February 16, 2012

His Excellency
Hernán Lorenzino
Minister of Economy and Public Finance
Ministry of Economy and Public Finance
Hipólito Yrigoyen 250
C1086 AAB, Buenos Aires
Argentine Republic

Excellency:

Re: IBRD Loan 7599-AR (Unleashing Productive Innovation Project - ARGENTINA)
Additional Instructions: AMENDED Disbursement Letter

I refer to the Loan Agreement (the “Agreement”) between the Argentine Republic (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”) (for the above-referenced project, dated August 6, 2009. The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 7599-AR (“Loan”). This letter (“Disbursement Letter”), replaces the original Disbursement Letter dated August 6, 2009, and its amendment dated March 24, 2010.

The attached World Bank Disbursement Guidelines for Projects, dated May 1, 2006, (“Disbursement Guidelines”) (Attachment 1), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Loan is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Loan:

- Reimbursement
- Advance
- Direct Payment
(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four months after the Closing Date specified in the Loan Agreement. Any changes to this date will be notified by the Bank.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Condition(s) set for in Section IV. A and B of Schedule 2 to the Loan Agreement.

II. Withdrawal of Loan Proceeds

(i) Authorized Signatures (subsection 3.1). A letter in the Form attached (Attachment 2) should be furnished to the Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank
Torre Bouchard
Bouchard 547,
Buenos Aires, Argentina
Attention: Penelope J. Brook, Country Director, Latin America and the Caribbean Region

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed applications for withdrawal, together with supporting documents, to the address indicated below:

The World Bank
1818 H Street, N.W.
Washington, DC 20433
United States of America
Attention: Loan Department

(iii) Electronic Delivery (subsection 3.4). The Borrower may deliver Applications to the World Bank through the World Bank’s Client Connection, web-based portal, by completing Form 2380, which is accessible through Client Connection (http://clientconnection.worldbank.org). Officials of the Borrower may deliver Applications electronically on behalf of the Borrower if they: (a) have been designated in writing by the Borrower, pursuant to the terms of subparagraph (i) of this Section, to sign and deliver Applications by electronic means and to receive secure identification devices (“Tokens”) from the World Bank, (b) are registered as users of Client Connection, and (c) have received from the World Bank Tokens for such purpose. This constitutes an additional means of delivering Applications to the World Bank. The Borrower may continue to exercise the option of preparing and delivering Applications in paper format. The World Bank reserves the right, and may in its sole discretion, temporarily or permanently, disallow the electronic delivery of Applications by the Borrower.

* Terms and Conditions of Use of Tokens to Process Applications. By designating authorized signatories to accept Tokens and by choosing to deliver the Applications electronically, the Borrower confirms its agreement to abide by and to cause the
authorized signatories to abide by the Terms and Conditions of Use of Secure Identification Device In Connection With Use of Electronic Means To Process Applications for Withdrawal And Supporting Documentation (“Terms and Conditions of Use of Tokens”) provided in Attachment 5. The Borrower also represents and warrants to the World Bank (and such representations and warranties, including without limitation, the representations and warranties contained in the Terms and Conditions of Use of Tokens, shall be relied upon by the Word Bank) that the Borrower shall deliver the Terms and Conditions of Use of Tokens to each authorized signatory and shall cause each authorized signatory to be bound by those terms and conditions.

(iv) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications claimed under Disbursement Categories 1, 2, 4, 5, 6, 7, 8, and 9 is United States Dollars 1,600,000.

(v) Advances (sections 5 and 6). Designated Account "A" for payments made under Disbursement Categories 1, 2, 4, 5, 6, 7, 8, and 9;

- Type of Designated Account (subsection 5.3): Segregated
- Currency of Designated Account (subsection 5.4): United States Dollars (USD).
- Financial Institution at which the Designated Account Will Be Opened (subsection 5.5): Banco de la Nación Argentina
- Ceiling (subsection 6.1): USD 8,000,000

(v) Reimbursement. For payments made under Disbursement Category 13; funds will be reimbursed through a one-time application for an amount (approximately) equivalent to US$ 10,000,000, and will be deposited into an Operative Account open at Banco de la Nación Argentina in Argentinean Pesos (ARS).

III. Reporting on Use of Loan Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each application for withdrawal as set out below:

- For requests for Reimbursement:
  - Records (Attachment 3A-Customized SOE with supporting documents, evidencing eligible expenditure, e.g., copies of receipts, supplier invoices) for payments for: (i) Works against contracts valued at USD 500,000 equivalent or more, under Graduate Program Subprojects, Knowledge-Based Subprojects, Technology Subprojects, Infrastructure Subprojects, and under Part 5 of the Project; (ii) Goods against contracts valued at USD 300,000 equivalent or more, under Graduate Program Subprojects, Knowledge-Based Subprojects, Technology Subprojects and Infrastructure Subprojects, and under Part 5 of the
Project; (iii) Consulting Firms against contracts valued at USD 100,000 equivalent or more, under Graduate Program Subprojects, Knowledge-Based Subprojects, Technology Subprojects, Infrastructure Subprojects, under Part 5 of the Project and for the Basic and Promoter Fees; (iv) Individual Consultants against contracts valued at USD 50,000 equivalent or more, under Graduate Program Subprojects, Knowledge-Based Subprojects, Technology Subprojects, Infrastructure Subprojects, under Part 5 of the Project and for the Basic and Promoter Fees, as applicable; (v) Non-Consultant Services against contracts valued at USD 100,000 equivalent or more, under Graduate Program Subprojects, Knowledge-Based Subprojects, Technology Subprojects, Infrastructure Subprojects and under Part 5 of the Project.

- Statement of Expenditures in the form attached (Attachments 3B-Customized SOE with no supporting documentation) for all other expenditures/contracts, including Scholarships, Operating Costs and Training incurred under Graduate Program Subprojects, Knowledge-Based Subprojects, Technology Subprojects, Infrastructure Subprojects and under Part 5 of the Project; and

- List of payments against contracts that are subject to the Bank’s prior review, in the form attached (Attachment 4).

- Records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices under Part 4 (b) (category 13)

- For reporting eligible expenditures paid from the Designated Account “A”, for payments made under Disbursement Categories 1, 2, 4, 5, 6, 7, 8, and 9.

- Records (Attachment 3A-Customized SOE with supporting documents, evidencing eligible expenditure, e.g., copies of receipts, supplier invoices) for payments for: (i) Works against contracts valued at USD 500,000 equivalent or more, under Graduate Program Subprojects, Knowledge-Based Subprojects, Technology Subprojects, Infrastructure Subprojects, and under Parts 4(b) and 5 of the Project; (ii) Goods against contracts valued at USD 300,000 equivalent or more, under Graduate Program Subprojects, Knowledge-Based Subprojects, Technology Subprojects, and Infrastructure Subprojects, and under Parts 4(b) and 5 of the Project; (iii) Consulting Firms against contract valued at USD 100,000 equivalent or more, under Graduate Program Subprojects, Knowledge-Based Subprojects, Technology Subprojects, Infrastructure Subprojects, under Part 5 of the Project and for the Basic and Promoter Fees; (iv) Individual Consultants against contracts valued at USD 50,000 equivalent or more, under Graduate Program Subprojects, Knowledge-Based Subprojects, Technology Subprojects, Infrastructure Subprojects, under Part 5 of the Project and for the Basic and Promoter Fees, as applicable; (v) Non-Consultant Services against contracts valued at USD 100,000 equivalent or more, under Graduate Program Subprojects, Knowledge-Based Subprojects, Technology Subprojects, Infrastructure Subprojects and under Part 5 of the Project.

- Statement of Expenditures in the form attached (Attachments 3B-Customized SOE with no supporting documentation) for all other expenditures/contracts,
including Scholarships, Operating Costs and Training incurred under Graduate Program Subprojects, Knowledge-Based Subprojects, Technology Subprojects, Infrastructure Subprojects and under Parts 4(b) and 5 of the Project; and

- List of payments against contracts that are subject to the Bank’s prior review, in the form attached (Attachment 4).

- For requests for Direct Payment: records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices.

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): Quarterly

(iii) Other Supporting Documentation Instructions: The Designated Account activity reconciliation statement and Bank statement should be submitted with each withdrawal application reporting on the use of Loan proceeds.

IV. Other Important Information


From the Client Connection website, you will be able to download Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information.

If you have not already done so, the Bank recommends that you register as a user of the Client Connection website (http://clientconnection.worldbank.org). From this website you will be able to download Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, please contact the Bank by email at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact the World Bank Loan Department by sending an email to loa-lcr@worldbank.org and naming the project and loan number in the subject line.

Yours sincerely,

Victor Ordonez
Finance Officer
World Bank Loan Department
Attachments

Note: All attachments, below, as per the original disbursement letter remain valid.

1 - World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2 - Form for Authorized Signatures
3A - Customized SOE with supporting documents (above SOE thresholds)
3B - Customized SOE without supporting documentation (below SOE thresholds).
4 - Form of Payments Against Contracts Subject to the Bank’s Prior Review
5 - Terms and Conditions of Use of Tokens
Cc with copies: Felix A. Camarasa
Executive Director
The World Bank

Gabriela V. Costa
Directora
Dirección Nacional de Proyectos con Organismos Internacionales de Crédito
Ministry of Economy and Public Finance
Hipólito Yrigoyen 250
Buenos Aires, Argentina

Agencia Nacional de Promoción Científica, Tecnológica y de Innovación Productiva
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