December 21, 2017

His Excellency
Jorge Roberto Hernán Lacunza
Minister of Economy
Ministry of Economy, Province of Buenos Aires
Calle 8 entre 45 y 46
B1900TGR, La Plata
Province of Buenos Aires
Argentine Republic

Re: IBRD Loan 8707-AR Metropolitan Buenos Aires Urban Transformation Project – Province of Buenos Aires
Additional Instructions: Disbursement Letter

Excellency:

I refer to the Loan Agreement (the “Agreement”) between the Province of Buenos Aires (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”) (for the above-referenced project, dated December 21, 2017. The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 8707-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 for Part 1 (Habitat improvement of disadvantaged neighborhoods in Greater Buenos Aires), and Part 2 (Project management and monitoring (PBA)) under the PBA Loan:

- Reimbursement,
- Advance, and
• Direct Payment.

(ii) **Disbursement Deadline Date (subsection 3.7).** The Disbursement Deadline Date is four months after the Closing Date specified in Section IV.B.3 of Schedule 2 to the Loan Agreement. Any changes to this date will be notified by the Bank.

(iii) **Disbursement Conditions (subsection 3.8).** Please refer to the Disbursement Conditions set for in Section IV.B.1 of Schedule 2 to the Loan Agreement.

II. Withdrawal of Loan Proceeds

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

The World Bank  
Torre Bouchard  
Bouchard 547,  
Buenos Aires, Argentina  
Attention: Jesko S. Hentschel, Country Director  
Latin America and the Caribbean Region

(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  
SCN, Quadra 02, Lote A  
Edificio Corporate Finance Center  
7ª andar  
70712-900 Brasilia, D.F.  
Brazil  
Attention: Monica Tambucho, Sr. Finance Officer, Loan Operations

(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 credentials (“SIDC”) 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 SIDC 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 S IDC to Process Applications. By designating officials to use S IDC 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 Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation ("Terms and Conditions of Use of Secure Identification Credentials") provided in Attachment 3; and (b) to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications for direct payments is United States Dollars (USD) 1,200,000 equivalent.

(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated
- **Currency of Designated Account (subsection 5.4):** USD
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Banco de la Provincia de Buenos Aires
- **Ceiling (subsection 6.1):** USD 6,000,000

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 and Reporting Eligible Expenditures Paid from the Designated Account:**
  - Statement of Expenditures in the form attached (Attachments 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): The minimum frequency is quarterly.

(iii) Other Supporting Documentation Instructions: For the financing of expenditures from Disbursement Category 1 b) of the Loan Agreement, the project will provide the following supporting documentation as part of the Statements of Expenditure:

   (i) Land acquisition: the public deed (escritura pública) or any other acceptable supporting documentation that provides evidence of the price paid and transfer of property/land.
(ii) Compensation related to implementation of a Resettlement Plan approved by the Bank for Part 1 of the Project; evidence, satisfactory to the Bank, of payments made to eligible beneficiaries, under the said Resettlement Plan.

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 prepare and deliver Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information. All Borrower officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be effected. For more information about the website and registration arrangements, please contact the Bank by email at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact the World Bank Loan Department by sending an email to Jose Janeiro, Sr. Finance Officer at jjaneiro@worldbank.org indicating the project and loan number in the subject line.

Yours sincerely,

[Signature]

Jesko S. Hentschel
Country Director
Argentina, Paraguay and Uruguay
Latin America and the Caribbean Region
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<th>Description</th>
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<td>1</td>
<td>World Bank Disbursement Guidelines for Projects, dated May 1, 2006</td>
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<tr>
<td>2</td>
<td>Form for Authorized Signatory Letter</td>
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<td>3</td>
<td>Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation, dated March 1, 2013</td>
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<tr>
<td>4</td>
<td>Statement of Expenditure</td>
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