Amending Agreement to Loan Agreement

(Grain Storage Project)

between

THE ARGENTINE REPUBLIC

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated January 25, 1984
AMENDING AGREEMENT
TO LOAN AGREEMENT

AGREEMENT, dated January 25, 1984, between
THE ARGENTINE REPUBLIC (hereinafter called the Borrower) and
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS (A) by the loan agreement dated June 29, 1978, between the Borrower and the Bank (hereinafter called the Loan Agreement), the Bank has made a loan (hereinafter called the Loan) to the Borrower, in amount in various currencies equivalent to one hundred five million United States dollars ($105,000,000) on the terms and conditions set forth in the Loan Agreement, for the purposes of assisting in the financing of the project described in Schedule 2 to the Loan Agreement (hereinafter called the Project);

(B) by a project agreement (hereinafter called the JNG Project Agreement) dated June 29, 1978, between the Bank and Junta Nacional de Granos (hereinafter called the Grain Board) the Grain Board agreed to undertake the obligations toward the Bank in the JNG Project Agreement set forth;

(C) the Borrower and the Grain Board have requested to the Bank to agree to amend the scope of the Project, to reduce the amount of the Loan and to the participation in the carrying out of the Project, as amended, of Ferrocarriles Argentinos (hereinafter called FA) and Banco de la Nacion Argentina (hereinafter called BNA) and for the purpose to agree to the modification of so "s, agreements and obligations in the Loan Agreement and the JNG Project Agreement set forth;

(D) the Project, as hereinafter amended, will be part of the Plan de Almacenamiento de Granos (as hereinafter defined) and will be partially carried out by the Grain Board, FA and BNA with the Borrower's assistance and, as part of such assistance, the Borrower will make available to the Grain Board, FA and BNA part of the proceeds of the Loan as hereinafter provided;

WHEREAS upon the basis, inter alia, of the foregoing the Borrower and the Bank have agreed to enter into this Agreement
NOW, THEREFORE, the parties hereto hereby agree as follows:

ARTICLE I

Definitions

Section 1.01. Wherever used in this Agreement, unless the context shall otherwise require, the several terms defined in the Loan Agreement and the General Conditions (as therein defined) have the respective meanings therein set forth.

ARTICLE II

Amendments to the Loan Agreement

Section 2.01. Section 1.01 of the Loan Agreement is deleted and substituted by the following:

"Section 1.01. The parties to this Agreement accept all the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, dated March 15, 1974, with the same force and effect as if they were fully set forth herein, subject, however, to the modifications thereof set forth in Schedule 6 to this Agreement (s aid General Conditions Applicable to Loan and Guarantee Agreements of the Bank, as so modified, being hereinafter called the General Conditions)".

Section 2.02. Section 1.02 of the Loan Agreement is amended by:

(a) the deletion of paragraph (c) and its substitution by the following:

"(c) "JNG Project Agreement" means the Agreement between the Bank and the Grain Board dated June 29, 1978, as amended to the date of the Amending Agreement, as the same may be amended from time to time, and such term includes all schedules to the JNG Project Agreement and all agreements supplemental to the JNG Project Agreement;"

(b) by adding the following new paragraphs:
"(d) "FA Project Agreement" means the Agreement between the Bank and FA of even date with the Amending Agreement, as the same may be amended from time to time, and such term includes all schedules to the FA Project Agreement and all agreements supplemental to the FA Project Agreement";

"(e) "BNA Project Agreement" means the Agreement between the Bank and BNA of even date with the Amending Agreement, as the same may be amended from time to time, and such term includes all schedules and all agreements supplemental to the BNA Project Agreement";

"(f) "JNG Subsidiary Loan Agreement" means the Agreement to be entered into between the Borrower and the Grain Board pursuant to Section 3.01 (c) of this Agreement, as the same may be amended from time to time";

"(g) "FA Subsidiary Loan Agreement" means the Agreement to be entered into between the Borrower and FA pursuant to Section 3.01 (d) of this Agreement, as the same may be amended from time to time";

"(h) "BNA Subsidiary Loan Agreement" means the Agreement to be entered into between the Borrower and BNA pursuant to Section 3.01 (e) of this Agreement, as the same may be amended from time to time";

"(i) "Sub-loan" means a loan made or proposed to be made by BNA and to be partially financed out of the proceeds of the Loan to an Investment Enterprise for an Investment Project and "free-limit Sub-loan" means a Sub-loan, as so defined, which shall not exceed the sum of $1,500,000 equivalent, when added to any other outstanding amounts financed or proposed to be financed out of the proceeds of the Loan;

"(j) "Investment Enterprise" means a private sector enterprise or cooperative or association of grain producers to which BNA proposes to make or has made a Sub-loan";

"(k) "Investment Project" means a project to be carried out by an Investment Enterprise utilizing the proceeds of a Sub-loan which consists in the construction, improvement or expansion of facilities for the storage or handling of grains";

"(m) "Statement of Policy" means the statement of lending policy and procedures approved by the Directors of BNA and effective as of the date of this Agreement;"

"(n) "Pesos Argentinos" and the symbol "$a." means the currency of the Borrower;"

"(o) "AGP" means "Administración General de Puertos;"

"(p) "SNA" means "Servicio Nacional de Arquitectura;"

"(q) "Executing Agency" means any of the following: The Grain Board, FA, BNA, and the Borrower's Secretary of Maritime Affairs; and "Participating Agencies" means AGP and SNA;"

"(r) "Plan de Almacenamiento de Granos" means the program of grain storage development referred to in Article 2 of the Borrower's Law No. 22371 of January 13, 1981; and

"(s) "Central Bank" means Banco Central de la República Argentina.

Section 2.03. An amount equivalent to eighteen million dollars ($18,000,000) is cancelled from the Loan amount and Section 2.01 of the Loan Agreement is deleted and substituted by the following:

"Section 2.01. (a) The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, an amount in various currencies equivalent to eighty-seven million dollars ($87,000,000).

(b) Notwithstanding the provisions of Section 6.03 of the General Conditions, the Bank may cancel, by notice to the Borrower, an amount of the Loan equal to the amount allocated to Category (6) in the table in paragraph 1 of Schedule 1 to this Agreement less any amounts which at the time of the cancellation shall have been disbursed or committed under Sub-loans approved or authorized by the Bank pursuant to Section 2.03 (a) and (b) of the BNA Project Agreement, if by December 31, 1984, the Bank has approved or
authorized, pursuant to said Section 2.03 (a) and (b), Sub-loans which will utilize in the aggregate an amount equivalent to less than twenty percent (20%) of the amount allocated to such Category (6) on the date of the Amending Agreement."

Section 2.04. Paragraph (b) of Section 2.02 of the Loan Agreement is deleted.

Section 2.05. Section 2.03 of the Loan Agreement is deleted and substituted by the following:

"Section 2.03. Except as the Bank shall otherwise agree, procurement of goods and civil works required for the Project and to be financed out of the proceeds of the Loan shall be governed by the provisions of Schedule 5 to this Agreement, provided, however, that goods and civil works required for Investment Projects shall be procured pursuant to the provisions of Section 2.04 (a) (ii) of the BNA Project Agreement."

Section 2.06. Section 2.04 of the Loan Agreement is deleted and substituted by the following:

"Section 2.04. The Closing Date shall be December 31, 1986 or such later date as the Bank shall establish. The Bank shall promptly notify the Borrower, the Grain Board, FA and BNA of such later date.

Section 2.07. Section 2.09 of the Loan Agreement is deleted.

Section 2.08. Section 2.10 of the Loan Agreement is deleted and substituted by the following:

"Section 2.10. BNA is designated representative of the Borrower for the purposes of taking any action permitted to be taken under the provisions of Section 2.02 of this Agreement and Article V of the General Conditions with respect to Part E of the Project.

Section 2.09. The following new Section 2.11 is added to the Loan Agreement:

"Section 2.11. (a) The Borrower shall cause to be opened and thereafter maintained a Special Account in
dollars in the Central Bank on terms and conditions satisfactory to the Bank. Payments out of the Special Account shall be made exclusively to pay the reasonable cost of goods and services required to carry out the Project and to be financed by the Bank under this Agreement in accordance with the provisions of Section 2.02 and Schedule 1 hereto.

(b) the Bank may, at the request of the Borrower, withdraw on behalf of the Borrower from the Loan Account and deposit in the Special Account an amount in dollars of up to $13,000,000. In the event the amount of such initial deposit into the Special Account is less than $13,000,000 the Borrower may from time to time request the Bank to withdraw from the Loan Account and make one or more additional initial deposits into the Special Account, but in no event shall the amount of such initial deposits exceed in the aggregate $13,000,000. At the request of the Borrower, the Bank shall further withdraw from the Loan Account and deposit in the Special Account such amounts as shall be required to replenish the Special Account with amounts equal to payments made out of the Special Account for expenditures for the Project eligible for financing under this Agreement. Except as the Bank shall otherwise determine, each such deposit after the initial deposits shall be withdrawn by the Bank from the Loan Account under the same categories set forth in paragraph 1 of Schedule 1 to this Agreement, and in the same respective amounts, as have been justified by the documentation for the request for such deposit furnished pursuant to paragraph (d) of this Section.

(c) Prior to or at the time of each request for a withdrawal by the Borrower from the Special Account, the Borrower shall furnish to the Central Bank an application for withdrawal from the Special Account showing that the payment was made on account of the reasonable cost of goods or services required for the Project and to be financed out of the proceeds of the Loan in accordance with paragraph (a) above. The Central Bank shall authorize the Borrower to withdraw from the Special Account an amount in pesos determined on the basis of the foregoing evidence, and shall debit the Special Account with the dollar equivalent of such amount in pesos determined on the basis of the rate of exchange between the dollar and the peso in effect at the time each payment was made by the Borrower or by an Executing Agency, as the case may be.
(d) Prior to or at the time of each request for a deposit by the Bank into the Special Account, the Central Bank shall furnish to the Bank in respect of each withdrawal from the Special Account an application for withdrawal from the Loan Account referred to in paragraph (c) of this Section.

(e) If the Bank shall have determined that any payment out of the Special Account (i) was made for any expenditure or in any amount not eligible for financing by withdrawal from the Loan Account, or (ii) was not justified by the application of withdrawal furnished pursuant to paragraph (d) of this Section, the Borrower shall, promptly upon notice from the Bank and, unless otherwise determined by the Bank, prior to any further deposit in the Special Account by the Bank, deposit in the Special Account an amount equal to the amount of such payment or the portion thereof not so eligible or justified.

(f) Notwithstanding the provision of paragraph (b) of this Section, no further deposit in the Special Account shall be made by the Bank when the Bank shall have determined, after consultation with the Borrower, that all further withdrawals from the Loan Account may be made directly by the Borrower from the Loan Account pursuant to paragraph (a) above, or when the total amount withdrawn from the Loan Account plus the amount of any cancellation of the Loan amount, of any qualified agreement to reimburse made by the Bank and of any special commitment entered into by the Bank pursuant to Section 5.02 of the General Conditions, shall have reached the equivalent of $58,000,000, whichever shall be sooner. Withdrawal from the Loan Account of the remaining amount of the Loan for the Project shall follow such procedures as shall be agreed between the Borrower and the Bank and shall be made only to the extent that the Bank shall be satisfied by the evidence submitted in support of the applications for such withdrawal that all payments by the Borrower out of the Special Account were made on account of the reasonable cost of goods or services required for the Project and to be financed out of the proceeds of the Loan in accordance with Section 2.02 of this Agreement.

(g) Notwithstanding the provisions regarding the initial deposit set forth in paragraph (b) of this Section, the Bank may at the request of and by notice to the
Borrower, increase the amount of the initial deposit in order to adjust the level of the Special Account to the disbursement requirements of the Project. In such cases the Bank may also adjust the amounts referred to in paragraph (f) of this Section and in the allocation of the proceeds of the Loan.

(h) If the Bank shall have determined at any time that any amount outstanding in the Special Account will not be required to cover further payments for expenditures under the Project eligible for financing under the Loan, the Borrower shall promptly upon notice from the Bank and unless otherwise agreed by the Bank, refund to the Bank such outstanding amount."

Section 2.10. Section 3.01 (a) of the Loan Agreement is deleted and substituted by the following:

"Section 3.01. (a) Without limitation or restriction upon any of its obligations under the Loan Agreement, the Borrower shall cause the Grain Board and FA to perform in accordance with the provisions of the JNG Project Agreement, respectively, all the obligations of the Grain Board and FA therein set forth, shall take or cause to be taken all actions, including the provision of funds, facilities, services and other resources, necessary or appropriate to enable the Grain Board and FA to perform such obligations, and shall not take or permit to be taken any action which would prevent or interfere with such performance."

Section 2.11. Paragraphs (b) and (c) of Section 3.01 are deleted and substituted by the following:

"(b) (i) Without limitation or restriction upon any of its obligations under the Loan Agreement, the Borrower shall cause BNA to perform in accordance with the provisions of the BNA Project Agreement all the obligations therein set forth, shall take or cause to be taken all actions necessary or appropriate to enable BNA to perform such obligations, and shall not take or permit to be taken any action which would prevent or interfere with such performance; and
(ii) As part of the foregoing, the Borrower specifically undertakes, whenever there is reasonable cause to believe that funds available to BNA will be inadequate to meet the estimated expenditures required for carrying out Part E of the Project, to make arrangements, satisfactory to the Bank, promptly to provide BNA or cause BNA to be provided with such funds as are needed to meet such expenditures.

(c) The Borrower shall make the proceeds of the Loan for Parts A, B, F and G of the Project available to the Grain Board under a subsidiary loan agreement to be entered into between the Borrower and the Grain Board, under terms and conditions which shall have been approved by the Bank."

Section 2.12. The following paragraphs (d), (e) and (f) are added to Section 3.01 of the Loan Agreement:

"(d) The Borrower shall make the proceeds of the Loan for Part C of the Project available to FA under a subsidiary loan agreement to be entered into between the Borrower and FA, under terms and conditions which shall have been approved by the Bank.

(e) The Borrower shall make available the proceeds of the Loan for Part E of the Project available to BNA under a subsidiary loan agreement to be entered into between the Borrower and BNA, under terms and conditions which shall have been approved by the Bank.

(f) The Borrower shall exercise its rights under the JNG Subsidiary Loan Agreement, the FA Subsidiary Loan Agreement and the BNA Subsidiary Loan Agreement (the Subsidiary Loan Agreements) in such a manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan, and, except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Loan Agreements or any provision thereof."

Section 2.13. Section 3.04 of the Loan Agreement is deleted and substituted by the following:

"Section 3.04. In order to assist the Executing Agencies in the carrying out of the Project and to coordinate their activities, the Borrower shall establish:
(a) a Project Committee, with authority and responsibilities, satisfactory to the Bank, including those specified in Part I of Schedule 4 to this Agreement, chaired by the Secretary of Agriculture and Livestock (Secretario de Agricultura y Ganadería) and comprised of representatives of the Secretariat of Transportation (Secretaría de Transporte), the Secretariat of Finance (Secretaría de Hacienda), the Ministry of Public Works and Services (Ministerio de Obras y Servicios Públicos) and the Under Secretariat of Economy (Sub-Secretaría de Economía);

(b) a Project Executing Unit under the authority of the Project Committee referred to in paragraph (a) of this Section, with authority and responsibilities satisfactory to the Bank, including those set forth in Part II of Schedule 4 to this Agreement, such to be chaired by a representative of the Grain Board and comprised of representatives of the Executing Agencies and the Participating Agencies."

Section 2.14. The following new paragraphs are added to Section 5.01 of the Loan Agreement:

"(e) Law 18,360 of the Borrower, as amended, governing FA or the Charter shall have been amended, suspended, abrogated, repealed or waived in such a way as to affect materially and adversely the carrying out of Part C or Part E of the Project by FA or BNA, respectively.

(f) An extraordinary situation shall have arisen which shall make it improbable that FA or BNA will be able to perform under the FA Project Agreement or the BNA Project Agreement, respectively.

(g) The Borrower or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of FA or BNA or the suspension of the operations of FA or BNA.

(h) FA or BNA shall have failed to perform any covenant, agreement or obligation of FA or BNA under the FA Project Agreement or the BNA Project Agreement, respectively."

Section 2.15. Paragraphs (a) and (b) of Section 5.02 are deleted and substituted by the following:
"(a) any event specified in paragraphs (a) or (b) of Section 5.01 of this Agreement shall occur and shall continue for a period of 60 days after notice thereof shall have been given by the Bank to the Borrower; and

(b) any event specified in paragraphs (a) or (d) or (e) or (p) of Section 5.01 of this Agreement shall occur."

Section 2.16. Paragraph 1 of Schedule 1 to the Loan Agreement is deleted and substituted by the following:

"1. The table below sets forth the categories of items to be financed out of the proceeds of the Loan, the allocation of the amounts of the Loan to each category and the percentage of expenditures for items so to be financed in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (Expressed in Dollar Equivalent)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Civil works and mechanical and electrical equipment under Parts A and F of the Project</td>
<td>11,400,000</td>
<td>40%</td>
</tr>
<tr>
<td>(2) Consultants' services under Part B of the Project</td>
<td>1,650,000</td>
<td>40%</td>
</tr>
<tr>
<td>(3) Computer equipment</td>
<td>500,000</td>
<td>100% of Foreign expenditures</td>
</tr>
<tr>
<td>(4) Equipment under Part C of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Rehabilitation of railway cars</td>
<td>1,490,000</td>
<td>37%</td>
</tr>
<tr>
<td>Category</td>
<td>Amount of the Loan Allocated (Expressed in Dollar Equivalent)</td>
<td>% of Expenditures to be Financed</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>(b) purchase of grain cars</td>
<td>29,600,000</td>
<td>80%</td>
</tr>
<tr>
<td>(5) Consultants' services under Parts D (i), (ii) and (iii) of the Project</td>
<td>2,460,000</td>
<td>71%</td>
</tr>
<tr>
<td>(6) Sub-loans under Part E of the Project</td>
<td>22,500,000</td>
<td>50% of amount of sub-loans disbursed by BNA in respect of the Project</td>
</tr>
<tr>
<td>(7) Consultants' services under Part G of the Project</td>
<td></td>
<td>65%</td>
</tr>
<tr>
<td>(a) under Part G (i)</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>(b) under Part G (ii)</td>
<td>3,900,000</td>
<td></td>
</tr>
<tr>
<td>(8) Improvement of rail facilities under Part C of the Project</td>
<td>3,400,000</td>
<td>40%</td>
</tr>
<tr>
<td>(9) Unallocated</td>
<td>10,000,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>87,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

Section 2.17. Paragraph 3 of Schedule 1 to the Loan Agreement is deleted and substituted by the following:

"3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of:

(a) payments made for expenditures prior to the date of this Agreement;"
(b) payments for taxes levied by, or in the territory of, the Borrower on goods or services, or on the importation, manufacture, procurement or supply thereof;

(c) expenditures by an Investment Enterprise: (i) unless the Bank shall have received evidence, satisfactory to the Bank, that the BNA Subsidiary Loan Agreement has been executed on behalf of the Borrower and BNA and a legal opinion satisfactory to the Bank, of counsel acceptable to the Bank, showing that the BNA Project Agreement and the BNA Subsidiary Loan Agreement have been duly authorized or ratified by, and executed and delivered on behalf of BNA in the case of the BNA Project Agreement, and the Borrower and BNA in the case of the BNA Subsidiary Loan Agreement; (ii) in respect of a Sub-loan subject to the Bank's approval unless the Bank shall have approved such Sub-loan or if such expenditures shall have been made more than ninety days prior to the date on which the Bank shall have received in respect of such Sub-loan the application and information required by Section 2.03 (a) of the BNA Project Agreement; or (iii) in respect of a free-limit Sub-loan, unless the Bank shall have authorized withdrawals from the Loan Account in respect of such Sub-loan or if such expenditures shall have been made, more than ninety days prior to the date on which the Bank shall have received in respect of such free-limit Sub-loan the request and information required by Section 2.03 (b) of the BNA Project Agreement; and

(d) expenditures to be financed under Category 7(b) in the Table in paragraph 1 above, unless the Bank shall have received evidence, satisfactory to the Bank, that the proposed Bahia Blanca Port Project is economically and technically justified."

Section 2.18. Paragraph 4 of Schedule 1 for the Loan Agreement is amended to read as follows:

"4. Notwithstanding the allocation of an amount of the Loan or the disbursement percentages set forth in the table in paragraph 1 above, if the Bank has reasonably estimated that the amount of the Loan then allocated to any Category will be insufficient to finance the agreed percentage of all expenditures in that Category, the Bank may, after consultation with the Borrower and by notice to the Borrower: (i) reallocate to such Category, to the extent
required to meet the estimated shortfall, proceeds of the Loan which are then allocated to another Category and which in the opinion of the Bank are not needed to meet other expenditures, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the disbursement percentage then applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made."

Section 2.19. Schedule 2 to the Loan Agreement including the Exhibit thereto is deleted and substituted by the following:

"SCHEDULE 2

Description of the Project

The Project is part of a Borrower's program, which includes the Plan de Almacenamiento de Granos, the purposes of the Project are to facilitate export of grain by: (a) increasing grain storage and conditioning capacity through the construction of silos with a total capacity of about 200,000 metric tons, and the establishment of a line of credit for the private sector to finance the construction, expansion or improvement of grain storage and handling facilities; (b) improving rail transportation of grain to major ports; (c) study the possibility of improved access by larger vessels to the port of Bahia Blanca; and (d) prepare the final designs of a proposed expansion to the Bahia Blanca port. The Project consists of the following Parts:

Part A:

1. Construction and equipping of about 22 silos in the Borrower's Provinces of Salta, Tucuman, Santiago del Estero, Santa Fe, Chaco, Jujuy, Corrientes and Formosa, in locations acceptable to the Bank, with an average storage capacity of about 8,000 metric tons, each consisting of receiving hoppers and outloading equipment for trucks and railway cars, grain drying and cleaning units, and storage facilities.

2. Expansion and improvement of about five silos located in Gaona, Metan, Rosario de la Frontera in the Province of Salta and Alberdi and Los Ralos in the Province of Tucuman, to provide for drying and cleaning, more efficient unloading, loading and internal movement of grain.
3. Installation of about 9 ramps in major grain ports for unloading grain from the boxcars to be modified under the Project.

4. Port improvements and wagon pulling arrangements in the ports in the vicinity of the 9 ramps under 3 above.

5. Provision of computer and terminal equipment to improve the grain inventory control system of the Grain Board.

Part B:

Technical Assistance consisting of provision of engineering consultant services to design silos, prepare bidding documents for procurement of works, evaluate bids therefor and supervise construction.

Part C:

Railway improvement consisting of:

1. (i) Alterations of about 2,000 existing boxcars to handle grain efficiently by installing (a) roof doors for loading and (b) hinge doors on both ends for unloading; (ii) alteration to silo access tracks in the ports of Bahia Blanca and Rosario; (iii) construction of railway interline connections; and (iv) construction of access lines to project silos.

2. Acquisition and utilization of about 845 wagons for the transport of grain.

3. Improvement of rail facilities at the Port of Rosario consisting of:

   (i) Remodeling of Rosario Norte yard to simplify yard operations and to increase the capacity for feeding the silo units III, IV and Genaro Garcia to about 400 cars per day.

   (ii) Remodeling of Rosario Sur yard to improve circulation between the railway yard, the port yard and the grain silo yard, and to improve the capacity for feeding the silo units VI and VII to about 700 wagons per day.
(iii) Improvement in the accesses to the port, including the Saldini connection, the Acindar siding and the realignment and reconstruction of secondary lines in neighboring stations for dealing with 30 car trains.

Part D:

A feasibility study for deepening the access channel to Bahia Blanca Port consisting of: (i) hydrographic and oceanographic surveys of the existing access channel of about 97 km (with installation of a survey tower for tide and wave measurement of the outer bay); (ii) observation of resiltation rates of a test section dredged in the channel; (iii) preliminary engineering and feasibility analysis for recommended channel improvements; and (iv) dredging of a pilot channel.

Part E:

Establishment of a line of credit to finance the acquisition, construction or improvement of facilities for the storage, handling, drying and cleaning of grain.

Part F:

Construction and equipping of two prototype pilot train loading facilities for loading 30 car trains.

Part G:

(i) Reassessment of the economic justification of the proposed Bahia Blanca Port Project, incorporating thereto the relevant portions of the study under Part D of the Project; and (ii), if warranted, preparation of final design of the proposed Bahia Blanca Port Project, including port, railway and grain-handling project components, and bidding documents.

The Project is expected to be completed by June 30, 1986."

Section 2.20. The Amortization Schedule in Schedule 3 to the Loan Agreement is amended to read as follows:
**SCHEDULE 3**

Amortization Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Payment of Principal (expressed in dollars)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On November 1, 1981</td>
<td>2,391,129.26</td>
</tr>
<tr>
<td>May 1, 1982</td>
<td>860,949.95</td>
</tr>
<tr>
<td>November 1, 1982</td>
<td>160,522.61</td>
</tr>
<tr>
<td>May 1, 1984</td>
<td>100,000.00</td>
</tr>
<tr>
<td>November 1, 1984</td>
<td>250,000.00</td>
</tr>
<tr>
<td>May 1, 1985</td>
<td>1,500,000.00</td>
</tr>
<tr>
<td>November 1, 1985</td>
<td>2,500,000.00</td>
</tr>
<tr>
<td>May 1, 1986</td>
<td>3,000,000.00</td>
</tr>
<tr>
<td>and on each May 1, November 1 beginning November 1, 1986 through November 1, 1992</td>
<td>5,500,000.00</td>
</tr>
<tr>
<td>On May 1, 1993</td>
<td>4,737,398.18</td>
</tr>
</tbody>
</table>

* To the extent that any portion of the Loan is repayable in a currency other than dollars (see General Conditions, Section 4.02), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.*

(No amendments are made to the provisions on prepayment which remain the same).

Section 2.21. Schedule 4 to the Loan Agreement is deleted and substituted by the following:
Authority and responsibilities of the Project Committee and Project Executing Unit in respect of the carrying out of the Project.

I. Project Committee

The Project Committee will, inter alia:

a. Establish guidelines for preparing the annual working plan with its corresponding schedule and budget;

b. Oversee the carrying out of the Project by the Executing Agencies;

c. At the level of political decision, provide support for the needs of the Executing Agencies;

d. Consider possible modifications to the project and/or the work plan and prepare corresponding recommendations to the National Executive Power and to the Bank;

e. Coordinate the activities of the Executing Agencies under the Project, and all matters not provided for in the inter-institutional agreement;

f. Approve all changes proposed for the inter-institutional agreement;

g. Maintain communications with the Bank relative to the functions mentioned above;

h. Request from the Executing Agencies all information and assistance necessary for optimum achievement of Project activities; and

i. Supervise the necessary competitive bidding procedures.

Project Executing Unit

In respect of Project activities the Project Executing Unit will, inter alia:

a. Carry out the coordination of the daily activities of the Project;

b. Coordinate inter-institutional collaboration;
c. Maintain a committee of technicians which will supervise the execution of Part G of the Project;
d. Maintain monitoring data on all components and prepare consolidated semester reports for presentation to the Project Committee and the Bank; and
e. Prepare a consolidated draft of the completion report to be submitted to the Bank no later than six months after the Closing Date."

Section 2.22. The following new Schedule 5 is added to the Loan Agreement.

"SCHEDULE 5

Procurement

A. International Competitive Bidding

1. Except as provided in Part C hereof, civil works and goods shall be procured under contracts awarded in accordance with procedures consistent with those set forth in the current edition of the "Guidelines for Procurement under World Bank Loans and IDA Credits" published by the Bank in March 1977 (hereinafter called the Guidelines), on the basis of international competitive bidding as described in Part A of the Guidelines.

2. For goods and works to be procured on the basis of international competitive bidding, in addition to the requirements of paragraph 1.2 of the Guidelines, the Executing Agency shall prepare and forward to the Bank as soon as possible, and in any event not later than 60 days prior to the date of availability to the public of the first tender or prequalification documents relating thereto, as the case may be, a general procurement notice, in such form and detail and containing such information as the Bank shall reasonably request; the Bank will arrange for the publication of such notice in order to provide timely notification to prospective bidders of the opportunity to bid for the goods and works in question. The Executing Agency shall provide the necessary information to update such notice annually so long as any goods or works remain to be procured on the basis of international competitive bidding.

3. (a) Bidders for the works included under Part A of the Project shall be prequalified as described in paragraph 1.3 of Part A of the Guidelines;
(b) Contracts for civil works and equipment under Part A of the Project shall, whenever possible, be grouped in packages of at least 4 silo facilities each.

4. For the purpose of evaluation and comparison of bids for the supply of goods to be procured on the basis of international competitive bidding; (i) bidders shall be required to state in their bid the c.i.f. (port-of-entry) price for the imported goods, or the ex-factory price or off-the-shelf price of other goods, offered in such bid; (ii) customs duties and other import taxes levied in connection with the importation, or the sales and similar taxes levied in connection with the sale or delivery, pursuant to the bid, of the goods shall not be taken into account in the evaluation of the bids; and (iii) the cost of inland freight and other expenditures incidental to the delivery of goods to the place of their use or installation shall be included.

B. Preference for Domestic Manufacturers

In the procurement of goods in accordance with the procedures described in Part A of this Schedule, goods manufactured in Argentina may be granted a margin of preference in accordance with, and subject to, the following provisions:

1. All bidding documents for the procurement of goods shall clearly indicate any preference which would be granted, the information required to establish the eligibility of a bid for such preference and the following methods and stages that will be followed in the evaluation and comparison of bids.

2. After evaluation, responsive bids will be classified in one of the following three groups:

   (1) **Group A**: bids offering goods manufactured in Argentina if the bidder shall have established to the satisfaction of the Executing Agency and the Bank that the manufacturing cost of such goods includes a value added in Argentina equal to at least 20% of the ex-factory bid price of such goods.

   (2) **Group B**: all other domestic bids.

   (3) **Group C**: bids offering any other goods.
3. In order to determine the lowest evaluated bid of each group, all evaluated bids in each group shall first be compared among themselves, without taking into account customs duties and other import taxes levied in connection with the importation, and sales and similar taxes levied in connection with the sale or delivery, pursuant to the bids, of the goods. Such lowest evaluated bids shall then be compared with each other, and if, as a result of this comparison, a bid from group A or group B is the lowest, it shall be selected for the award.

4. If, as a result of the comparison under paragraph 3 above, the lowest bid is a bid from group C, all group C bids shall be further compared with the lowest evaluated bid from group A after adding to the evaluated bid price of the imported goods offered in each group C bid, for the purpose of this further comparison only, an amount equal to the smaller of: (i) the amount of customs duties and other import taxes which a non-exempt importer would have to pay for the importation of the goods offered in such group C bid; or (ii) 15% of the c.i.f. bid price of such goods if said customs duties and taxes exceed 15% of such price. If the group A bid in such further comparison is the lowest, it shall be selected for the award; if not, the bid from group C which as a result of the comparison under paragraph 3 is the lowest evaluated bid shall be selected.

C. Other Procurement Procedures

Contracts for civil works other than those included under Parts A and E of the Project, shall be packaged in lots of about $1,500,000 equivalent or more and shall be procured in accordance with locally advertised procurement procedures satisfactory to the Bank.

D. Review of Procurement Decisions by the Bank

1. Review of prequalification. The Executing Agency shall, before qualification is invited, inform the Bank in detail of the procedure to be followed, and shall introduce such modifications in said procedure as the Bank shall reasonably request. The list of prequalified bidders, together with a statement of their qualifications and of the reasons for the exclusion of any applicant for prequalification shall be furnished by the Executing Agency to the Bank for its comments before the applicants are notified of Executing Agency’s decision, and the Executing Agency shall make such additions to, deletions from, or modifications in, the said list as the Bank shall reasonably request.
2. Review of invitations to bid and of proposed awards and final contracts:

With respect to all contracts estimated to cost the equivalent of $1,000,000 or more:

(a) Before bids are invited, the Executing Agency shall furnish to the Bank, for its comments, the text of the invitations to bid and the specifications and other bidding documents, together with a description of the advertising procedures to be followed for the bidding, and shall make such modifications in the said documents or procedures as the Bank shall reasonably request. Any further modification to the bidding documents shall require the Bank's concurrence before it is issued to the prospective bidders.

(b) After bids have been received and evaluated, the Executing Agency shall, before a final decision on the award is made, inform the Bank of the name of the bidder to which it intends to award the contract and shall furnish to the Bank, in sufficient time for its review, a detailed report on the evaluation and comparison of the bids received, and such other information as the Bank shall reasonably request. The Bank shall, if it determines that the intended award would be inconsistent with the Guidelines or this Schedule, promptly inform the Executing Agency and state the reasons for such determination.

(c) The terms and conditions of the contract shall not, without the Bank's concurrence, materially differ from those on which bids were asked or prequalification was invited.

(d) Two conformed copies of the contract shall be furnished to the Bank promptly after its execution and prior to the submission to the Bank of the first application for withdrawal of funds from the Loan Account in respect of such contract.

3. With respect to each contract not governed by the preceding paragraph (except for contracts on account of which withdrawals are allowed from the Loan Account on the basis of statements of expenditures), the Executing Agency shall furnish to the Bank, promptly after its execution and prior to the submission to the Bank of the first application for withdrawal of funds from the Loan Account in respect of such contract, two conformed copies of
such contract, together with the analysis of the respective bids, recommendations for award and such other information as the Bank shall reasonably request. The Bank shall, if it determines that the award of the contract was not consistent with the Guidelines or this Schedule, promptly inform the Executing Agency and state the reasons for such determination.

4. Before agreeing to any material modification or waiver of the terms and conditions of a contract, or granting an extension of the stipulated time for performance of such contract, or issuing any change order under such contract (except in cases of extreme urgency) which would increase the cost of the contract by more than 10% of the original price, the Executing Agency shall inform the Bank of the proposed modification, waiver, extension or change order and the reasons therefor. The Bank, if it determines that the proposal would be inconsistent with the provisions of this Agreement, shall promptly inform the Executing Agency and state the reasons for its determination."

Section 2.22. The following new Schedule 6 is added to the Loan Agreement:

"SCHEDULE 6

Modifications of the General Conditions

For the purposes of the Loan Agreement, the provisions of the General Conditions are modified as follows:

(1) The words "and Investment Projects" are added after the words "the Project" at the end of Section 5.03.

(2) Section 6.03 is deleted and replaced by the following new Section:

Section 6.03. Cancellation by the Bank. If (a) the right of the Borrower to make withdrawals from the Loan Account shall have been suspended with respect to any amount of the Loan for a continuous period of thirty days, or (b) by the date specified in paragraph (c) of Section 2.03 of the BNA Project Agreement no applications or requests permitted under paragraph (a) or paragraph (b) of such Section shall have been received by the Bank in respect of any portion of the Loan, or having been so received, shall have been denied, or (c) after the Closing Date an amount of the Loan shall remain unwithdrawn from the Loan
Account, the Bank may by notice to the Borrower terminate the right of the Borrower to submit such applications or requests or to make withdrawals from the Loan Account, as the case may be, with respect to such amount or portion of the Loan. Upon the giving of such notice such amount or portion of the Loan shall be cancelled."

ARTICLE III

Effective Date; Termination

Section 3.01. This Amending Agreement shall not become effective until evidence satisfactory to the Bank shall have been furnished to the Bank about the fulfillment of the following conditions:

(a) that the JNG Subsidiary Loan Agreement and the FA Subsidiary Loan Agreement have been executed on behalf of the Borrower and the Grain Board and FA, respectively; and

(b) that the Project Committee and the Project Executing Unit referred to in Section 3.04 of the Loan Agreement, as amended by this Agreement, have been established on terms satisfactory to the Bank;

Section 3.02. As part of the evidence to be furnished to the Bank pursuant to Section 3.01 of this Agreement, there shall be an opinion or opinions satisfactory to the Bank of counsel acceptable to the Bank showing:

(a) on behalf of the Borrower: (i) that this Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and is legally binding upon the Borrower in accordance with its terms; and (ii) that the JNG Subsidiary Loan Agreement and the FA Subsidiary Loan Agreement have been duly authorized or ratified by the Borrower and are legally binding upon the Borrower in accordance with their respective terms;

(b) on behalf of the Grain Board that the Amendments to the JNG Project Agreement and the JNG Subsidiary Loan Agreement have been duly authorized or ratified by JNG and that both Agreements are legally binding upon the Grain Board in accordance with their terms; and
(c) on behalf of FA that the FA Project Agreement and the FA Subsidiary Loan Agreement have been duly authorized or ratified by FA and are legally binding upon FA in accordance with their respective terms.

Section 3.03. This Agreement shall come into force and effect on the date upon which the Bank dispatches notice to the Borrower and the Executing Agencies notice of its acceptance of the evidence required by Section 3.01 of this Agreement.

Section 3.04. If this Agreement shall not have come into force and effect by April 2, 1984, this Agreement and all obligations of the parties hereunder shall terminate, unless the Bank establishes a later date for purposes of this Section. If this Agreement shall terminate under the provisions of this Section, the Loan Agreement and the Project Agreement shall continue in full force and effect, as if this Agreement had not been executed.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

THE ARGENTINE REPUBLIC

Luis García del Solar
Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Rainer B. Steckhan
Acting Regional Vice President
Latin America and the Caribbean
CERTIFICATE

I hereby certify that the foregoing is a true copy of the original in the archives of the International Bank for Reconstruction and Development.

In witness whereof I have signed this Certificate and affixed the Seal of the Bank thereunto this 25th day of January 1984.

FOR SECRETARY