The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
1818 H Street N.W.
Washington, D.C. 20433
U.S.A.
(202) 473-1000
Cable Address: INTBAFRAD
Cable Address: INDEVAS

December 17, 2014

Dr. Axel Kicillof
Ministro de Economía y Finanzas Públicas
Ministerio de Economía y Finanzas Públicas
Hipólito Yrigoyen 250
C1086 AAB,
Buenos Aires, Argentina

Reference: Argentina: IBRD Loan 8062-AR (Provincial Public Health Insurance Development Project)

Second Amendment to Additional Instructions:
Disbursement Letter

Dear Minister:

I refer to the letter titled Additional Instructions: Disbursement (“Disbursement Letter”) dated August 2, 2012, and its first amendment dated December 3, 2012, corresponding to the IBRD Loan 8062-AR Provincial Public Health Insurance Development Project (“Loan”). I would like to inform you that the Disbursement Letter is hereby amended to replace the following instructions:

Section II. Withdrawal of Loan Proceeds, subsection (vi) Advances (section 5 and 6), Ceiling (subsection 6.1) is replaced by the following instructions:

- Ceiling (subsection 6.1): Forecast for 2 quarters as provided in the quarterly Interim Unaudited Financial Report (IUFRs) up to USD 80,000,000.00.

If you have any queries in relation to the above, please contact us at loalcr@worldbank.org (with copy to Victor Ordonez, Senior Finance Officer at vconde@worldbank.org) using the above Project Name and Loan number as reference.

Yours sincerely,

[Signature]

Victor Ordonez
Sr. Finance Officer, Loan Department
Finance and Accounting
The World Bank Group
FOR OFFICIAL USE ONLY

Prepared by: Victor Ordóñez, CTRLN

Cleared with and cc: Andrew S. Rajkumar, TTL (GHNDR)
Fabiola Altamari, LEGLE
Alejandro F. Solanot, GGODR

Cc: Maria Pia Cravero, LEGLE
Attachments

- Disbursement Letter (dated August 2, 2012)
- Amendment to the Disbursement Later (dated December 3, 2012)
August 2, 2012

His Excellency
Mr. Hernán G. Lorenzino
Minister of Economy and Public Finance
Ministry of Economy and Public Finance
Hipólito Yrigoyen 250
C1086 AAB, Buenos Aires
Argentina

Re: IBRD Loan 8062-AR (Provincial Public Health Insurance Development Project)
Additional Instructions: Disbursement

Dear Mr. Lorenzino:

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (the "Bank") and the Argentine Republic (the "Borrower") for the above-referenced project, dated as of the Signature Date (as said term is defined in the Appendix to the Loan Agreement). The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 8062-AR ("Loan"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

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 April 30, 2016. Any changes to this date will be notified by the Bank.
(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Conditions in Schedule 2 Section IV B to the Loan Agreement.

II. Withdrawal of Loan Proceeds

(i) Authorized Signatures (subsection 3.1). An authorized signatory 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, Argentina, Paraguay and Uruguay.

(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
   Sector Comercial Norte,
   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 devices ("Tokens") 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 Tokens 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 Tokens to Process Applications. By designating officials to accept Tokens 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 Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation ("Terms and Conditions of Use of Token") provided in Attachment 5; and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). For reimbursements and direct payments for categories (1) Goods; (2) Consultants' services, including technical audits, Non-consultant Services and Training; and (5) Operating Costs, the Minimum Value of Applications is USD $1,200,000. For reimbursements for categories (3) Capitation Payments under Part A.1 (a), the Minimum Value of Applications is USD $12,000,000 and (4) Capitation Payments under Part A.1 (b), the Minimum Value of Applications is USD $2,500,000.

(vi) Advances (sections 5 and 6).

- Type of Designated Account (subsection 5.3): Segregated.


- Financial Institution at which the Designated Account Will Be Opened (subsection 5.5): Banco de la Nación Argentina.

- Ceiling (subsection 6.1): Forecast for 2 quarters as provided in the quarterly Interim Unaudited Financial Report (IUFRs) up to USD $60,000,000.

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:

  o Interim Unaudited Financial Report (IUFRs) in the form attached (Attachment 3); and

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

  o Exclusively for categories (3) Capitation Payments under Part A.1(a) of the Project and (4) Capitation Payments under Part A.1(b) of the Project - Evidence of expenditure eligibility:

    ✓ Expenditures in local currency (Pesos), every calendar quarter, and accompanied with certification, by Task Team Leader, of the veracity of enrolled beneficiaries with effective coverage and on the compliance with
tracer targets (including "Nomenclador Único A" and "Nomenclador Único B"); and

✓ Annually, a Task Team Leader’s opinion on the reasonableness of Capitas values and trace: targets. Initial Capitas, for disbursement purposes are $7.0 Argentinean Pesos for category (3) Capitation Payments under Part A.1 (a) of the Project, and $2.5 Argentinean Pesos for category (4) Capitation Payments under Part A.1 (d) of the Project.

- For requests for direct payment: records evidencing eligible expenditures, e.g., copies of receipts, suppliers’ invoices.


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

V. Other Important Information


If you have not already done so, the Bank recommends that you register as a user of the Client Connection website (https://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 Victor Ordonez Conde, Finance Officer at vconde@worldbank.org using the above reference.

Yours sincerely,

By

Penelope Brook
Director

Argentina, Paraguay and Uruguay
Latin American and the Caribbean Region
Attachments

1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Form for Authorized Signatures
3. Interim Unaudited Financial Report (IUFRs)
4. Form of Payments Against Contracts Subject to the Bank’s Prior Review

Prepared by Victor Ordonez, CTI:FC

Cleared with and cc: Alejandro Alcala (LEGLA)
Rafael Coraz (Task Team Leader, LCSHD)
Alejandro Solanot (LCSFM)
December 3, 2012

Hernán G. Lorenzino
Ministro de Economía y Finanzas Públicas
Ministerio de Economía y Finanzas Públicas
Hipólito Yrigoyen 250
C1086 AAB,
Buenos Aires, Argentina

Reference: Argentina: IBRD Loan 8062-AR (Provincial Public Health Insurance Development Project)

Amendment of Additional Instructions: Disbursement

Dear Minister:

I refer to the letter titled Additional Instructions: Disbursement ("Disbursement Letter") dated August 2, 2012 corresponding to the IBRD Loan 8062-AR Provincial Public Health Insurance Development Project ("Loan"). I would like to inform you that the Disbursement Letter is hereby amended to include the following additional instructions:

Section III. Reporting on Use of Loan Proceeds, subsection (i) Supporting Documentation (section 4) is amended to include the following additional instructions:

- For reporting eligible expenditures paid from the Designated Account
  - Interim Unaudited: Financial Report (IUFRs) in the form attached (Attachment 3);
  - List of payments against contracts that are subject to the World Bank’s prior review, in the form attached (Attachment 4)
  - Exclusively for categories (3) Capitation Payments under Part A.1(a) of the Project and (4) Capitation Payments under Part A.1(b) of the Project – Evidence of expenditure eligibility:
    - Expenditures in local currency (Pesos), every calendar quarter, and accompanied with certification, by Task Team Leader, of the veracity of enrolled beneficiaries with effective coverage and on the compliance with tracer targets (including “Nomenclador Único A” and “Nomenclador Único B”)
- Annually, a Team Leader's opinion on the reasonableness of Capitas values and tracer targets. Initial capitas, for disbursement purposes are $7.0 Argentinian Pesos for category (3) Capitation Payments under Part A.1(a) of the Project, and 12.5 Argentinian Pesos for category (4) Capitation Payments under Part A.1(b) of the Project; and

- A Designated Account activity reconciliation statement and Bank Statement should be submitted with each Withdrawal Application reporting on the use of Advance proceeds from the Designated Account.

If you have any queries in relation to the above, please contact Victor Ordonez Conde, Sr. Finance Officer at vconde@worldbank.org using the above reference.

Yours sincerely,

[Signature]

Victor Ordonez
Sr. Finance Officer, Loan Department
The World Bank

Attachment

Disbursement Letter dated August 2, 2012
Cc with copies:

Dr. Máximo Diosque
Secretario de Promoción y Programas Sanitarios
Ministerio de Salud de la Nación
Buenos Aires, Argentina
mdiosque@msal.gov.ar

Cdo. José Friegue
Coordinador General UFIS
Ministerio de Salud de la Nación
Buenos Aires, Argentina
jpriegue@ufisalud.gov.ar

Dr. Martin Sabignoso
Coordinador Nacional del Programa SUMAR
Ministerio de Salud de la Nación
Buenos Aires, Argentina
msabignoso@msal.gov.ar