

**OFFICIAL
DOCUMENTS**

LOAN NUMBER 8633-AR

Loan Agreement

(Children and Youth Protection 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 six hundred million Dollars (\$600,000,000), 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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 May 15 and November 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, through ANSES, shall carry out the Project, with the assistance of MDS for purposes of implementing Parts 2 and 4 of the Project, 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 — TERMINATION

- 4.01. The Effectiveness Deadline is the date one hundred and twenty (120) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower's Representative is its Minister of Treasury and Public Finances.

5.02. The Borrower's Address is:

Ministry of Treasury and Public Finances
Hipólito Yrigoyen 250
C1086AAB,
Buenos Aires, Argentina

Telex:	Facsimile:
121942-AR	(54 11) 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

Telex:	Facsimile:
248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED at Buenos Aires, on behalf of the Bank on September 30, 2016, and on behalf of the Borrower on September 30, 2016.

ARGENTINE REPUBLIC

By



Authorized Representative

Name:

ALFONSO PRAT-GAY
Ministro de Hacienda y Finanzas Públicas

Title:

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By



Authorized Representative

Name:

Jesko Hentschel

Title:

Country Director

SCHEDULE 1

Project Description

The objectives of the Project are to: (i) expand coverage of the Family Allowances Programs; and (ii) improve transparency of social protection programs implemented by ANSES.

The Project consists of the following parts:

Part 1: AUH Program Financing

Provision of AUH Grants to AUH Recipients.

Part 2: Closing the coverage gaps of the AUH Program

- 2.1. (a) Collection of data from birth certificates of children whose parents may be eligible to receive AUH Grants, including: (i) the preparation of an action plan containing the list of children with missing family information in ANSES ADP, the methodology to collect said missing information, timeline for implementation of said plan and expected targets; and (ii) the update of ANSES ADP through the transferring of the data from birth certificates mentioned herein to ANSES by each Participating Registry; and
- (b) carrying out of coordination activities with the Borrower's provincial ministries of Education, to complete the reporting on co-responsibilities for children and youth under the AUH for whom there is no evidence of compliance of said co-responsibilities on ANSES's records.
- 2.2. Gathering missing information of AUH beneficiaries, through:
- (a) the provision of support to Selected Municipalities to: (i) develop a municipal territorial action plan to reach families with children and youth with no evidence of compliance of AUH co-responsibilities on ANSES's records, and those that were not identified through Part 2.1 of the Project; and (ii) implement the pertinent PAT, including, *inter alia*, the carrying out of field work to collect information through home visits using the address information on record, if available, and completing a *Ficha Social*; and
- (b) the carrying out of activities to support the field work mentioned in paragraph (a) (ii) herein, including, *inter alia*: (i) the carrying out of communication campaigns and preparation of dissemination materials; (ii) the installation of kiosks in key spots, such as in hospitals and public locations; and (iii) the provision of ANSES' mobile units with connectivity.

- 2.3. Improving access to AUH for indigenous populations, through the implementation of specific actions, as described in the NIPP, to reach out to indigenous communities including, *inter alia*: (a) the design of special field arrangements and management of benefits and services in indigenous communities' areas; (b) the carrying out of training workshops for indigenous leaders on social security topics; (c) the provision of training to allow indigenous communities to access ANSES' information and procedures remotely; and (d) the dissemination of information related to the Project in indigenous languages, including contents in indigenous radios programs and non-indigenous programs that reach indigenous community areas, as well as in any other type of suitable telecommunication.

Part 3: Institutional Strengthening of ANSES on Information Procedures and Transparency and Project Management

- 3.1. Carrying out of activities to improve information of management procedures and transparency, including:
 - (a) the development of a protocol and related software for a systemic exchange of information among ANSES, RENAPER and the provincial civil registries; (b) the carrying out of training of provincial civil registries staff; (c) the acquisition of goods to strengthen the information technology capacity of Participating Registries to support activities under Part 2.1 of the Project; (d) the design of mechanisms for direct verification of compliance of co-responsibilities under the AUH, including the improvement of information flow among ANSES, MDS and the provincial Ministries of Health and Education; (e) the provision of support to improve ANSES' grievance redress mechanism and citizen participation; (f) the carrying out of data exchange with other public stakeholders at the federal and provincial levels; (g) the carrying out of studies and preparation of publications, on social security topics; and (h) the carrying out of dissemination events and workshops to improve transparency and access to information on the Borrower's social security programs.
- 3.2. The provision of support to the ANSES PMU, including the carrying out of Project audits.

Part 4: Institutional Strengthening of the Ministry of Social Development and Project Management

- 4.1. Strengthening the MDS's capacity on planning, budgeting and implementation of social protection programs and services, including: (a) the development of an integrated social protection network to promote the coordination of social protection programs and services of the Borrower's national and sub-national governments; (b) the improvement of the design and the operational functions of MDS' programs and services; (c) the development and implementation of a plan for continuous training of civil servants; and (d) the provision of support to the MDS PMU.

- 4.2. (a) the development of tools and instruments to collect and analyze data on MDS' programs and social policies; and (b) the strengthening of MDS's capacity on monitoring and evaluation of social protection policies and programs to generate evidence-based recommendations and guidelines, including, *inter alia*, the carrying out of an impact evaluation of AUH and evaluations of other social programs.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements and Operational Manual

1. The Borrower:

- (a) through ANSES, shall: (i) operate and maintain within ANSES, during the execution of the Project, a Project management unit (ANSES PMU) with functions and responsibilities acceptable to the Bank, to coordinate, evaluate and manage Project implementation; and (ii) staff said unit with a coordinator, technical experts and other personnel, all in number and with qualifications and experience acceptable to the Bank; and
- (b) through MDS, shall, for purposes of assisting ANSES in the implementation of Parts 2 and 4 of the Project: (i) operate and maintain within MDS during the execution of the Project, a Project management unit (MDS PMU) with functions and responsibilities acceptable to the Bank; and (ii) staff said unit with a coordinator, technical experts and other personnel, all in number and with qualifications and experience acceptable to the Bank.

2. (a) Without limitation to the provisions of Article V of the General Conditions, the Borrower, through ANSES and MDS (in respect to Parts 2 and 4 of the Project), shall carry out the Project in accordance with an Operational Manual, satisfactory to the Bank, containing, *inter alia*:

- (i) the terms of reference and functions and responsibilities of the personnel of the ANSES PMU and the MDS PMU;
- (ii) (A) the criteria for the identification, registration and selection of AUH Recipients; (B) the requirements to be fulfilled by AUH Recipients under the AUH; (C) the mechanisms for verification of compliance with AUH conditions and co-responsibilities; (D) the detailed procedures for coordination and collaboration among the Selected Municipalities, Participating Registries, cooperating institutions, and other stakeholders, in the carrying out of the Project;
- (iii) the procedures for the procurement of goods, Non-Consulting Services and consultants' services, as well as the procedures for financial management, audit requirements under the Project and calculation of the Unit Costs;

- (iv) the indicators to be used in the monitoring and evaluation of the Project (including the Disbursement-Linked Indicators);
 - (v) the disbursement arrangements of Loan proceeds, including the reimbursement mechanisms for the AUH Grants; and
 - (vi) the National Indigenous Peoples Plan (NIPP).
 - (b) In case of any conflict between the provisions of this Agreement and those of the Operational Manual, the provisions of this Agreement shall prevail.
3. The Borrower:
- (a) through ANSES, shall, prior to the carrying out of Part 2.1 (a) of the Project, enter into an agreement with each Participating Registry (the Registry Agreement), under terms and conditions acceptable to the Bank, as these are detailed in the Operational Manual, including, *inter alia*, the obligation of each Participating Registry, to carry out the activities under Part 2.1 (a) of the Project, in accordance with the pertinent provisions of this Agreement, and in a manner acceptable to the Bank;
 - (b) through ANSES and MDS, shall, prior to the carrying out of Part 2.2 (a) of the Project, enter into an agreement with each Selected Municipality (the Municipality Agreement), under terms and conditions acceptable to the Bank (as these are detailed in the Operational Manual), including, *inter alia*, the obligations of each Selected Municipality to carry out the activities under Part 2.2 (a) of the Project, in accordance with the pertinent provisions of this Agreement, and in a manner acceptable to the Bank; and
 - (c) the Borrower shall: (i) exercise its rights and carry out its obligations under each Registry Agreement and Municipality Agreement in such a manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan; and (ii) except as the Bank shall otherwise agree, not amend, terminate, waive or fail to enforce any Registry Agreement or any Municipality Agreement or any of their provisions thereof.
4. The Borrower, through ANSES, shall: (i) not later than twelve months after the Effective Date and yearly thereafter, review the Unit Costs jointly with the Bank; and (ii) immediately thereafter update said Unit Costs, if applicable, all in a manner acceptable to the Bank.

B. Anti-Corruption

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

C. Safeguards

The Borrower, through ANSES and MDS, shall carry out the Project in accordance with the NIPP.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the Bank. 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 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 shall prepare and furnish to the Bank 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 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. Not later than six months after the Effective Date, and for purposes of validating the actual achievement of the Outputs and review the Unit Costs, the Borrower, through ANSES, shall hire an independent auditor(s) under terms of reference and experience acceptable to the Bank.
5. The Borrower shall cause the independent auditor mentioned in paragraph 4 above to prepare a report of such scope and in such detail as the Bank shall reasonably request which shall cover, *inter alia*: (i) the validation of the quantity of Outputs achieved during the calendar semester preceding the date of presentation of each said report; and (ii) a review of the Unit Costs (to be carried out on an annual basis).

Section III. Procurement

A. General

1. **Goods and Non-consulting Services.** All goods 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.

B. Particular Methods of Procurement of Goods and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, and Non-Consulting Services shall be procured under contracts awarded on the basis of International Competitive Bidding procedures.
2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following methods, other than National Competitive Bidding, may be used for procurement of goods and Non-Consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding; (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.

E. 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, Non-Consulting Services and consultants' services under the Project (as the case may be):

- (a) Procurement of goods, Non-Consulting Services and consultants' services (in respect of firms) shall be carried out using: (i) (A) standard bidding documents; 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) A two-envelope bidding procedure shall not be allowed in the procurement of goods, and Non-Consulting Services.
- (c) After the public opening of bids for goods 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.
- (d) After the public opening of consultants' proposals, information related 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 Consultants 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.
- (e) 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 the Borrower's territory (except as provided in the standard bidding documents referred to in paragraph (a) above); (ii) be required to have a representative in the Borrower's territory; and (iii) be required to be associated or subcontract with Argentine suppliers, contractors or consultants.

- (f) 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, Non-Consulting Services and consultants' services procured by the Borrower, through ANSES and/or MDS, shall be published in the web page acceptable to the Bank 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.
- (g) 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 and Non-Consulting Services procured under National Competitive Bidding procedures.
- (h) References to bidders in one or more specialized magazines shall not be used by the Borrower, through ANSES and/or MDS, 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 procured under National Competitive Bidding procedures.
- (i) Witness prices shall not be used as a parameter for bid evaluation, bid rejection or contract award.
- (j) 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 procured under International Competitive Bidding procedures.
- (k) 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;
- (l) Consultants shall not be required to submit bid or performance securities.
- (m) Contracts of goods 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 ANSES and/or MDS, to be qualified to perform the contract satisfactorily.
- (n) The types of contracts described in Section IV of the Consultant Guidelines shall be the only types of contracts used by the Borrower, through ANSES and/or MDS, in connection with the contracting of consultants' services provided by a firm and to be financed with the proceeds of the Loan.

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) AUH Grants	522,000,000	100% of the amount of each AUH Grant (subject to paragraph B.1(a) and 2 below)
(2) Goods, Non-Consulting Services, consultants’ services, Training and Operating Costs for the Project	49,615,000	100%
(3) Outputs under Parts 2.1 (a) and 2.2 (a) of the Project	26,885,000	100% of the Unit Costs in accordance with amounts established in the Operational Manual
(4) Front-end Fee	1,500,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(5) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 2.08(c) of this Agreement
TOTAL AMOUNT	600,000,000	

3. For purposes of this Schedule, the term:
- (a) "Training" means expenditures incurred by ANSES and MDS to finance reasonable transportation costs and per-diem of trainees and trainers (if applicable), rental of training facilities, materials and equipment under the Project; and
 - (b) "Operating Costs" means the reasonable cost of incremental recurrent expenditures for the implementation of the Project, which would not have been incurred absent the Project, including the salaries, *per diem* and transportation costs of ANSES and MDS staff working on the Project, rental of office facilities and office materials.
4. The Outputs eligible for financing for each Project activity under Parts 2.1 (a) and 2.2 (a) of the Project are as follows:

- (a) Under Part 2.1 (a) of the Project:

1 - Action Plan prepared and included in the respective Registry Agreement
2 - Updated information recorded in ANSES ADP of each child listed in the pertinent Action Plan, through the submission of birth certificates by each Participating Registry.

- (b) Under Part 2.2 (a) of the Project:

1 - PAT developed and included in the respective Municipality Agreement
2 - <i>Ficha Social</i> completed for each household with children under AUH and included in the pertinent PAT

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
- (a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed \$180,000,000 equivalent may be made for payments made prior to the Signature Date (but in any case, within twelve months prior to the Signature Date) for Eligible Expenditures, provided that the pertinent obligations/conditions set forth in this Agreement and in the Additional Instructions, as applicable to each Eligible Expenditure have been complied with in a manner acceptable to the Bank; and

- (b) for payments made under Category (3) of this Section, unless ANSES has submitted evidence satisfactory to the Bank of compliance with: (i) the achievement of the respective Output and corresponding validation carried out by the independent auditor(s) referred to in Section II.B.5 of this Schedule; and (ii) the pertinent provisions of this Agreement, including those set forth in the Additional Instructions.
2. Without limitation to the provisions set forth in paragraph 1 (a) above, withdrawals under Category (1) shall be governed by the following provisions:
- (a) Withdrawals up to \$180,000,000 shall be made, provided that the Borrower shall have furnished evidence, satisfactory to the Bank, that the First Set of Target Indicators have been met.
 - (b) Additional withdrawals up to \$80,000,000 shall be made, provided that: (A) the Borrower shall have furnished evidence, satisfactory to the Bank, that the Second Set of Target Indicators have been met; and (B) any said withdrawal shall not take place prior to three months after the Effective Date.
 - (c) Additional withdrawals up to \$37,400,000 shall be made, provided that: (A) the Borrower shall have furnished evidence, satisfactory to the Bank, that the Third Set of Disbursement Indicators have been met; and (B) any said withdrawal shall not take place prior to six months after the Effective Date.
 - (d) Additional withdrawals up to \$37,400,000 shall be made, provided that: (A) the Borrower shall have furnished evidence, satisfactory to the Bank, that the Fourth Set of Disbursement Indicators have been met; and (B) any said withdrawal shall not take place prior to nine months after the Effective Date.
 - (e) Additional withdrawals up to \$37,400,000 shall be made, provided that: (A) the Borrower shall have furnished evidence, satisfactory to the Bank, that the Fifth Set of Disbursement Indicators have been met; and (B) any said withdrawal shall not take place prior to twelve months after the Effective Date.
 - (f) Additional withdrawals up to \$37,400,000 shall be made, provided that: (A) the Borrower shall have furnished evidence, satisfactory to the Bank, that the Sixth Set of Disbursement Indicators have been met; and (B) any said withdrawal shall not take place prior to fifteen months after the Effective Date.
 - (g) Additional withdrawals up to \$37,400,000 shall be made, provided that: (A) the Borrower shall have furnished evidence, satisfactory to the Bank, that the Seventh Set of Disbursement Indicators have been met; and (B) any said withdrawal shall not take place prior to eighteen months after the Effective Date.

- (h) Additional withdrawals up to \$37,400,000 shall be made, provided that: (A) the Borrower shall have furnished evidence, satisfactory to the Bank, that the Eighth Set of Disbursement Indicators have been met; and (B) any said withdrawal shall not take place prior to twenty one months after the Effective Date.
- (i) Additional withdrawals up to \$37,600,000 shall be made, provided that: (A) the Borrower shall have furnished evidence, satisfactory to the Bank, that the Ninth Set of Disbursement Indicators have been met; and (B) any said withdrawal shall not take place prior to twenty four months after the Effective Date.

3. The Disbursement Linked Indicators shall be as follows:

Disbursement Indicators	Number of children (in thousands) under 18 years old with complete records in ANSES ADP	Number of AUH Reports (cumulative) published and publicly accessible
First Set of Target Indicators	11,683,647	2
Second Set of Target Indicators	11,770,773	3
Third Set of Target Indicators	11,856,473	4
Fourth Set of Target Indicators	11,940,782	5
Fifth Set of Target Indicators	12,023,734	6
Sixth Set of Target Indicators	12,105,364	7
Seventh Set of Target Indicators	12,185,704	8
Eight Set of Target Indicators	12,264,786	9
Ninth Set of Target Indicators	12,342,642	10

4. Without limitation to the provisions set forth in the Additional Instructions, if at any time, the Bank determines that any portion of the amounts disbursed by the Borrower under Categories (1) and (3), were made: (a) for expenditures which are not eligible under the Project; or (b) not in compliance with the provisions of this Section IV.B; the Borrower shall promptly refund any such amount to the Bank as the Bank shall specify by notice to the Borrower.

5. The Closing Date is December 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 May 15 and November 15 Beginning November 15, 2023 through May 15, 2048	1.96%
On November 15, 2048	2%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
 - (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
 - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.
3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall

be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

- (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
- 4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
- 5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

APPENDIX

Section I. Definitions

1. “Additional Instructions” means the instructions referred to in Section IV.A.I of Schedule 2 to this Agreement.
2. “ANSES” means *Administración Nacional de la Seguridad Social*, the Borrower’s social security administration, established pursuant to the Borrower’s Decree No. 2741/ 1991, as said Decree has been amended to the date of this Agreement, as a decentralized agency of the Borrower’s Ministry of Labor.
3. “ANSES ADP” means *Administrador de Personas*, ANSES’ main database for individuals.
4. “ANSES PMU” means the unit referred to in Section I.A.1(a) of Schedule 2 to this Agreement, or any successor thereto acceptable to the Bank.
5. “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.
6. “AUH” means *Asignación Universal por Hijo para la Protección Social*, the Borrower’s non-contributory component of the Family Allowances Programs, created through the Borrower’s Executive decree No. 1602/09 (which amended the Family Allowances Programs), dated October 29, 2009, and published in the Borrower’s Official Gazette on October 30, 2009.
7. “AUH Grant” means a grant made out of the proceeds of the Loan by the Borrower, through ANSES, to the bank account of the AUH Recipient.
8. “AUH Recipient” means an individual who meets the criteria set forth in the Operational Manual to receive an AUH Grant.
9. “AUH Report” means the statistical report on AUH prepared, in the form and substance specified to that effect in the Operational Manual, and published every three months by ANSES.
10. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
11. “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).

12. “Disbursement-Linked Indicators” means the indicators set forth in the table in Section IV.B.3 of Schedule 2 to this Agreement.
13. “Eight Set of Target Indicators” means the target indicators set forth in the table in Section IV.B.3 of Schedule 2 to this Agreement.
14. “Family Allowances Programs” means *Asignaciones Familiares*, the Borrower’s programs established pursuant to Articles 6 (a) and 6 (i) of the Borrower’s Law No. 24,714, published in the Borrower’s Official Gazette on October 18, 1996, as amended by the Borrower’s executive decree No. 1602/09 dated October 29, 2009, and published in the Borrower’s Official Gazette on October 30, 2009.
15. “*Ficha Social*” means a form containing socioeconomic information of households with children under AUH.
16. “First Set of Target Indicators” means the target indicators set forth in the table in Section IV.B.3 of Schedule 2 to this Agreement.
17. “Fourth Set of Target Indicators” means the target indicators set in the table in Section IV.B.3 of Schedule 2 to this Agreement.
18. “Fifth Set of Target Indicators” means the target indicators set in the table in Section IV.B.3 of Schedule 2 to this Agreement.
19. “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.
20. “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.
21. “MDS” means the Borrower’s Ministry of Social Development.
22. “MDS PMU” means the unit referred to in Section I.A.1 (b) of Schedule 2 to this Agreement or any successor thereto acceptable to the Bank.
23. “Municipality” means a political sub-division within any of the Provinces.
24. “Municipality Agreement” means any of the agreements referred to in Section I.A.3 (b) of Schedule 2 to the Loan Agreement.
25. “National Indigenous Peoples Plan” or “NIPP” means the framework prepared by the Borrower, published in the Borrower’s territory on April 29, 2016 and in the Bank’s external website on May 2, 2016, describing the specific measures and implementation

arrangements to be undertaken to guide the interventions and consultations with indigenous peoples under the Project.

26. “Nine Set of Target Indicators” means the target indicators set forth in the table in Section IV.B.3 of Schedule 2 to this Agreement
27. “Non-consulting Services” means services which will be bid and contracted on the basis of performance of measurable physical outputs, and which are not otherwise covered by any other category of Eligible Expenditures.
28. “Operational Manual” means the manual dated May 23, 2016, approved by the Bank on the same date, and referred to in Section I.A.2 of Schedule 2 to this Agreement, as the same may be amended from time to time by agreement between the Borrower and the Bank.
29. “Output” means any of the outputs eligible for financing out of the proceeds of the Loan as set forth in Section IV.A.4 of Schedule 2 to this Agreement.
30. “Participating Registry” means any provincial or municipal registry which meets the criteria to participate in the implementation of Part 2.1 (a) of the Project.
31. “PAT” means *Plan de Acción Territorial*, any municipal territorial action plan referred to in Section 2.2 (a)(i) of the Project.
32. “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).
33. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated May 23, 2016 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.
34. “Province” means any political subdivision of the Borrower as per Title Two of the Borrower’s Constitution, and the Autonomous City of Buenos Aires, and the term “Provinces” means all said political subdivisions.
35. “Registry Agreement” means any of the agreements referred to in Section I.A.3(a) of Schedule 2 to this Agreement.
36. “RENAPER” means *Registro Nacional de las Personas*, the Borrower’s civil registry.
37. “Second Set of Target Indicators” means the target indicators set forth in in the table in Section IV.B.3 of Schedule 2 to this Agreement.
38. “Selected Municipality” means any Municipality which meets the criteria to participate in the implementation of Part 2.2 (a) of the Project and the Autonomous City of Buenos Aires.

39. "Seventh Set of Target Indicators" means the target indicators set forth in in the table in Section IV.B.3 of Schedule 2 to this Agreement.
40. "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.
41. "Sixth Set of Target Indicators" means the target indicators set forth in the table in Section IV.B.3 of Schedule 2 to this Agreement.
42. "Third Set of Target Indicators" means the target indicators set forth in the table in Section IV.B.3 of Schedule 2 to this Agreement.
43. "Unit Costs" means the unit cost on which the Outputs under Part 2.1 (a) and 2.2 (a) are based, and established according to a methodology specified in the Operational Manual, as such Unit Cost may be modified in agreement with 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”.