Re: Argentina: Loan No. 8317-AR (Additional Financing for the Basic Protection Project) 
Amendments to the Loan Agreement and Extension of Closing Date 

Excellency: 

We refer to the Loan Agreement countersigned on August 4, 2011 entered into between the Argentine Republic (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”) (the “Loan Agreement”) for the above-mentioned Project. We also refer to the letter dated March 31, 2014, from the “Dirección Nacional de Proyectos con Organismos Internacionales de Crédito” under the Ministry of Economy and Public Finance, requesting the Bank: (i) to make certain amendments to the Loan Agreement due to changes on the scope of activities; (ii) to reallocate funds among categories of expenditures; and (ii) to extend the Closing Date of the above-mentioned Loan. Capitalized terms used in this letter (Amendment Letter) and not defined herein have the meaning ascribed to them in the Loan Agreement.

We are pleased to inform you that, after due consideration, the Bank has agreed to amend the Loan Agreement as follows:

**Article 3.01 of the Loan Agreement is hereby amended to read as follows:**

“3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall carry out, under the overall coordination of DNPOIC:

(a) Part 1, Part 3.A, 3.B and 3.D of the Project through the Ministry of Labor; and

(b) Part 2 of the Project through ANSES,

all in accordance with the provisions of Article V of the General Conditions.”
A new sub-component 3.D is introduced under the section of “Project Description”, and therefore, “Part 3: Technical Assistance” under Schedule 1 to the Loan Agreement is hereby amended to read as follows:

“Part 3: Technical Assistance

A. Design, implementation and analysis of the Second National Social Security and Social Protection Survey, as well as carrying out of studies on social protection policies.

B. Establishment of an alternate data center (including minor refurbishing works) to ensure an efficient and safe management of SCE Beneficiaries’ information.

C. Design and implementation of a registration process (including planning, dissemination and field work activities), aiming at identifying and enrolling potential beneficiaries into the AF Program.

D. Design and operation of mobile employment offices and training facilities to assist beneficiaries in small/distant areas, where the potential demand does not justify the installation of permanent employment offices.”

The introductory part and letter (c) of Paragraph 3 under Section I. A. of Schedule 2 to the Loan Agreement shall be amended to read as follows:

“3. Without limitation to the provisions of Article V of the General Conditions, the Borrower shall, through the Ministry of Labor (in respect of Parts 1, 3.A, 3.B, and 3.D of the Project) and ANSES (in respect of Parts 2 and 3.C of the Project), carry out the Project in accordance with an Operational Manual, satisfactory to the Bank, containing, inter alia: (...)

(c) the procedures for the procurement of goods, works, Non-Consultant Services, Consultants’ Services, under Part 3 of the Project, as well as for financial management and audits of the Project (including the audit provisions referred to in Sections II.B.3 and II.C.1 (a) of Schedule 2 to this Agreement);”

The table in paragraph 2 under Section IV.A of Schedule 2 to the Loan Agreement is amended to read as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in Dollars)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) SCE Grants and AF Grants</td>
<td>135,000,000</td>
<td>100% of the amount of the Grants (subject to paragraph B.1(b) below)</td>
</tr>
<tr>
<td>(2) SCE Grants and AF Grants</td>
<td>112,500,000</td>
<td>100% of the amount of the Grants (subject to paragraph B.1(c) below)</td>
</tr>
<tr>
<td>(3) SCE Grants and AF Grants</td>
<td>112,600,000</td>
<td>100% of the amount of the Grants (subject to paragraph B.1(d) below)</td>
</tr>
<tr>
<td>(4) SCE Grants and AF Grants</td>
<td>96,000,000</td>
<td>100% of the amount of the Grants (subject to paragraph B.1(e) below)</td>
</tr>
</tbody>
</table>
### Table

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in Dollars)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(5) Goods, works, Non-Consultants' services and Operating Costs, for Part 3 of the Project, excluding costs under Part 3.C of the Project.</td>
<td>17,700,000</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Front-end Fee</td>
<td>1,200,000</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>(7) Premia for Interest Rate Caps and Interest Rate Collars</td>
<td>0</td>
<td>Amount due under Section 2.07 (c) of this Agreement</td>
</tr>
<tr>
<td>(8) Fees</td>
<td>5,000,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>480,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

Paragraph 3 under Section IV.A of Schedule 2 to the Loan Agreement is amended to read as follows:

"3. For purposes of this Schedule:

(a) the term "Operating Costs" means the reasonable cost of recurrent expenditures for the implementation of Part 3 of the Project (excluding salaries) such as lodging, *per diem*, transportation costs and data-collection costs, which would not have been incurred absent the Project.

(b) the term "Fees" means the fees paid in the fixed amounts specified in the Operational Manual for on the job and classroom training under Part 3.D of the Project, excluding any profit related to said training."

Paragraph 4 under Section IV.B of Schedule 2 to the Loan Agreement is amended to read as follows:

"The Closing Date is June 30, 2016."

Please confirm your agreement to the foregoing amendment by signing and dating this Amendment Letter in the spaces provided below. This Amendment Letter will be executed in two counterparts, each of which shall be an original and one of which shall be returned to us. The provisions of this Amendment Letter will become effective as of the date of your countersignature, upon receipt by the Bank of one fully executed original of this Amendment Letter."
Please also note that the restructuring paper as approved by the Bank on August 22, 2014, will be disclosed on the Bank’s external website.

Sincerely yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By Jesko Hentschel
Director
Argentina, Paraguay and Uruguay
Latin America and the Caribbean Region

CONFIRMED:
REPUBLIC OF ARGENTINA

By: [Signature]
Authorized Representative

Name: [Name]
Title: [Title]
Date: 16 DIC 2014

ACUERDO MEyFP N° 106/14