Loan Agreement

(First Inclusive Growth Programmatic Development Policy Loan)

between

ARGENTINE REPUBLIC

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between ARGENTINE REPUBLIC ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Bank has decided to provide this financing on the basis, inter alia, of: (i) the actions which the Borrower has already taken under the Program and which are described in Section 1.A of Schedule 1 to this Agreement; and (ii) the Borrower's maintenance of an adequate macroeconomic policy framework. The Borrower and the Bank therefore hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form 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 the amount of five hundred million United States Dollars ($500,000,000), as such amount may be converted from time to time through a Currency Conversion ("Loan").

2.02. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.

2.03. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.04. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02 (e) of the General Conditions.

2.05. The Payment Dates are June 1 and December 1 in each year.

2.06. The principal amount of the Loan shall be repaid in accordance with Schedule 2 to this Agreement.

2.07. Without limitation upon the provisions of Section 5.05 of the General Conditions, the Borrower shall promptly furnish to the Bank such information relating to the provisions of this Article II as the Bank may, from time to time, reasonably request.

ARTICLE III — PROGRAM

3.01. The Borrower declares its commitment to the Program and its implementation. To this end, and further to Section 5.05 of the General Conditions:
(a) the Borrower and the Bank shall from time to time, at the request of either party, exchange views on the Borrower's macroeconomic policy framework and the progress achieved in carrying out the Program;

(b) without limitation upon paragraph (a) of this Section, the Borrower shall promptly inform the Bank of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I of Schedule I to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Event of Suspension consists of the following, namely, that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely, that the Bank is satisfied with the progress achieved by the Borrower in carrying out the Program and with the adequacy of the Borrower's macroeconomic policy framework.

5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower's Representative is its Minister of Treasury, except for the purposes of Article II of the General Conditions, the Borrower's Representative is its Minister of Treasury or the Undersecretary of International Financial Relations.

6.02. For purposes of Section 10.01 of the General Conditions: (a) the Borrower's address is:

       Ministry of Treasury
       Hipólito Yrigoyen 250
       C1086AAB
       Buenos Aires, Argentina; and

       (b) the Borrower's Electronic Address is:

       E-mail:
       secpriv@mecon.gob.ar

6.03. For purposes of Section 10.01 of the General Conditions: (a) the Bank's address is:

       International Bank for Reconstruction and Development
       1818 H Street, N.W.
       Washington, D.C. 20433
       United States of America; and
(b) the Bank’s Electronic Address is:

Telex: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391
E-mail: jhentschel@worldbank.org

AGREED as of the Signature Date.

ARGENTINE REPUBLIC

By

Authorized Representative

Name: NICOLAS BJOUNG
Title: MINISTRO DE HACIENDA
Date: 17.12.2018

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: JESUS H. HENTSCHEL
Title: DIRECTOR
Date: 14.12.2018
SCHEDULE 1

Program Actions: Availability of Loan Proceeds

Section I. Actions Under the Program

A. Actions Taken Under the Program. The actions taken by the Borrower under the Program include the following:

1. The Borrower has enacted a new competition law to strengthen the legal framework for competition, as evidenced by Law No. 27,442, dated May 9, 2018, published in the Official Gazette No. 33,870 of May 15, 2018.

2. The Borrower has issued measures to reduce tariff and non-tariff import barriers for intermediate and capital goods, as evidenced by: (a) the Borrower's Secretary of Commerce's Resolution No. 170/2018, dated March 27, 2018, published in the Official Gazette No. 33,841 of March 28, 2018; and (b) the Borrower's National Executive's Decree No. 117/2017, dated February 17, 2017, published in the Official Gazette No. 33,570 of February 20, 2017.


4. The Borrower has enacted a productive financing law that reforms the legal framework for capital markets and financing instruments in the enterprise sector to promote private investment, as evidenced by Law No. 27,440, dated May 9, 2018, published in the Official Gazette No. 33,868 of May 11, 2018.

5. The Borrower has enacted a corporate criminal liability law strengthening the anti-corruption framework and bringing the Borrower in line with international standards, as evidenced by Law No. 27,401, dated November 8, 2017, published in the Official Gazette No. 33,763 of December 1, 2017.

7. The Borrower has enacted legislation to enhance fiscal responsibility at the provincial level and improve equity in intergovernmental transfers, as evidenced by: Laws No. 27,428 and 27,429, both dated December 21, 2017, and published in the Official Gazette No. 33,782 of January 2, 2018.

8. The Borrower has introduced a single window system at ANSES, to simplify and facilitate access to social benefits, social tariffs, health insurance, and other social programs, as evidenced by the Borrower’s National Executive Decree No. 339/2018, dated April 19, 2018 and published in the Official Gazette No. 33,855 of April 20, 2018.

9. The Borrower has signed a separate framework agreement with fifteen (15) provinces to implement universal health coverage, as evidenced by the agreements signed by the Borrower, through its Minister of Health, with each of the following provinces in June of 2018: (a) Corrientes; (b) Jujuy; (c) La Pampa; (d) La Rioja; (e) Mendoza; (f) Misiones; (g) Salta; (h) San Juan; (i) Santiago del Estero; (j) Tierra del Fuego; (k) Tucumán; (l) Catamarca; (m) Chaco; (n) Córdoba; and (o) Entre Ríos.

Section II. Availability of Loan Proceeds

A. General. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of this Section and such additional instructions as the Bank may specify by notice to the Borrower.

B. Allocation of Loan Amounts. The Loan (except for amounts required to pay the Front-end Fee) is allocated in a single withdrawal tranche, from which the Borrower may make withdrawals of the Loan proceeds. The allocation of the amounts of the Loan to this end is set out in the table below:

<table>
<thead>
<tr>
<th>Allocations</th>
<th>Amount of the Loan (expressed in Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Single Withdrawal Tranche</td>
<td>498,750,000</td>
</tr>
<tr>
<td>(2) Front-end Fee</td>
<td>1,250,000</td>
</tr>
<tr>
<td>(3) Amount due pursuant to Section 4.05 (c) of the General Conditions</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>500,000,000</strong></td>
</tr>
</tbody>
</table>

C. Withdrawal Tranche Release Conditions.

1. No withdrawal shall be made of the Single Withdrawal Tranche unless the Bank is satisfied: (a) with the Program being carried out by the Borrower; and (b) with the adequacy of the Borrower’s macroeconomic policy framework.
D. Deposit of Loan Amounts.

1. The Borrower, within thirty (30) days after the withdrawal of the Loan from the Loan Account, shall report to the Bank: (a) the exact sum received into the account referred to in Section 2.03 (a) of the General Conditions; (b) the details of the account to which the Argentine Pesos (ARS) equivalent of the Loan proceeds will be credited; (c) the record that an equivalent amount has been accounted for in the Borrower’s budget management systems; and (d) the statement of receipts and disbursement of the account referred to in Section 2.03 (a) of the General Conditions.

E. Audit. The Borrower shall:

1. have the account referred to in Section 2.03 (a) of the General Conditions audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank;

2. furnish to the Bank as soon as available, but in any case, not later than six (6) months after the end of the Borrower’s fiscal year, a certified copy of the report of such audit, of such scope and in such detail as the Bank shall reasonably request, and make such report publicly available in a timely fashion and in a manner acceptable to the Bank; and

3. furnish to the Bank such other information concerning the account referred to in Section 2.03 (a) of the General Conditions and their audit as the Bank shall reasonably request.

F. Closing Date. The Closing Date is January 31, 2020.
SCHEDULE 2

Commitment-Linked Amortization Repayment Schedule

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").

Level Principal Repayments

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each June 1 and December 1</td>
<td></td>
</tr>
<tr>
<td>Beginning June 1, 2026</td>
<td>2%</td>
</tr>
<tr>
<td>through December 1, 2050</td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX

Section I. Definitions

1. "ANSES" means Administración Nacional de la Seguridad Social, the Borrower’s social security administration, established pursuant to the Borrower’s Decree No. 2741/1991, as said Decree has been amended to the date of this Agreement, as a decentralized agency of the Borrower’s Ministry of Labor.


4. “Program” means: the program of objectives, policies, and actions set forth or referred to in the letter dated August 13, 2018 from the Borrower to the Bank declaring the Borrower’s commitment to the execution of the Program, and requesting assistance from the Bank in support of the Program during its execution and comprising actions taken, including those set forth in Section I of Schedule I to this Agreement, and actions to be taken consistent with the program’s objectives.

5. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.

6. “Single Withdrawal Tranche” means the amount of the Loan allocated to the category entitled “Single Withdrawal Tranche” in the table set forth in Part B of Section II of Schedule I to this Agreement.