His Excellency
Alfonso Prat-Gay
Minister of Economy and Public Finance
Ministry of Economy and Public Finance
Hipólito Yrigoyen 250
C1086 AAB, Buenos Aires
Argentina

Re: IBRD Loan 8634-AR Additional Financing for the Unleashing Productive Innovation Project – ARGENTINA, Additional Instructions: Disbursement Letter

Excellency:

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 as of the Signature Date. The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 8634-AR (“Loan”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions, and is defined in Section IV.A.1 of Schedule 2 to the Loan Agreement.

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, and
- Direct Payment.
(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four months after the Closing Date specified in Section IV.B.2 of Schedule 2 to 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 Conditions set for in Section IV.B.1 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: Jesko S. Hentschel, 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:

Banco Mundial
SCN, Quadra 02, Lote A
Edificio Corporate Finance Center
7º andar
70712-900 Brasilia, D.F.
Brazil
Attention: Loan Department

(iii) Electronic Delivery (subsection 3.4). The Bank may permit the Borrower to electronically deliver to the Bank Applications (with supporting documents) through the Bank’s Client Connection, web-based portal. The option to deliver Applications to the Bank by electronic means may be effected if: (a) the Borrower has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification credentials (“SIDC”) from the Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Borrower have registered as users of Client Connection. If the Bank agrees, the Bank will provide the Borrower with SIDC for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (https://clientconnection.worldbank.org). The Borrower may continue to exercise the option of preparing and delivering Applications in paper form. The Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower.
(iv) Terms and Conditions of Use of SIDC to Process Applications. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Borrower confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of Secure Identification Credentials”) provided in Attachment 5; and (b) to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications claimed under Disbursement Categories 1, 2, 3, 4, 5 and 6 is United States Dollars (USD) 1,600,000 equivalent.

(vi) Advances (sections 5 and 6). Designated Account “A” for payments made under Disbursement Categories 1, 2, 3, 4, 5 and 6;

- **Type of Designated Account (subsection 5.3):** Pooled
- **Currency of Designated Account (subsection 5.4):** USD
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Banco de la Nación Argentina
- **Ceiling (subsection 6.1):** USD 9,000,000

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; (ii) Goods against contracts valued at USD 300,000 equivalent or more; (iii) Consulting Firms against contract valued at USD 100,000 equivalent or more; (iv) Individual Consultants against contracts valued at USD 50,000 equivalent or more; and (v) Non-Consultant Services against contracts valued at USD 100,000 equivalent or more.
  
  - Statement of Expenditures in the form attached (Attachments 3B-Customized SOE with no supporting documentation) for all other expenditures/contracts not stated in the above paragraph, including grants under Category 1; and
  
  - List of payments against contracts that are subject to the Bank’s prior review, in the form attached (Attachment 4).
• **For reporting eligible expenditures paid from the Designated Account “A”**
  
  o 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; (ii) Goods against contracts valued at USD 300,000 equivalent or more; (iii) Consulting Firms against contract valued at USD 100,000 equivalent or more; (iv) Individual Consultants against contracts valued at USD 50,000 equivalent or more; and (v) Non-Consultant Services against contracts valued at USD 100,000 equivalent or more.

  o Statement of Expenditures in the form attached (Attachments 3B-Customized SOE with no supporting documentation) for all other expenditures/contracts not stated in the above paragraph, including grants under Category 1; and

  o 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)**: The minimum frequency is quarterly.

(iii) **Other Supporting Documentation Instructions**: The Designated Account activity reconciliation statement (Attachment 6) and Bank statement should be submitted with each withdrawal application reporting on the use of Loan proceeds.

IV. Other Important 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](http://clientconnection.worldbank.org)). From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information. All Borrower officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be effected. 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 wfdlcr@worldbank.org with copy to Victor Ordonez at vconde@worldbank.org indicating the project and loan number in the subject line.

Yours sincerely,

[Signature]
Jesko S. Heijneker
Country Director
Argentina, Paraguay and Uruguay
Latin America and the Caribbean Region

Attachments

Notes
Attachments number 1 to number 5 are the same currently applicable to the original operation (IBRD Loan 7599-AR), except for Attachment number 3 B below. Attachment number 6 is provided below as well

1 World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2 Form for Authorized Signatory Letter
3A Customized SOE with supporting documents (above SOE thresholds)
3B Customized SOE without supporting documents (below SOE thresholds)
4 List of payments against contracts that are subject to the Bank’s prior review
5 Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation, dated March 1, 2013
6 Designated Account activity reconciliation statement
Banco Internacional de Reconstrucción y Fomento
Financiamiento Adicional para el Proyecto de Fomento de la Innovación Productiva – Préstamo BIRF No.: ESTADO DE GASTOS
Período __/__/____ - __/__/____

Fecha: __/__/____
Página: __ de __

Nro. Solicitud:
Categoría de Gastos Nro. 1: Donaciones (Sub-Proyectos) Parte 1. (c)

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1) Totales por página

Por este intermedio, certifico que las cantidades arriba consignadas se han pagado por concepto de la debida ejecución de actividades del Proyecto, de acuerdo a los términos y condiciones del contrato de préstamo. Toda documentación justificativa de estos gastos serán resguardados por la entidad implementadora, y previa solicitud, se facilitarán para su examen por las misiones del Banco Mundial que visiten el país y/o por los auditores.

Argentina: AR
Peso Argentino: ARS
Estados Unidos de América: USA
Dólar estadounidense: USD (código 001)

______________________________
Firma autorizada
DESIGNATED ACCOUNT RECONCILIATION STATEMENT

LOAN/CREDIT/PPF/COFINANCIER NUMBER

ACCOUNT NUMBER ______________ WITH (BANK) _______________________

1. TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER) $ ____________

2. LESS: TOTAL AMOUNT RECOVERED BY WORLD BANK - $ ____________

3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE SPECIAL ACCOUNT (NUMBER 1 LESS NUMBER 2) = $ ____________

4. BALANCE OF SPECIAL ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE __________________ $ ____________

5. PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO. ______________ + $ ____________ *

6. PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED REASON: ______________ + $ ____________ *

7. PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS

   APPLICATION NO. AMOUNT *
   ________________ ____________
   ________________ ____________

   SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED + $ ____________

8. MINUS: INTEREST EARNED - $ ____________ *

9. TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9) = $ ____________

10. EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 9:

11. DATE: ____________________ SIGNATURE: ____________________

   TITLE: ____________________