CONFORMED COPY

April 11, 2011

His Excellency
Mr. Amado Boudou
Minister of Economy and Public Finance
Ministry of Economy and Public Finance
Hipólito Yrigoyen 250
Buenos Aires, Argentina

Re: IBRD Loan 7991-AR (Norte Grande Road Infrastructure Project)
Additional Instructions: Disbursement

Excellency:

I refer to the Loan Agreement between the Argentine Republic (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”) for the above-referenced project, dated as of the Signature Date. The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 7991-AR (“Loan”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

The attached World Bank Disbursement Guidelines for Projects, dated May 1, 2006, ("Disbursement Guidelines") (Attachment 1), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Loan is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Loan:

- Reimbursement
- Advance
- Direct Payment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four months after the Closing Date specified in the Loan Agreement. Any changes to this date will be notified by the Bank.
II. Withdrawal of Loan Proceeds

(i) Authorized Signatures (subsection 3.1). An authorized signatory letter in the Form attached (Attachment 2) should be furnished to the Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank  
Torre Bouchar d  
Bouchar d 547  
Buenos Aires, Argentina  
Attention: Penelope J. Brook, Country Director, Country Management Unit, Argentina, Paraguay and Uruguay.

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed applications for withdrawal, together with supporting documents, to the address indicated below:

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

(iii) Electronic Delivery (subsection 3.4) The Bank may permit the Borrower to electronically deliver to the Bank Applications (with supporting documents) through the Bank’s Client Connection, web-based portal. The option to deliver Applications to the Bank by electronic means may be effected if: (a) the Borrower has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification devices (“Tokens”) from the Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Borrower have registered as users of Client Connection. If the Bank agrees, the Bank will provide the Borrower with Tokens for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (https://clientconnection.worldbank.org). The Borrower may continue to exercise the option of preparing and delivering Applications in paper form. The Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower.

(iv) Terms and Conditions of Use of Tokens to Process Applications. By designating officials to accept Tokens and by choosing to deliver the Applications electronically, the Borrower confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of Tokens”) provided in Attachment 5; and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and to cause such official to abide by those terms and conditions.
(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications is USD $ 3,000,000.

(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated.
- **Currency of Designated Account (subsection 5.4):** United States Dollars.
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Banco de la Nación Argentina.
- **Ceiling (subsection 6.1):** USD $ 40,000,000.

III. Reporting on Use of Loan Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each application for withdrawal as set out below:

- **For requests for Reimbursement:**
  - Records evidencing eligible expenditures (Attachment 3A, with supporting documents e.g., copies of receipts, supplier invoices) for payments for: (i) Goods against contracts valued at USD $ 50,000 equivalent or more; (ii) Works against contracts valued at USD $ 250,000 equivalent or more; (iii) Consulting Firms against contracts at USD $ 100,000 equivalent or more; and (iv) Individual Consultants against contracts valued at USD $ 50,000 equivalent or more; Non-Consultants Services against contracts valued at USD $ 50,000 equivalent or more;
  - Statement of Expenditure in the form attached (Attachment 3B, without supporting documentation) for all other expenditures/contracts, including Training; and
  - List of payments against contracts that are subject to the Bank’s prior review, in the form attached (Attachment 4).

- **For requests for Direct Payment:** records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices.

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): Quarterly.

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


If you have not already done so, the Bank recommends that you register as a user of the Client Connection website (http://clientconnection.worldbank.org). From this website you will be able to download Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, please contact the Bank by email at <clientconnection@worldbank.org>.

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

Yours sincerely,

By /s/ Penelope J. Brook
Country Director
Country Management Unit
Argentina, Paraguay and Uruguay

Attachments
1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Form for Authorized Signatures
3. Attachment 3A: "Statement of Expenditure - With supporting documents" - above SOE thresholds; and
   Attachment 3B: "Statement of Expenditure - Without supporting documents" - below SOE thresholds.
4. Form of Payments Against Contracts Subject to the Bank’s Prior Review
5. Terms and Conditions of Use of Tokens

Prepared by Victor Ordonez, CTRFC

Cleared with and cc: Alejandro Alcala, LEGLA
Veronica Raffo, Task Team Leader, LCSTR

Cc with copies: Coordinating Unit for Programs and Projects with External Financing (UCPyPFE)
Ministry of Federal Planning, Public Investment and Services
Hipolito Yrigoyen 250, piso 12, of. 1201
Buenos Aires, Argentina

Contact Person: Pablo Abal Medina
E-mail: pmabal@minplan.gov.ar
grbarcos@yahoo.com.ar