

**OFFICIAL
DOCUMENTS**

LOAN NUMBER 8508-AR

Loan Agreement

(Protecting Vulnerable People Against Noncommunicable Diseases 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 three hundred fifty million Dollars (\$350,000,000), 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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, through MSN, shall carry out the Project, with the assistance of the Participating Provinces (as provided in the corresponding Framework Agreements), 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 its Framework 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 Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement.

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	121942-AR	(5411) 4349-8815
Baires		

- 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
Washington, D.C.

248423(MCI) or
64145(MCI)

1-202-477-6391

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

ARGENTINE REPUBLIC

By


Authorized Representative

Name:

AXEL KILILLOF

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 contribute to: (i) improving the readiness of public health facilities to deliver higher quality NCD services for Vulnerable Population Groups and expanding the scope of selected services; and (ii) protecting Vulnerable Population Groups against prevalent NCD risk factors.

The Project consists of the following parts:

Part 1: Improving the Readiness of Public Health Care Facilities to Provide Higher Quality Services for NCD for Vulnerable Population Groups and Expanding the Scope of Selected Services

Financing of payments under the Eligible Expenditure Programs (EEPs) in support of:

(a) changes of the model of care of provincial health care networks, to generate the conditions needed to ensure effective access to quality health care to Vulnerable Population Groups; and (b) the development of the capacity to provide early detection of colon cancer and increase the scope of screening services beyond what is currently covered, including, *inter alia*: (i) hands-on training of PHC facility personnel on early detection and effective control of NCDs; (ii) creation, adaptation, distribution, and implementation of NCD clinical guidelines at PHC facilities and hospitals; (iii) training of PHC facility personnel to adopt electronic medical records; (iv) seminars on NCDs for MSP personnel; (v) consultations and working meetings between health center and hospital teams working with chronic patients to ensure the continuity and coordination of services; (vi) development of administrative procedures to manage integrated lines of care for NCDs and training of administrative personnel to implement them; (vii) the development, implementation, and monitoring of new supervision procedures for PHC facilities; (viii) the development and implementation of new procedures for patients' flows within the health care networks; (ix) improvements in managerial guidelines; (x) design and implementation of communication procedures between the PHC facilities and chronic patients to ensure their programmed care; (xi) NCD education sessions and sessions to support self-care for chronic patients at PHC level; and (xii) updates and improvements in information systems and data bases.

Part 2: Protecting Vulnerable Population Groups Against Prevalent NCD Risk Factors

Financing of payments under the Eligible Expenditure Programs (EEPs) in support of the implementation of population-based multisectoral interventions at provincial and municipal levels, focused on healthy diets (i.e. promotion of fresh fruits and vegetable

intake and reduction of sodium and trans-fat intake), physical activity, and tobacco control with a focus on Vulnerable Population Groups, including:

- (a) the carrying out of activities aimed at improving the local environment to promote physical activity, including, *inter alia*, the promotion of *ciclovías* and active spaces and the carrying out of training and communication activities;
- (b) the carrying out of interventions aimed at promoting healthy eating habits (particularly the reduction of sodium and trans fat intake and the promotion of fruit and vegetable consumption) including, *inter alia*, the drafting and issuance of regulations, the signing of agreements with the food industry and other actors, the monitoring of the implementation of said agreements and regulations, and the carrying out of training and communication activities; and
- (c) the implementation of tobacco control policies.

Part 3: Supporting the National and Provincial Ministries of Health to Improve Surveillance, Monitoring, Promotion, Prevention and Control of NCDs, Injuries, and Their Risk Factors

Strengthening the capacity of the MSN, MSPs, and the autonomous agencies under their responsibility, to design, implement, and monitor policies aimed at health promotion, prevention and control of NCDs, injuries and their risk factors; and provision of support for Project implementation, all through: (a) the procurement of goods; (b) the carrying out of small works to install lab equipment; (c) the provision of technical assistance; (d) the provision of pharmaceutical products; (e) the financing of Operating Costs; and (f) the carrying out of training activities.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower shall, through MSN:
 - (a) maintain during the execution of the Project: (i) a technical coordination unit - DNCD; (ii) an operational coordination unit (CU); and (iii) an international health financing unit (UFI-S), to manage Project implementation on behalf of MSN, all with functions and responsibilities acceptable to the Bank and staffed with a coordinator, technical experts (including management-for-results specialized staff) and other personnel in number and with qualifications and experience acceptable to the Bank; and
 - (b) cause the Participating Provinces, through the pertinent Framework Agreement, to maintain during the execution of the Project, within the respective MSPs, technical staff in number and with qualifications and experience acceptable to both the Borrower, through MSN, and the Bank.
2. For the purposes of implementing the Project, the Borrower, through MSN, shall:
 - (a) prior to providing financing to a respective Participating Province, enter into an agreement (the Framework Agreement) with said Participating Province, setting forth the technical, financial, administrative, safeguard and fiduciary aspects of the national and provincial participation in the implementation and use of funds under the Project, including the Participating Province's obligation to implement Parts 1 and 2 of the Project in accordance with the Anti-Corruption Guidelines;
 - (b) every year, starting immediately after the Effective Date for the first year of the Project, and on January 1 thereafter, enter into a performance agreement (the Annual Performance Agreement) with each Participating Province, setting forth annual work programs and resource requirements for the implementation of the Project, all on terms and conditions acceptable to the Bank;
 - (c) and shall cause each Participating Province, when applicable in accordance with the provisions of the Indigenous Peoples Planning Framework (through the respective Framework Agreement), to prepare (if

determined by the IPPF and the Bank), and carry out the applicable Indigenous Peoples Plan in accordance with its terms;

- (d) and shall cause each Participating Province, when applicable, to implement the Environmental and Social Management Framework;
- (e) cause each Participating Province to take all necessary actions to enable the Borrower to comply with its pertinent obligations as set forth under this Agreement, including those set forth or referred to in the General Conditions and the Anti-Corruption Guidelines; and
- (f) (i) exercise its rights and carry out its obligations under each Framework Agreement and each Annual Performance 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 assign, amend, abrogate, repeal, terminate, waive or fail to enforce any Framework Agreement and/or Annual Performance Agreement or any provision thereof.

B. Operational Manual and Operative Guidelines

1. Without limitation to the provisions of Article V of the General Conditions, the Borrower, through MSN, shall carry out, and/or cause to be carried out, the Project in accordance with an operational manual (the Operational Manual), satisfactory to the Bank, containing, *inter alia*:
 - (a) the terms of reference, functions and responsibilities for the personnel of the CU, DNCD, the UFI-S and the MSPs responsible for the coordination, monitoring and evaluation of the Project;
 - (b) the description of TLIs and the criteria, detailed rules and procedures for TLIs implementation and the system to monitor compliance of the TLIs;
 - (c) the procedures for the procurement of goods, works and services, as well as for financial management and audits of the Project, including environmental and social safeguards procedures;
 - (d) the indicators to be used in the monitoring and evaluation of the Project;
 - (e) model for the Framework Agreements and Annual Performance Agreements;
 - (f) the flow and disbursement arrangements of Project funds;

- (g) the Indigenous Peoples Planning Framework and Indigenous Peoples Plans, including criteria to ensure adequate and culturally appropriate access by indigenous peoples to the Project; and
 - (h) the Environmental and Social Management Framework.
2. (a) The Borrower shall, through MSN, adopt and thereafter maintain, operative guidelines (the Provincial Operative Guidelines), satisfactory to the Bank, which shall contain chapters and provisions of the Operational Manual defining or referring to roles and responsibilities of the Participating Provinces in the implementation of the Project. The Provincial Operative Guidelines shall be included as an annex to the Framework Agreement to be entered into between the Borrower, through MSN, and each of the Participating Provinces.
 - (b) Except as the Bank shall otherwise agree, the Borrower shall, through MSN or otherwise, not amend, waive or fail to enforce the Operational Manual or the Provincial Operative Guidelines, or any provision thereof. In case of any conflict between the provisions of this Agreement and those of the Operational Manual or the Provincial Operative Guidelines, the provisions of this Agreement shall prevail.

C. Anti-Corruption

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

D. Verification of TLIs and EEPs Audit

1. The Borrower, through MSN, shall: (a) not later than six months after the Effective Date, hire an independent verification agent under terms of reference satisfactory to the Bank, to carry out the verification of compliance of selected TLIs (in accordance with the provisions set forth in the Operational Manual); and (b) cause said independent verification agent to, not later than thirty (30) days after each verification of compliance of the pertinent TLIs has been completed, prepare and furnish to the Borrower, through MSN, and the Bank, a report on the results of said verification of compliance process of such scope and in such detail as the Bank shall reasonably request.
2. The Borrower, through MSN, shall: (a) not later than six months after the Effective Date, or at later date agreed by the Bank, hire an independent auditor, with qualifications and under terms of reference acceptable to the Bank, to carry out an audit to confirm if at least 70% of the EEPs have been executed by each of the Participating Provinces during each calendar semester throughout the implementation of the Project; and (b) cause said independent auditor to, not later

than three months after the end of each calendar semester, prepare and furnish to the Borrower and the Bank, a report on the results of said audit of execution of EEPs, of such scope and in such detail as the Bank shall reasonably request.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

The Borrower, through MSN, 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. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than two months after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower, through MSN, shall maintain, and cause the Participating Provinces to maintain, 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 MSN, shall prepare and furnish to the Bank, not later than 45 days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the calendar quarter, in form and substance satisfactory to the Bank.
3. The Borrower, through MSN, shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.

Section III. Procurement

A. General

1. **Goods, Works and Non-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.

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 procedures.
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 applicable Special Provisions included in Part E below; (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

The following Special Provisions shall apply to procurement under the Project:

- (a) Procurement of Goods, Works, Non-Consultant 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 Environmental and Social Management Framework; and (II) the corresponding Indigenous Peoples' Plan (including the provisions of any updated/adjusted version) or similar safeguards instrument acceptable to the Bank); 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-Consultant Services.
- (d) After the public opening of bids for Goods, Works and Non-Consultant Services, information relating to the examination, clarification and evaluation of bids and recommendations concerning awards, shall not be disclosed to bidders or other persons not officially concerned with this process until the publication of contract award. In addition, bidders and/or other persons not officially concerned with said process shall not be allowed to review or make copies of other bidders' bids.
- (e) After the public opening of Consultants' proposals, information 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.
- (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 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 suppliers, contractors or consultants from the Borrower country.

- (g) The invitations to bid, bidding documents, minutes of bid openings, requests for expressions of interest and the pertinent summary of the evaluation reports of bids and proposals of all Goods, Works, Non-Consultant Services and Consultants' Services procured by the Borrower, through MSN, 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) Provisions set forth in paragraphs 2.49, 2.50, 2.52, 2.53, 2.54 and 2.59 of the Procurement Guidelines shall also be applicable to contracts for Goods, Works and Non-Consultant Services to be procured under National Competitive Bidding procedures.
- (i) References to bidders in one or more specialized magazines shall not be used by the Borrower, through MSN, 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 MSN, 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-Consultant Services shall not be awarded to the "most convenient" bid, but rather to the bidder whose bid has been determined: (i) to be substantially responsive; and (ii) to offer the lowest evaluated bid, provided that said bidder has demonstrated to the Borrower, through MSN, to be qualified to perform the contract satisfactorily.
- (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 MSN, 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 (Additional Instruction) 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) EEPs under Parts 1 and 2 of the Project	262,000,000	100% subject to the provisions of Part B of this Section
(2) Goods and Works under Part 3 of the Project	59,420,000	50%
(3) Consultants and Non-Consultant Services, including audit services and Training under Part 3 of the Project	19,465,000	45%

(4) Operating Costs under Part 3 of the Project	8,240,000	80%
(5) Front-end Fee	875,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(6) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 2.08(c) of this Agreement
TOTAL AMOUNT	350,000,000	

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 \$52,400,000 may be made for payments made prior to this date but on or after September 1, 2014 (but in no case more than 12 months before the date of this Agreement), for Eligible Expenditures under Category (1) in accordance with the provisions of the Additional Instructions.
2. If, at any time, the Bank determines that any portion of the amounts disbursed by the Borrower under Category (1) was made: (a) for expenditures which are not eligible under the EEPs; or (b) not in compliance with the provisions of this Section B, the Borrower shall promptly refund any such amount to the Bank as the Bank shall specify by notice to the Borrower.
3. With respect to withdrawals under Category (1):
 - (a) the maximum amount allocated to each Participating Province to be disbursed in the event of its full compliance with each TLI, shall not exceed the amounts included in the Additional Instructions.
 - (b) after the Effective Date, the Borrower may request an initial withdrawal up to \$60,000,000 as an advance upon submission to the Bank of a report with forecasted EEPs for participating Provinces for the period commencing from the date of this Agreement to December 31, 2015; and
 - (c) thereafter, subsequent withdrawals shall be made every calendar semester, after the Bank has received reports, in form and substance acceptable to the Bank, certifying as to the extent to which: (i) each Participating Province has executed at least 70% of the amount allocated to its EEPs for the corresponding calendar semester or calendar year, as the case may be; (ii)

the Additional Instructions have been adhered to by the Borrower; and (iii) the Bank has determined, on the basis of the IUFs furnished by the Borrower, and its own verification, that the TLI targets for the preceding calendar semester or calendar year, as the case may (as set forth in Schedule 4 to this Agreement) have been satisfactorily met and the expenditures incurred by the Borrower are consistent with the EEPs.

4. Notwithstanding the foregoing, for purposes of disbursing Loan amounts under Category (1), if:
 - (a) (i) one or more of the TLIs for any Participating Province have not been achieved by their due dates, as agreed with the Bank; or (ii) the Bank has received evidence of partial compliance of any TLI, then the Bank may, in agreement with the Borrower, through MSN, reduce the maximum amount of the corresponding withdrawal in proportion to the percentage of non-compliance of said TLI. The part of the allocated amount not disbursed due to non-compliance or partial achievement of any TLI target, may be: (A) disbursed during the following semester, if the Bank is satisfied that the respective TLI has been fully achieved; or (B) at the end of any calendar year, by notice to the Borrower, through MSN, reallocated to other TLIs and Participating Provinces following the formula and percentages set forth in Table A of the Additional Instructions; or (C) if requested by the Borrower, at the end of the third year of Project implementation, reallocated to Categories (2), (3) or (4).
 - (b) one or more of the TLIs have been fully achieved by any Participating Province before their due dates, the Bank may, in agreement with the Borrower, through MSN: (i) reallocate said amounts to other TLIs in the same Participating Province; or (ii) at the end of the third year of Project implementation, reallocate said amounts to categories (2), (3) or (4).
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 April 15 and October 15 Beginning on October 15, 2022 through April 15, 2047	1.96%
On October 15, 2047	2.00%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
 - (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
 - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any

amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

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

SCHEDULE 4

Transfer-Linked Indicators

TLI	Frequency	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
		Target	Amount USD	Target	Amount USD	Target	Amount USD	Target	Amount USD	Target	Amount USD
TLI 1: Percentage of public PHC facilities with personnel trained to provide quality NCD-related health services.	March	10%	1,965,000	25%	5,895,000	35%	3,930,000	45%	1,965,000	60%	1,310,000
	Sept	20%	1,965,000	30%	5,895,000	40%	3,930,000	50%	1,965,000	70%	1,310,000
TLI 2: Percentage of public PHC facilities that are implementing electronic medical records.	March	5%	1,048,000	12%	3,275,000	25%	3,144,000	35%	3,537,000	45%	2,620,000
	Sept	10%	1,048,000	16%	3,275,000	30%	3,144,000	40%	3,537,000	50%	2,620,000
TLI 3: Percentage of public PHC facilities certified to provide quality services for the detection and control of patients with NCDs.	March	5%	1,703,000	15%	7,860,000	25%	7,860,000	35%	6,877,500	45%	4,323,000
	Sept	10%	1,703,000	20%	7,860,000	30%	7,860,000	40%	6,877,500	50%	4,323,000
TLI 4: Provincial PHC facilities certification teams working according to an approved action plan.	Annual	Yes/No	2,620,000	Yes/No	3,275,000	Yes/No	2,620,000	Yes/No	1,965,000	Yes/No	1,310,000
TLI 5: (i) Provincial units in charge of surveillance, promotion, prevention and control of NCDs and their risk factors are functioning; and (ii) the Participating Province has signed its Annual Performance Agreement.	Annual	Yes/No	7,860,000	Yes/No	6,550,000	Yes/No	3,144,000	Yes/No	2,358,000	Yes/No	1,572,000
TLI 6: Percentage of Vulnerable Population Groups with increased opportunities for physical activity in Participating Municipalities.	March	2%	786,000	7%	2,620,000	12%	2,096,000	17%	1,179,000	22%	786,000
	Sept	5%	786,000	10%	3,275,000	15%	2,096,000	20%	1,179,000	25%	786,000

TLI 7: Percentage of Vulnerable Population Groups protected against second hand tobacco smoke in Participating Municipalities.	March	2%	786,000	7%	2,620,000	12%	2,096,000	17%	1,179,000	22%	786,000
	Sept	5%	786,000	10%	3,275,000	15%	2,096,000	20%	1,179,000	25%	786,000
TLI 8: Percentage of Vulnerable Population Groups protected against excessive sodium consumption in Participating Municipalities.	March	2%	786,000	7%	2,620,000	12%	2,096,000	17%	1,179,000	22%	786,000
	Sept	5%	786,000	10%	3,275,000	15%	2,096,000	20%	1,179,000	25%	786,000
TLI 9: Regular analysis and reporting of integrated information systems on NCDs, injuries and risk factors have been carried out.	Annual	Yes/No	1,572,000	Yes/No	3,930,000	Yes/No	4,192,000	Yes/No	3,144,000	Yes/No	2,096,000

For the purposes of this Schedule, the following terms are defined as:

1. "Year 1" means the period starting on the date of this Agreement until December 31, 2016.
2. "Year 2" means the calendar year starting on January 1, 2017 until December 31, 2017.
3. "Year 3" means the calendar year starting on January 1, 2018 until December 31, 2018.
4. "Year 4" means the calendar year starting on January 1, 2019 until December 31, 2019.
5. "Year 5" means the calendar year starting on January 1, 2020 until December 31, 2020.

APPENDIX

Section I. Definitions

1. "Additional Instructions" means the instructions for withdrawal of Loan proceeds referred to in Section IV.A.1 of Schedule 2.
2. "Annual Performance Agreement" means the agreements to be entered into by the Borrower, through MSN, and each Participating Province, referred to in Section I.A.2 (b) of Schedule 2 to this Agreement.
3. "Anti-Corruption Guidelines" means the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011.
4. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. "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).
6. "CU" means MSN's unit referred to in Section I.A.1(a)(ii) of Schedule 2 of this Agreement, or any successor thereto acceptable to the Bank.
7. "DNCD" means *Dirección de Promoción de la Salud y Control de Enfermedades no Transmisibles*, MSN's Directorate of Health Promotion and Control of NCD, within the MSN.
8. "Eligible Expenditure Programs" or "EEPs" means a portion of the Participating Province's budgetary allocation for health services, consistent of salaries of the MSP's staff, MSP's utilities (such as electricity, water, gas, telephone, internet, videos, cellular phones, and post) and travel expenses and per diem of MSP's staff.
9. "Environmental and Social Management Framework" or "EMSF" means *Marco para el Manejo Ambiental y Social*, the Borrower's framework published in the Borrower's territory on February 25, 2015 and in the Bank's Infoshop on March 18, 2015, acceptable to the Bank which contains, *inter alia*, the environmental and social protection measures in respect of the Project, including: (a) guidelines for the identification of existing environmental and social conditions and potential direct and indirect environmental and social impacts resulting from the carrying out of the Project; (b) the recommendation of mitigation measures for each negative impact identified, if any; and (c) 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.

10. "Framework Agreement" means any of the Agreements to be signed between the Borrower, through MSN, and each Participating Province, referred to in Section I.A.2 (a) of Schedule 2 to this Agreement.
11. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated March 12, 2012, with the modifications set forth in Section II of this Appendix.
12. "Indigenous Peoples Plan" or "IPP" means any of the plans acceptable to the Bank, to be prepared and adopted by the Borrower, and/or the pertinent Participating Province when applicable as set forth in the Operations Manual, all prepared and to be carried out following the requirements of the Indigenous Peoples Planning Framework.
13. "Indigenous Peoples Planning Framework" or "IPPF" means the Borrower's framework, acceptable to the Bank (included in the Operations Manual), published in the Borrower's territory on February 25, 2015 and in the Bank's Infoshop on March 18, 2015, 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 and adopt indigenous peoples' plans or related instruments during Project implementation.
14. "ISO" means International Organization for Standardization, an international-standard-setting body composed of representatives from various national standards organizations which issues world-wide proprietary industrial and commercial standards for products.
15. "IUFR" means Interim Unaudited Financial Report.
16. "MSN" means *Ministerio de Salud de la Nación*, the Borrower's Ministry of Health.
17. "MSP" means *Ministerio de Salud Provincial* (or its equivalent in each Province), each of the Participating Provinces' Ministries of Health.
18. "NCD" means noncommunicable diseases, which are chronic conditions that are not the result of an acute infectious process, and which have a prolonged course, that does not resolve spontaneously, and for which a complete cure is rarely achieved.
19. "Non-consultant Services" means services which will be bid and contracted on the basis of performance of measurable physical outputs, and which are not otherwise covered by any other category of Eligible Expenditures.

20. "Operating Costs" means the reasonable cost of recurrent expenditures of MSN in Project implementation such as consumable items, utilities and supplies, which would not have been incurred absent the Project.
21. "Operations Manual" means the Borrower's manual dated March 26, 2015, referred to in Section I.B of Schedule 2 to this Agreement.
22. "Participating Municipality" means any municipality within any of the Participating Provinces, which meets the criteria set forth in the Operational Manual to participate in the implementation of the Project.
23. "Participating Province" means any of the Borrower's twenty four provinces which has signed a Framework Agreement with MSN to participate in the implementation of the Project.
24. "PHC" means primary health care.
25. "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).
26. "Procurement Plan" means the Borrower's procurement plan for the Project, dated March 26, 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.
27. "Provincial Operative Guidelines" means the guidelines referred to in Section I.B.2 of Schedule 2 to this Agreement.
28. "SEPA" means the Bank's publicly accessible Procurement Plans Execution System.
29. "Training" means expenditures (other than those for consultants' services) incurred by MSN to finance reasonable transportation costs and per diem of trainees and trainers (if applicable), course registration fees, and rental of training facilities, materials and equipment under the Project.
30. "Transfer-Linked Indicators" or "TLIs" means a set of indicators set forth in Schedule 4 to this Agreement.
31. "UFI-S" means MSN's unit referred to in Section I.A.1(a)(iii) of Schedule 2 of this Agreement, or any successor thereto acceptable to the Bank.
32. "Vulnerable Population Groups" means the Borrower's population not covered by contributory health insurance.

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".