall all include, *inter alia*, a settlement of dispute provision and the pertinent provisions of the Anti-Corruption Guidelines; (ii) model bid evaluation forms, and model quotations/proposals evaluation forms (as the case may be); and (iii) model contract forms, all acceptable to the Bank;

- (b) all contracts for works to be procured under the Project shall contain a methodology, acceptable to the Bank, whereby the price of each said contracts shall be adjusted through the use of price adjustment formulas, in a manner acceptable to the Bank;
- (c) a two-envelope bidding procedure shall not be allowed in the procurement of goods, works and non-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 2.23 and 2.30 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) (A) above); (ii) be required to have a representative in Argentina; and (iii) be required to be associated or subcontracted 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 SE, 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 SE, 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 SE, shall: (i) supply 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 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 SE, 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 SE, 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 methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the provisions set forth in A 4 above; (b) Shopping; and (c) 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 methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures 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.

| Category | Amount of the Loan Allocated (expressed in USD) | Percentage of Expenditures to be financed (inclusive of Taxes) |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| (1) Goods and Works under Parts 1 and 2 of the Project | 190,800,000 | 100% |
| (2) Goods, Consultants' services (including audits), Non-consulting services, Training and Operating Costs under Parts 3 and 4 of the Project | 8,700,000 | 100% |
| (3) Front-end Fee | 500,000 | Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions |
| (4) Interest Rate Cap or Interest Rate Collar premium | 0 | Amount due pursuant to Section 2.08(c) of this Agreement |
| TOTAL AMOUNT | 200,000,000 | |

3. For purposes of this table:

- (a) the term "Training" means expenditures (other than those for consultants' services) incurred by the Borrower, through SE, 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, trainers fees, catering for the training, translations services and rental of training facilities and equipment under the Project; and
- (b) the term "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 SE, absent the Project, for transportation and per-diem costs of the PCU staff, Project administration costs (including office rent), operation and maintenance of office equipment, rental of vehicles, and non-durable goods (but excluding 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 date of this Agreement, except that withdrawals up to an aggregate amount not to exceed forty million Dollars (\$40,000,000) of the total Loan

amount may be made for payments made up to twelve months prior to the date of signature of this Agreement, for Eligible Expenditures under the Project.

2. The Closing Date is October 31, 2020.

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 April 15 and October 15 Beginning on October 15, 2019 through April 15, 2049 | 1.64% |
| On October 15, 2049 | 1.60% |

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.

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 Safeguard Policies" means the Bank's operational policies and procedures set forth in the Bank's Operational Manual under OP/BPs 4.01, 4.04, 4.09, 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. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. "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 (revised July 2014).
5. "Environmental and Social Management Framework" or "EMSF" means *Marco para el Manejo Ambiental y Social -MaGAS*, the Borrower's framework dated October 29, 2014 acceptable to the Bank which contains, *inter alia*, the environmental protection measures in respect of the Project, including: (a) measures for chance findings of physical cultural property; (b) protection of natural habitats; (c) guidelines for the identification of existing environmental conditions and potential direct and indirect environmental impacts resulting from the carrying out of the Project (including Subprojects); (d) guidelines for the carrying out of environmental assessments and the preparation of environmental management plans, when applicable; (e) the recommendation of mitigation measures for each negative impact identified; and (f) measures for enhancing each identified positive impact; as said framework may be updated and/or amended from time to time with the agreement of the Bank.
6. "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.
7. "Indigenous People Policy Framework" or "IPPF" means *Marco Para Pueblos Indígenas*, the Borrower's indigenous peoples framework dated November 14, 2014, acceptable to the Bank, 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; as said framework may be updated and/or amended from time to time with the agreement of the Bank.
8. "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.

9. "Operation, Maintenance and Replacement Agreement" means any agreement or amendment between a Participating Province and a Qualified Service Provider, referred to in Section I.B.1(g)(ii) of Schedule 2 to this Agreement.
10. "Operational Manual" means the Borrower's manual dated January 15, 2015, acceptable to the Bank, which sets forth, *inter alia*: (a) the structures, functions and responsibilities of the PCU; (b) the criteria for selecting Participating Provinces; (c) the criteria for selecting Qualified Service Providers to participate under the Project; (d) the eligibility criteria and procedures for the selection, approval and carrying out, monitoring and supervision of Subprojects; (e) the Project's chart of accounts and internal controls; (f) the model Participating Agreement; (g) the format of: (A) the unaudited interim financial reports referred to in Section II. B.2 of Schedule 2 to this Agreement; and (B) the Financial Statements; (h) the terms of reference for carrying out the Project audits under Section II.B.3 of Schedule 2 to this Agreement; (i) the Project indicators (including the results framework); and (j) the Project disbursement and procurement procedures; said manual may be updated and/or amended from time to time with the agreement of the Bank.
11. "Participation Agreement" means any agreement or amendment between the Borrower, through SE, and each Participating Province, referred to in Section I.B.1 of Schedule 2 to this Agreement.
12. "Participating Province" means any of the political subdivisions of the Borrower as per Title II of the Borrower's National Constitution (*Constitución de la Nación Argentina*), dated August 22, 1994, which meet the eligibility criteria set forth in the Operational Manual (as defined above).
13. "PCU" means the unit established pursuant to the Borrower's Decree No. 1119/99 of October 26, 1999, or any successor thereto acceptable to the Bank.
14. "PEU" means any of the units referred to in Section I.A.1 (c) of Schedule 2 to this Agreement.
15. "Pico PV" means portable Photo Voltaic (PV) systems which offer basic electricity services such as lighting and communication.
16. "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 (revised July 2014).
17. "Procurement Plan" means the Borrower's procurement plan for the Project, dated January 15, 2015 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.
18. "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.

19. "Resettlement Policy Framework" or "RPF" means *Marco de Política de Reasentamiento*, the Borrower's framework dated November 14, 2014 acceptable to the Bank, outlining general implementation procedures, mitigation measures and monitoring procedures for Resettlement under the Project, including the procedures for preparation and implementation of resettlement plans, when applicable, as said framework may be amended from time to time with the Bank's prior written approval.
20. "SE" means *Secretaría de Energía*, the Borrower's Secretariat of Energy, established within the Borrower's Ministry of Federal Planning, Public Investment and Services, or any successor thereto acceptable to the Bank.
21. "SEPA" means the Bank's publicly accessible Procurement Plans Execution System.
22. "Subproject" means any of the investments referred to under Parts 1 and 2 of the Project, selected in accordance with the criteria and procedures set forth in the Operational Manual, including, if applicable, the in-kind compensation referred to in Part 1 of the Project.
23. "Qualified Service Provider" means a public or private provider of operation, maintenance and replacement services, and/or electricity distribution services and/or solar thermal energy services within the territorial jurisdiction of a Participating Province, all of which meet the criteria set forth in the Operational Manual for carrying out the operation, maintenance and replacement of the installed goods under the relevant Subproject.

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”.