Loan Agreement

(Integrated Habitat and Housing Project)

between

ARGENTINE REPUBLIC

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
LOAN AGREEMENT

Agreement dated as of the Signature Date (as defined in the Appendix to this Agreement), 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 two hundred million Dollars, (USD 200,000,000), 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 I 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. The Borrower’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is its Minister of Finance or MoF’s Undersecretary of International Financial Relations.

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, however, that the interest payable shall in no event be less than zero percent (0%) per annum; and provided furthermore 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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 May 15 and November 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; and (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 SVH, shall carry out: (a) Part 1 of the Project with the participation of PROCREAR, NFSA and the Participating Financial Institutions; (b) Part 2 of the Project with the participation of the Participating Entities; and (c) Parts 3 and 4 of the Project, all 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 Events of Suspension consist of the following:

(a) Any Participating Entity shall have failed to comply with any of its obligations under the pertinent Framework Agreement or any provision thereof, provided, however, that if the event specified herein shall have occurred and be continuing in respect of any given Participating Entity, the suspension of the Borrower’s right to make withdrawals from the Loan Account may be limited by the Bank at the Bank’s sole discretion to withdrawals in respect of Eligible Expenditures in respect of any said Participating Entity.

(b) The SCPP Regulations have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Bank, the ability of the Borrower to achieve the objectives of the Project.

4.02. The Additional Event of Acceleration consists of, namely, that any of the events specified in paragraph (a) or (b) of 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 Additional Effective conditions consist of the following:

(a) that the PIU has been established as provided in Section I.A of Schedule 2 to this Agreement, and in a manner satisfactory to the Bank;

(b) that the Borrower has adopted the Operational Manual in a manner satisfactory to the Bank; and

(c) that at least two Framework Agreements have been executed.

5.02. The Effectiveness Deadline is the date one hundred and twenty (120) days after the Signature Date.

ARTICLE VI — REPRESENTATIVE;-addresses

6.01. Except as provided in Section 2.02 of this Agreement, the Borrower’s Representative is its Minister of Finance.
6.02. The Borrower’s Address is:

Ministry of Finance
Hipólito Yrigoyen 250
C1086 AAB, Buenos Aires
Argentina

Cable: MINISTERIO DE FINANZAS
Telex: 121942-AR
Facsimile: (5411) 4349-8815

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

Telex: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391
AGREED at Buenos Aires, Argentina, on behalf of the Bank on August 17, 2017, and on behalf of the Borrower on August 17, 2017.

ARGENTINE REPUBLIC

By

[Signature]

Authorized Representative

Name: Luis Andres Caputo
Title: Minister of Finance

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

[Signature]

Authorized Representative

Name: Jorge Familiar
Title: Vice President - Latin America and the Caribbean Region
SCHEDULE 1

Project Description

The objectives of the Project are to: (a) increase access to formal housing for Eligible Households; and (b) improve living conditions for households in Selected Precarious Urban Settlements.

Part 1. Increased Access to Formal Housing

Provision of Upfront Subsidies to Selected Beneficiaries.

Part 2. Integrated Habitat Improvement

Carrying out of the following activities in Selected Precarious Urban Settlements:

(a) Provision of infrastructure and technical assistance for basic services, through, *inter alia*: (i) the carrying out of the design, implementation and supervision of an integrated package of investments, including potable water storm drainage and sewerage investments, gas distribution networks and electricity connections; and (ii) the carrying out of infrastructure and provision of equipment to connect houses to the existing main water, sewerage and drainage, gas and/or electricity networks, as the case may be;

(b) provision of infrastructure for improved public spaces and community infrastructure, including, *inter alia*: (i) street lighting; (ii) road and pedestrian paths; (iii) improvement of public spaces and green areas; (iv) environmental mitigation works to reduce environmental risks; and (v) community, recreational and social service facilities;

(c) carrying out of human development activities, including, *inter alia*: (i) activities to promote community and civil society participation in the Project design and implementation; (ii) design and implementation of community social, economic and cultural programs; (iii) establishment and startup of community centers, including the provision of equipment; (iv) provision of legal and logistic support to strengthen community based organizations and community activities; and (v) provision of support to interdisciplinary field teams;

(d) provision of technical assistance to support improved security of land tenure, including, *inter alia*, the provision of legal assistance for parcel formalization, including an analysis of the applicable legal and regulatory framework related to land tenure, and the carrying out of measurement plans, physical demarcation, cadastral incorporation of new plots and activities (including administrative support), to facilitate the physical and legal regularization of land parcels; and
(e) if applicable: (i) provision of land and compensation; and (ii) construction of houses; all in connection with Resettlement under Sub-projects.

Part 3. Institutional Strengthening

Strengthening of the institutional capacity of the Borrower’s federal, provincial and municipal governments in the housing, habitat and urban sectors, through, inter alia, the provision of support to strengthen SVH’s capacity to implement the Project, including: (a) carrying out of assessments of the Borrower’s existing national-level housing initiatives; (b) design and implementation of an evaluation study for SCPP; (c) provision of support for the design and implementation of the management, operational and reporting systems for the Borrower’s federal housing programs; (d) strengthening land regularization processes, improving urban design and sustainability of basic services and improving economic, cultural and social aspects of the investments under Part 2 of the Project; and (e) carrying out of capacity building and training activities for the national and local governments’ staff and for the Participating Entity’s staff to strengthen their capacity for Sub-project preparation in line with the National Habitat Plan.

Part 4. Project Management

Provision of support for the management, implementation, monitoring and evaluation of the Project, including, inter alia: (a) carrying out of the Project audits; (b) conducting outreach campaigns to disseminate the Project; (c) carrying out of mid-term and final impact evaluation surveys to evaluate the Project’s impact; (d) provision of technical support on procurement, safeguards and financial management requirements, including the hiring of PIU’s staff; and (e) financing of Operating Costs.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower, through SVH, shall establish, and thereafter operate and maintain, at all times during Project implementation, a Project implementation unit ("PIU"), with structure, functions and responsibilities acceptable to the Bank, as set forth in the Operational Manual, including, inter alia, the responsibility of the PIU to implement, monitor and supervise the carrying out of the Project (including its financial, procurement and safeguards aspects).

2. The Borrower, through SVH, shall ensure that the PIU is, at all times during Project implementation, assisted by professional staff (including, inter alia, a Project coordinator, a financial management specialist and a procurement specialist) and administrative staff, all in numbers and with terms of reference, and qualifications and experience, acceptable to the Bank.

3. Prior to the provision of any Upfront Subsidies under Part 1 of the Project, the Borrower, through SVH, shall enter into:

   (a) an agreement with PROCREAR (the PROCREAR Agreement), under terms and conditions acceptable to the Bank and detailed in the Operational Manual, which shall include, inter alia, the obligation of PROCREAR to: (i) assist the Borrower, through SVH, in the carrying out of Part 1 of the Project; and (ii) carry out its respective obligations under the Project in accordance with the provisions of this Agreement, including the obligation to comply with the Anti-Corruption Guidelines; and

   (b) an agreement with NFSA (on behalf of PROCREAR) and the pertinent Participating Financial Institution (the Financial Institution Agreement), under terms and conditions acceptable to the Bank and detailed in the Operational Manual, which shall include, inter alia, the obligation of NFSA or the respective Participating Financial Institution to: (i) assist the Borrower, through SVH, in the carrying out of Part 1 of the Project; and (ii) comply with the Anti-Corruption Guidelines.

4. The Borrower, through SVH, shall exercise its rights and carry out its obligations under the PROCREAR Agreement and the pertinent Financial Institution Agreement, in such a manner as to protect the interest of the Borrower and the Bank and to accomplish the purposes of the Loan. Except the Bank shall otherwise agree, the Borrower, through SVH, shall not assign, amend, terminate, abrogate, waive or fail to enforce the PROCREAR Agreement and/or any Financial Institution Agreement, or any provision thereof.
B. **Sub-projects**

1. Prior to the carrying out of any Sub-project, the Borrower, through SVH, shall enter into:

   (a) an agreement with the pertinent Participating Entity (the Framework Agreement) under terms and conditions acceptable to the Bank, which shall include, *inter alia*:

      (i) the obligation of the Borrower, through SVH:

         (A) to promptly disburse to each Participating Entity the proceeds of the corresponding Sub-grant in a manner acceptable to the Bank; and

         (B) to ensure that each Subproject is carried out in accordance with the provisions of the Anti-Corruption Guidelines;

      (ii) the right of the Borrower, through SVH, to take remedial actions against the pertinent Participating Entity in case said Participating Entity shall have failed to comply with any of its obligations under the pertinent Framework Agreement; and

      (iii) the obligation of each Participating Entity:

         (A) to identify, formulate and carry out procurement activities under any Sub-project, in accordance with the provisions of this Agreement;

         (B) to comply with the provisions of the Procurement Regulations;

         (C) to use the Sub-grant exclusively for the financing of the corresponding Sub-project;

         (D) if applicable, and prior to the carry out of any Subproject, to enter into: (i) an Operation and Maintenance Agreement with the pertinent Selected Service Provider, on terms and conditions acceptable to the Bank, which shall include, *inter alia*, the obligation of: (a) the Participating Entity to, upon the satisfactory completion of the investment (in accordance with the criteria set forth in the Operational Manual), transfer said investment to the Selected Service Provider for its operation and maintenance; and (b) the Selected Service Provider to operate and maintain said investment in accordance with the criteria set forth in the Operational Manual and in a manner acceptable to the Bank; and (ii) an agreement with the pertinent Selected Land Authority (the Land Regularization Agreement), under terms and conditions...
acceptable to the Bank and detailed in the Operational Manual, which shall include, *inter alia*, the obligation of the respective Selected Land Authority to assist the Borrower, through SVH, in the carrying out of Part 2 of the Project.

(E) to exercise its rights and carry out its obligations under the pertinent Operation and Maintenance Agreement and each Land Regularization Agreement in such a manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except the Bank shall otherwise agree, the Participating Entity shall not assign, amend, terminate, abrogate, waive or fail to enforce the Operation and Maintenance Agreement or the Land Regularization Agreement or any provision thereof.

(F) to ensure that the pertinent Subproject is implemented in accordance with the terms of this Agreement and the Operational Manual, and comply with: (i) the provisions of the Environmental and Social Management Framework (ESMF), the Resettlement Policy Framework (RPF) and the Indigenous Peoples Planning Framework (IPPF), as applicable, in accordance with their terms and those of this Agreement and the Operational Manual;

(G) to ensure that the pertinent Sub-project is implemented in accordance with the provisions of the Anti-Corruption Guidelines;

(H) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Framework Agreement or any provision thereof unless previously agreed by the Bank;

(I) if applicable, to comply, or caused to be complied, with the obligations referred to in Sections 5.04, 5.05, 5.06, 5.07 and 5.10 of the General Conditions (relating to insurance, land acquisition, use of goods, works and services, and maintenance of facilities, plans, documents and records, cooperation and consultation and visits, respectively) in respect of the pertinent Subproject; and

(J) to take or permit to be taken all action to enable the Borrower, through SVH, to comply with its obligations referred to in this Agreement, as applicable to the carrying out of the pertinent Subproject.

2. The Borrower, through SVH, shall exercise its rights and carry out its obligations under each Framework Agreement, in such a manner as to protect the interest of the Borrower and the Bank and to accomplish the purposes of the Loan. Except the Bank shall otherwise
agree, the Borrower, through SVH, shall not assign, amend, terminate, abrogate, waive or fail to enforce any Framework Agreement, or any provision thereof.

C. Operational Manual

1. Without limitation to the provisions of Section 3.01 of this Agreement, the Borrower, through SVH, shall carry out, and cause each Participating Entity to carry out, the Project in accordance with the provisions of a manual (the Operational Manual), acceptable to the Bank, which shall include, inter alia: (a) the procedures for the carrying out, monitoring and evaluation of the Project; (b) the organizational structure of the Project, including the functions and responsibilities of the PIU; (c) the Project procurement and financial management requirements and procedures; (d) the Project’s chart of accounts and internal controls; (e) the Negative List; (f) the indicators to be used for Project monitoring and evaluation; (g) the eligibility criteria and the detailed procedure for the selection of Sub-projects; and (h) the procedure and requirements for Subproject design and implementation.

2. Except as the Bank shall otherwise agree, the Borrower, through SVH, shall not amend, terminate or waive the Operational Manual or any of its provisions. In case of any conflict among the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

D. Anti-Corruption

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

E. Safeguards

1. The Borrower, through SVH, shall, and shall cause each Participating Entity, to implement the parts of the Project under their responsibility in accordance with the Environmental and Social Management Framework (ESMF), the Resettlement Policy Framework (RPF) and the Indigenous Peoples Planning Framework (IPPF).

2. Upon the definition of detailed technical designs in respect of each investment (involving works) under any given Subproject (including, if applicable, the definition of detailed technical designs for the construction of houses in the event that, as part of Resettlement compensation under any given Subproject, it is determined by the Borrower that construction of houses will be required, as provided for in Part 2 (e) (ii) of the Project), and prior to the carrying out of each said works, the Borrower, through SVH, shall or shall cause each Participating Entity to: (a) carry out and/or cause to be carried out an environmental/social assessment of the pertinent works, and based on the results of said assessment as determined by the Bank, approve and/or cause to be approved an environmental/social management plan, acceptable to the Bank, for each said works (which plan shall be based on the results of the environmental/social assessment mentioned herein, and the Bank’s comments on the results of said assessment, if any), all in accordance with
the provisions of the Environmental and Social Management Framework; and (b) immediately after said approval, implement and/or cause to be implemented (as the case may be) the corresponding environmental/social management plan in accordance with its terms, and in a manner acceptable to the Bank.

3. Without limitation to paragraph 2 of this Section, and upon the definition of detailed technical designs and precise siting alignments in respect of each investment (involving works) under any given Subproject (including, if applicable, the definition of detailed technical designs and precise siting alignments in respect of the construction of houses in the event that, as part of Resettlement compensation under any given Subproject, it is determined by the Borrower that construction of houses will be required, as provided for in Part 2 (e) (ii) of the Project), if it is determined by the Bank that Resettlement will be involved, the Borrower shall, or shall cause the Participating Entity to, prior to the carrying out of each said works: (a) prepare and furnish to the Bank, a resettlement plan, acceptable to the Bank (which plan shall be consistent with the pertinent provisions of the Resettlement Policy Framework); and (b) immediately thereafter, implement said resettlement plan in accordance with its terms and in a manner acceptable to the Bank.

4. With respect to the carrying out of any given activity under Part 2 of the Project (including, the construction of houses in the event that, as part of Resettlement compensation under any given Subproject, it is determined by the Borrower that construction of houses will be required, as provided for in Part 2 (e) (ii) of the Project), and when so determined by the Bank as set forth in the IPPF, the Borrower, through SVH, shall, or shall cause the Participating Entity to, prior to the carrying out of any said activities and/or works (as the case may be): (a) prepare and/or cause to be prepared and furnish to the Bank, an indigenous peoples’ plan, acceptable to the Bank (which plan shall be consistent with the pertinent provisions of the IPPF); and (b) thereafter, adopt and implement (and/or cause to be adopted and implemented) said indigenous peoples’ plan in accordance with its terms and in a manner acceptable to the Bank.

5. The Borrower, through SVH, shall ensure that the terms of reference for any consultancies related to the technical assistance provided under Part 3 of the Project, shall be acceptable to the Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirement of the Bank’s Safeguard Policies then in force, as applied to the advice conveyed through such technical assistance.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower 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 acceptable to the Bank and set forth in the Operational Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.
B. Financial Management, Financial Reports and Audits

1. The Borrower, through the PIU, shall maintain or cause to be maintained 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 the PIU, shall prepare and furnish to the Bank not later than forty-five (45) after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.

3. The Borrower, though the PIU, 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

All goods, works, non-consulting services and 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 the Procurement Regulations and the provisions of the Procurement Plan.

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 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.
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Upfront Subsidies under Part 1 of the Project</td>
<td>45,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) (a) Goods, works, non-consulting services, Training, Operating Costs under Subprojects, including works under Part 2 (c)(ii) of the Project; and (b) land acquisition and compensation related to the implementation of the Resettlement Policy Framework for Part 2 of the Project, as provided in paragraph B.2 of this Section</td>
<td>145,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, non-consulting services, training, Operating Costs for Parts 3 and 4 of the Project</td>
<td>9,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Front-end Fee</td>
<td>500,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(5) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 2.08(c) of this Agreement</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>200,000,000</td>
<td></td>
</tr>
</tbody>
</table>

**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 Signature Date, except that withdrawals up to an aggregate amount not to exceed USD 40,000,000 may be made for payments made prior to the Signature Date, but on or after January 23, 2017 (but in no case more than one year prior to the Signature Date), for Eligible Expenditures, provided that the pertinent obligations/conditions set forth in this Agreement, as applicable to each Eligible Expenditure have been complied with in a manner acceptable to the Bank.

2. Without limitation to the provisions of Section 2.08 of the General Conditions, and upon written request from the Borrower to the Bank to finance with a portion of the proceeds of
the Loan the Eligible Expenditures under Category (2) (b), the Bank may reallocate from Category (2) (a) to Category (2) (b) an amount of the Loan not to exceed $5,000,000.

3. The Closing Date is August 31, 2022.
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.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each May 15 and November 15 Beginning May 15, 2024 through November 15, 2048</td>
<td>1.96%</td>
</tr>
<tr>
<td>On May 15, 2049</td>
<td>2.00%</td>
</tr>
</tbody>
</table>

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.
APPENDIX

Section I. Definitions


3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

4. “Eligible Households” means any household that may benefit by an Upfront Subsidy.

5. “Environmental and Social Management Framework” or “ESMF” means the Borrower’s framework, dated December 2016, acceptable to the Bank, disclosed on the Borrower’s website on January 12, 2017, and in the Bank’s website January 12, 2017, which sets forth, inter alia: (a) the guidelines for carrying out the environmental/social assessments under Part 2 of the Project and preparation and implementation of pertinent environmental management plans; (b) the generic description of the type of environmental/social impacts which may affect the activities under Part 2 of the Project and the actions to mitigate any negative impacts that may occur as a result of their implementation; (c) the guidelines to be followed in connection with the finding of cultural property; (d) the guidelines to be followed to prevent natural habitat conversion or degradation; (e) the guidelines to be followed for pest management; (f) the guidelines for public consultation; (g) the procedures and technical specifications to be followed by eligible contractors in the carrying out of the works under Part 2 of the Project; and (h) the Resettlement Policy Framework, as said framework may be updated and/or amended from time to time with the agreement of the Bank.

6. “Financial Institution Agreement” means any of the agreements referred to in Section I.A.3 (b) of Schedule 2 to this Agreement.

7. “Framework Agreement” means any of the agreements referred to in Section I.B.1 (a) of Schedule 2 to this Agreement.

8. “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.

for the preparation and implementation of indigenous peoples plans in respect of Sub-projects, as the same may be amended and supplemented from time to time, with the agreement of the Bank.

10. “Land Regularization Agreement” means any of the agreements referred to in Section I.B.1(a)(iii)(D)(ii) of Schedule 2 to this Agreement.

11. “Municipality” means the Borrower’s Autonomous City of Buenos Aires or any political subdivision of any Province.

12. “NFSA” means Nación Fideicomisos S.A., PROCREAR’s financial agent, or any other successor thereto acceptable to the Bank.

13. “National Habitat Plan” means Plan Nacional de Hábitat, SSHDH’s plan, which details the Borrower’s public policy to provide integrated sustainable habitat solutions to vulnerable settlements.

14. “Negative List” means collectively the activities excluded for financing under the Project, which are detailed in the Operational Manual.

15. “Operating Costs” means reasonable recurrent expenditures (other than consulting services), that would not have been incurred by the Borrower, through SVH and/or any Participating Entity, absent the Project, for transportation and per-diem costs of the Borrower’s staff and the Participating Entity’s staff, Project administration costs (including office rent), office utilities, operation and maintenance of equipment and non-durable goods.

16. “Operation and Maintenance Agreement” means the agreement referred to in Section I.B.1(a)(iii)(D)(i) of Schedule 2 to this Agreement.

17. “Operational Manual” means the Borrower’s manual, acceptable to the Bank, set forth in Section I.C.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the agreement of the Bank.

18. “Participating Entity” means the Province of Buenos Aires, the Province of Córdoba, the Province of Jujuy, the Province of Mendoza, the Province of Tucumán, and any other Province or Municipality, which, in the opinion of the Bank, meets the eligibility criteria set forth in the Operational Manual to participate in Part 2 of the Project.

19. “Participating Financial Institution” means any financial institution incorporated in accordance with the Borrower’s laws and regulations which has agreed to participate in the implementation of Part 1 of the Project, through the provision of mortgage loans to Selected Beneficiaries.

20. “Province” means any of the Borrower’s political subdivisions, as per title Two of the Borrower’s 1994 Constitution.
21. "PIU" means the unit referred to in Section I.A.1 of Schedule 2 to this Agreement, or any successor thereto acceptable to the Bank.

22. "PROCREAR" means Programa Crédito Argentino del Bicentenario, the Borrower’s trust fund for providing access to subsidized housing mortgages, which was established and operates pursuant to: (a) the Borrower’s Decree No. 902/2012, dated June 12, 2012 and published in its official gazette on June 13, 2012; (b) and the Borrower’s Decree No. 505/2016 dated March 23, 2016 and published in its official gazette on March 28, 2016.

23. "PROCREAR Agreement means the agreement referred to in Section I.A.3(a) of Schedule 2 to this Agreement.

24. "Procurement Plan" means the Borrower’s procurement plan for the Project, dated January 17, 2017 and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Bank.


26. "Resettlement" means the impact of an involuntary taking of land under Part 2 of the Project, which taking causes affected persons to have their: (i) standard of living adversely affected; or (ii) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (iii) access to productive assets adversely affected, temporarily or permanently; or (iv) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently.

27. "Resettlement Policy Framework" or "RPF" means the Borrower’s framework, dated December 2016, acceptable to the Bank (included as an annex to the ESMF), disclosed on the Borrower’s website on January 12, 2017, and in the Bank’s website on January 12, 2017, which sets forth, inter alia, the principles and objectives governing Resettlement preparation and implementation, a description of the applicable legal framework and the process for preparing and approving resettlement plans under Section I.E.3 of Schedule 2 to this Agreement.

28. "SCPP" means Línea Solución Casa Propia, the Borrower’s Housing Solution Program, a trust fund established by PROCREAR pursuant to SCPP Regulations.


30. "Selected Beneficiary" means an individual who meets the criteria set forth in the Operational Manual to receive an Upfront Subsidy.

31. "Selected Land Authority" means the provincial entity in charge of land regularization within the jurisdiction of each Participating Entity.
“Selected Precarious Urban Settlement” means any settlement area located in a Participating Entity which meets the eligibility criteria set forth in the Operational Manual.

“Selected Service Provider” means a public or private provider of water supply and sanitation services, gas and/or electricity services, operating within the territorial jurisdiction of any Participating Entity, all of which meet the criteria set forth in the Operational Manual (as defined below) for operating and maintaining the infrastructure referred to in Part 2 of the Project.

“Signature Date” means the latest of the two dates on which the Borrower and the Bank signed the Loan Agreement.

“Sub-grant” means a grant made out of the proceeds of the Loan by the Borrower to a Participating Entity for the carrying out of a Sub-project.

“Sub-project” means any investment or activity to be carried out under Parts 2 (a) through (d) of the Project.

“SSHDH” means Subsecretaria de Habitat y Desarrollo Humano, the Under Secretariat of Habitat and Human Development within SVH.

“SVH” means Secretaria de Vivienda y Habitat, the Secretariat of Housing within the Borrower’s Ministry of Interior, Public Works and Housing.

“Training” means expenditures (other than those for consulting services) incurred by the Borrower, through SVH, as approved by the Bank on the basis of an annual budget acceptable to the Bank in connection with the carrying out of training activities, including reasonable transportation costs and per-diem of trainees and trainers (if applicable), training registration fees, and rental of training or workshop facilities and equipment under the Project.

“Upfront Subsidy” means a grant made out of the proceeds of the Loan by the Borrower to a Selected Beneficiary to partially finance the purchase of a house.

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 and a new paragraph 88 with the following definition of “Commitment Charge” and “Signature Date”, respectively, 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).”

“88. Signature Date” means the latest of the two dates on which the Borrower and the Bank signed the Loan Agreement.”

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 Unwithdrawn 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”.
8. Any reference to "the date of the Loan Agreement" shall be modified with the term "Signature Date".