Loan Agreement

(Additional Financing for the Unleashing Productive Innovation Project)

between

ARGENTINE REPUBLIC

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
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 additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). 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 forty five million Dollars ($45,000,000), 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 1 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.

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, 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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; (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 objective of the Project. To this end, the Borrower through: (a) ANPCyT, shall carry out Parts 1, 2 (b) and (c), 3, 4 (a) and 5 (f) of the Project; and (b) through MINCyT, shall carry out Parts 4 (b) and 5 (a), (b), (c) and (e) 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, through MINCyT/ANPCyT, shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

3.03. Without limitation upon the provisions of Section 3.01 of this Agreement, the Borrower, through MINCyT, shall provide the necessary assistance to ANPCyT to carry out the Project activities under its responsibility.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Condition of Effectiveness consists of the following, namely, that the Borrower has adopted the Operational Manual in a manner acceptable to the Bank.

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

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower’s Representative is the Minister of Treasury and Public Finances.

5.02. The Borrower’s Address is:

Ministry of Treasury and Public Finances
Hipólito Yrigoyen 250
C1086 AAB, Buenos Aires
Argentina

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

5.03. 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 December 24, 2016, and on behalf of the Borrower on December 28, 2016.

ARGENTINE REPUBLIC

By

Authorized Representative

ALFONSO PRAT-GAY

Ministerio de Hacienda y Finanzas Públicas

Title: _______________________________

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

JESKO HENTSCHEL

Country Director

Title: _______________________________
SCHEDULE 1

Project Description

The objective of the Project is to expand the Borrower’s capacity to generate productive innovation in knowledge-based areas by: (a) facilitating the creation of new knowledge-based companies; (b) developing specialized human capital; (c) supporting productive research innovation activities and their technology commercialization in the areas of biotechnology, nanotechnology and information and communication technology; (d) upgrading the research infrastructure in the areas of science, technology and productive innovation; and (e) strengthening the policy framework governing science, technology, and productive innovation.

The Project consists of the following parts:

Part 1: Developing Human Resources for Productive Innovation

(a) Provision of Graduate Program Grants for the establishment or strengthening of graduate programs on technology brokering and management in Eligible Institutions in Argentina (including the facilitation of Fellowships, and the provision of Scholarships to graduate students: (i) to enroll in graduate programs on technology brokering and management; and (ii) to facilitate internships to carry out practical training on technology brokering and management, all in Eligible Institutions).

(b) Carrying out of a scholarship program in accordance with the criteria set forth in the Operational Manual, which program consists of, inter alia, the provision of Scholarships to undergraduate students who are currently enrolled or will be enrolled in undergraduate information and communication technology programs, including the enrollment in any other program of similar nature acceptable to the Bank, all in Eligible Institutions.

(c) Provision of Technology Transfer Program Grants to support technology transfer activities, aiming at solving technology problems and capitalizing on local and regional socio-economic development opportunities (including the provision of Scholarships to Eligible Professionals, all in Eligible Institutions).

Part 2: Support for Knowledge-Based Companies

(a) [intentionally left blank]

(b) Provision of Knowledge-Based Grants to develop business plans, investment plans and/or technology prototypes (prototipos) of Eligible
Entities, including any other type of knowledge-based activity, as approved by the Bank, to support the development of Eligible Entities.

(c) Provision of support for the operation of Eligible Deal Flow Facilities, through the financing of a Basic Fee, and a Promoter Fee, if applicable, all in accordance with the criteria and procedures set forth in the Operational Manual.

Part 3: Sectoral Funds

Provision of Technology Grants to carry out public-private, public-public and/or private-private collaborative research and technology commercialization, and innovation activities by individual firms mainly in the areas of biotechnology, information and communications technology, and nanotechnology, through, inter alia, the carrying out of minor works (remodeling), the acquisition and utilization of equipment, the provision of Scholarships to graduate students and the facilitation of Fellowships, the provision of technical assistance (which will generate new knowledge, adapt or transfer knowledge, and/or result in the development of new products or production processes with high potential impact on Argentina’s productive sector), all in accordance with the criteria set forth in the Operational Manual.

Part 4: Upgrading of Research Infrastructure

(a) Provision of Infrastructure Grants to refurbish the infrastructure of Eligible Institutions.

(b) Construction of a knowledge center for national development in the areas of science, technology and productive innovation (including refurbishment and remodeling works, purchase and installation of equipment).

Part 5: Strengthening the Policy and Institutional Framework for Innovation and Project Management

(a) Strengthening of the policy-making, and monitoring and evaluation capacity, of MINCyT, through, inter alia: (i) the expansion of the number and reliability of science, technology and innovation indicators; (ii) the support of MINCyT’s analytical work on regional and national innovation systems, and on selected sectoral issues; (iii) the carrying out of impact evaluations of Borrower’s policies and programs concerning science, technology and innovation; and (iv) the carrying out of analytical studies and technical assessments on selected areas as approved by the Bank.

(b) Provision of support to technology transfer offices at selected universities, through, inter alia, the identification and implementation of international
best practice models for the management and commercialization of intellectual property rights.

(c) Carrying out of surveys to gather information with respect to the national and provincials innovation systems in Argentina.

(d) [intentionally left blank].

(e) Carrying out of Project dissemination activities.

(f) Strengthening of the operational capacity of ANPCyT (including the DIGFE’s capacity), through, *inter alia*: (i) the strengthening of UGSA to further upgrade its capacity to carry out its socio-environmental functions; and (ii) the provision of technical assistance to carry out the evaluations of Subproject proposals and Scholarship proposals, and to monitor and supervise the implementation of the Project, including the provision of training required therefor.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements and Other Arrangements

A. Anti-Corruption

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

B. (a) Without limitation to the provisions of Section 3.01 of this Agreement, the Borrower, through MINCyT/ANPCyT, shall carry out the Project activities under their responsibility, and cause the rest of the Project to be carried out, all in accordance with the provisions of the Operational Manual.

(b) In case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

C. (a) Upon the approval of a Scholarship under Part 1 of the Project, the Borrower, through ANPCyT, shall enter into an agreement (the Scholarship Agreement I) with the pertinent Eligible Institution, on terms and conditions acceptable to the Bank and which shall include, *inter alia*, those set forth in Schedule 4 to this Agreement.

(b) (i) The Borrower, through ANPCyT, shall exercise its rights and carry out its obligations under each Scholarship Agreement I in such manner as to protect the interests of the Borrower, through ANPCyT, and the Bank and to accomplish the purposes of the Loan; and (ii) except as the Bank shall otherwise agree, the Borrower, through ANPCyT, shall not assign, amend, abrogate, terminate, waive or fail to enforce any Scholarship Agreement I, or any provision thereof.

D. (a) Upon approval of any given Graduate Program Subproject, and for purposes of carrying out any said Graduate Program Subproject, the Borrower, through ANPCyT, shall assign or transfer, on a grant basis, a portion of the proceeds of the Loan allocated to Category (2) (the Graduate Program Grant) to the pertinent Eligible Institution under a grant agreement (the Graduate Program Grant Agreement) to be entered into between the Borrower, through ANPCyT, and said Eligible Institution under terms and conditions be acceptable to the Bank and which shall include, *inter alia*, those set forth in Schedule 6 to this Agreement.
(b) (i) The Borrower, through ANPCyT, shall exercise its rights and carry out its obligations under each Graduate Program Grant Agreement in such manner as to protect the interests of the Borrower, through ANPCyT, and the Bank and to accomplish the purposes of the Loan; and (ii) except as the Bank shall otherwise agree, the Borrower, through ANPCyT, shall not assign, amend, abrogate, terminate, waive or fail to enforce any Graduate Program Grant Agreement or any provision thereof.

(c) Upon approval of any given Technology Transfer Program Subproject and/or Scholarship, and for purposes of carrying out any said Technology Transfer Program Subproject, the Borrower, through ANPCyT, shall assign or transfer, on a grant basis, a portion of the proceeds of the Loan allocated to Category (2) (the Technology Transfer Program Grant and/or Scholarship, as the case may be) to the pertinent Eligible Institution under a grant agreement (the Technology Transfer Program Grant Agreement) to be entered into between the Borrower, through ANPCyT, and said Eligible Institution under terms and conditions acceptable to the Bank and which shall include, inter alia, those set forth in Schedule 9 to this Agreement.

(d) (i) The Borrower, through ANPCyT, shall exercise its rights and carry out its obligations under each Technology Transfer Program Grant Agreement in such manner as to protect the interests of the Borrower, through ANPCyT, and the Bank and to accomplish the purposes of the Loan; and (ii) except as the Bank shall otherwise agree, the Borrower, through ANPCyT, shall not assign, amend, abrogate, terminate, waive or fail to enforce any Technology Transfer Program Grant Agreement or any provision thereof.

E. (a) Upon approval of any given Knowledge-Based Subproject, and for purposes of carrying out any said Knowledge-Based Subproject, the Borrower, through ANPCyT, shall assign or transfer, on a grant basis, a portion of the proceeds of the Loan allocated to Category (3) (the Knowledge-Based Grant) to the pertinent Eligible Entity under a grant agreement (the Knowledge-Based Grant Agreement) to be entered into between the Borrower, through ANPCyT, and said Eligible Entity under terms and conditions acceptable to the Bank and which shall include, inter alia, those set forth in Schedule 7 to this Agreement.

(b) (i) The Borrower, through ANPCyT, shall exercise its rights and carry out its obligations under each Knowledge-Based Grant Agreement in such manner as to protect the interests of the Borrower, through ANPCyT, and the Bank and to accomplish the purposes of the Loan; and (ii) except as the Bank shall otherwise agree, the Borrower, through ANPCyT, shall not
assign, amend, abrogate, terminate, waive or fail to enforce any Knowledge-Based Grant Agreement or any provision thereof.

F. (a) Upon approval of any given Technology Subproject and/or a Scholarship, and for purposes of carrying out any said Technology Subproject, the Borrower, through ANPCyT, shall assign or transfer, on a grant basis, a portion of the proceeds of the Loan allocated to Category (4) (the Technology Grant and/or the Scholarship, as the case may be) to the pertinent Beneficiary under a grant agreement (the Technology Grant Agreement) to be entered into between the Borrower, through ANPCyT, and said Beneficiary under terms and conditions acceptable to the Bank and which shall include, inter alia, those set forth in Schedule 9 to this Agreement.

(b) (i) The Borrower, through ANPCyT, shall exercise its rights and carry out its obligations under each Technology Grant Agreement in such manner as to protect the interests of the Borrower, through ANPCyT, and the Bank and to accomplish the purposes of the Loan; and (ii) except as the Bank shall otherwise agree, the Borrower, through ANPCyT, shall not assign, amend, abrogate, terminate, waive or fail to enforce any Technology Grant Agreement or any provision thereof.

G. (a) Prior to the approval of any given Subproject, the Borrower, through ANPCyT, shall: (i) carry out, or cause to be carried out, an environmental/social screening of the relevant Subproject proposal, and based on said initial environmental/social screening, if applicable, carry out or cause to be carried out an environmental/social assessment of any said Subproject proposal; (ii) thereafter, and if determined by the same, approve an environmental/social management plan or similar environmental/social instrument, acceptable to the Bank, for each said Subproject proposal (which plan or similar environmental/social instrument shall be based on the results of the environmental/social screening and/or environmental/social assessment mentioned herein), all in accordance with the provisions of the Environmental Management Manual; and (iii) immediately after the approval of any given Subproject, implement and/or cause to be implemented (as the case may be) the corresponding environmental/social management plan (or similar environmental/social instrument) in accordance with its terms.

(b) With respect to the carrying out of any activities related to Part 4(b) of the Project, implement and/or cause to be implemented (as the case may be) the Knowledge Center EIA, all in accordance with the relevant provisions of the Operational Manual and those of this Agreement.
H. (a) The Borrower, through ANPCyT, shall: (i) operate and maintain, at all times during Project implementation, the DIGFE; and (ii) within the structure of the DIGFE, operate and maintain, at all times during Project implementation, the UGSA, all with a structure, functions and responsibilities, acceptable to the Bank, as set forth in the Operational Manual.

(b) The Borrower, through ANPCyT, shall ensure that:

(i) the DIGFE is, at all times during Project implementation, headed by a Project coordinator and assisted by professional and administrative staff; and

(ii) the UGSA is, at all times during Project implementation, headed by a coordinator and assisted by professional staff (including, inter alia, a social management specialist, and an environmental specialist) and administrative staff,

all in numbers and with terms of reference, and qualifications and experience, acceptable to the Bank.

I. The Borrower, through ANCPyT, shall, prior to the commencement of each calendar year during Project implementation, create, and thereafter maintain throughout each said calendar year of Project implementation, a specific budget line entry in the relevant annual budget in order to keep track of the corresponding expenditures incurred during Project implementation.

J. The Borrower, through ANPCyT, shall operate and maintain, at all times during Project implementation, the procurement information system, and the web page referred to in Section I.L of Schedule 2 to the Original Loan Agreement for purposes of disseminating Project information (as determined by the Bank), all acceptable to the Bank.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower, through ANPCyT, 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 the indicators 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) calendar days after the end of the period covered by such report.
2. Without limitation to the provisions of Section 5.08 (b) of the General Conditions, and as part of the Project Reports to be presented to the Bank as stipulated in Part A.1 of this Section, the Borrower, through ANPCyT, shall include: (a) a summary of the Eligible Expenditures incurred during the calendar semester covered by the pertinent Project Report and their corresponding payment (including those expenditures incurred by the Borrower, through ANPCyT, the Beneficiaries, Eligible Entities, and/or Eligible Institutions (as the case may be) during said period of time which are financed by the same with their counterpart funds) in form and substance satisfactory to the Bank; (b) the list of signed contracts for goods, works, Non-Consulting Services and consultants' services under the Project, as reflected in the Borrower's financial management system during the period covered by each said Project Report; and (c) an action plan, acceptable to the Bank, which plan shall include, inter alia, the recommended measures (including the Bank’s views, if any, and a timetable to implement the same) reflected in the pertinent Project Report.

B. Financial Management, Financial Reports and Audits

1. The Borrower, through ANPCyT, 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 ANPCyT, shall prepare and furnish to the Bank as part of the Project Report, mentioned in Section II.A.1 of this Schedule, interim unaudited financial reports for the Project covering each calendar semester, in form and substance satisfactory to the Bank.

3. The Borrower, through ANPCyT, 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

A. General

1. Goods, Works and Non-Consulting Services. All goods, works and Non-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 Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants’ Services.** All consultants’ 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 Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

4. **Special Provisions.** Without limitation to the other provisions in Section III.A of this Schedule, the following additional provisions shall also govern the procurement of goods, works, Non-Consulting Services and consultants’ services under the Project (as the case may be):

   (a) procurement of goods, works, Non-Consulting Services and consultants’ services (in respect of firms) shall be carried out using: (i) standard bidding documents and standard requests for quotations/proposals (as the case may be), all acceptable to the Bank, which shall all include, *inter alia*, a settlement of dispute provision; (ii) model bid evaluation forms, and model quotations/proposals evaluation forms (as the case may be); and (iii) model contract forms, all acceptable to the Bank;

   (b) all contracts for works to be procured in respect of Subprojects shall contain a methodology, acceptable to the Bank, whereby the price of each said contracts shall be adjusted through the use of price adjustment formulas, in a manner acceptable to the Bank;

   (c) a two-envelope bidding procedure shall not be allowed in the procurement of goods, works and Non-Consulting Services;

   (d) after the public opening of bids for goods, works and Non-Consulting Services, information relating to the examination, clarification and evaluation of bids and recommendations concerning awards, shall not be disclosed to bidders or other persons not officially concerned with this process until the publication of contract award. In addition, bidders and/or other persons not officially concerned with said process shall not be allowed to review or make copies of other bidders’ bids;

   (e) after the public opening of consultants’ proposals, information relating to the examination, clarification and evaluation of proposals and recommendations concerning awards, shall not be disclosed to consultants
or other persons not officially concerned with this process until the publication of contract award (except as provided in paragraphs 2.23 and 2.30 of the Consultant Guidelines). In addition, consultants and/or other persons not officially concerned with said process shall not be allowed to review or make copies of other consultants' proposals;

(f) bidders or consultants shall not, as a condition for submitting bids or proposals and/or for contract award: (i) be required to be registered in Argentina; (ii) have a representative in Argentina; and (iii) be associated or subcontracted with Argentine suppliers, contractors or consultants;

(g) the invitations to bid, bidding documents, minutes of bid openings, requests for expressions of interest and the pertinent summary of the evaluation reports of bids and proposals of all goods, works, Non-Consulting Services and consultants’ services procured by: (i) the Borrower, through ANPCyT, shall be published in the web page of the Borrower’s Office of National Procurement; and (ii) the Eligible Institutions, the Eligible Entities and the Beneficiaries, shall be published by the Borrower, through ANPCyT, in the web page referred to in Section I.J of this Schedule, all in a manner acceptable to the Bank. The bidding period shall be counted from the date of publication of the invitation to bid or the date of the availability of the bidding documents, whichever is later, to the date of bid opening;

(h) the provisions set forth in paragraphs 2.49, 2.50, 2.52, 2.53, 2.54 and 2.59 of the Procurement Guidelines shall also be applicable to contracts for goods, works and Non-Consulting Services to be procured under National Competitive Bidding procedures;

(i) references to bidders in one or more specialized magazines shall not be used by the Borrower, through ANPCyT, the Eligible Institutions, the Eligible Entities, and the Beneficiaries in determining if the bidder in respect of goods whose bid has been determined to be the lowest evaluated bid has the capability and resources to effectively carry out the contract as offered in the bid, as referred to in the provision set forth in paragraph 2.58 of the Procurement Guidelines. The provision set forth in paragraph 2.58 of the Procurement Guidelines (including the limitation set forth herein) shall also be applicable to contracts for goods to be procured under National Competitive Bidding procedures;

(j) witness prices shall not be used as a parameter for bid evaluation, bid rejection or contract award;
the provisions of paragraphs 2.55 and 2.56 of the Procurement Guidelines providing for domestic preference in the evaluation of bids shall apply to goods manufactured in the territory of the Borrower in respect of contracts for goods to be procured under International Competitive Bidding procedures;

consultants shall not be required to submit bid or performance securities;

contracts of goods, works and Non-Consulting Services shall not be awarded to the "most convenient" bid, but rather to the bidder whose bid has been determined: (i) to be substantially responsive; and (ii) to offer the lowest evaluated bid, provided that said bidder has demonstrated to the Borrower, through ANPCyT, the Eligible Institutions, the Eligible Entities, and/or the Beneficiaries (as the case may be), to be qualified to perform the contract satisfactorily; and

the types of contracts described in Section IV of the Consultant Guidelines shall be the only types of contracts to be used by the Borrower, through ANPCyT, the Eligible Institutions, the Eligible Entities and the Beneficiaries, in connection with the contracting of consultants' services provided by a firm and to be financed with the proceeds of the Loan.

B. Particular Methods of Procurement of Goods, Works and Non-Consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and Non-Consulting Services shall be procured under contracts awarded on the basis of International Competitive Bidding procedures.

2. Other Methods of Procurement of Goods, Works and Non-Consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and Non-Consulting Services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the provisions under Section III.A.4 of this Schedule; (b) Shopping; (c) Direct Contracting; (d) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Bank; and (e) Community Participation procedures which have been found acceptable to the Bank.
C. Particular Methods of Procurement of Consultants' Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. Other Methods of Procurement of Consultants' Services. The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Bank and as set forth in the Procurement Plan and the Operational Manual; (g) Procedures set forth in paragraphs 5.2, 5.3, 5.4 and 5.5 of the Consultant Guidelines for the Selection of Individual Consultants; and (h) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

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) Scholarships under Part 1 (b) of the Project</td>
<td>2,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, minor works, Non-Consulting Services, consultants’ services, Training and/or Operating Costs under Graduate Program Subprojects and/or Technology Transfer Program Subprojects, and Scholarships under Part 1 (a) and (c) of the Project</td>
<td>3,100,000</td>
<td>100% of the amounts disbursed under the relevant Graduate Program Grant and/or Technology Transfer Grant; and 100% in respect of Scholarships</td>
</tr>
<tr>
<td>(3) Goods, consultants’ services, Training and/or Operating Costs under Knowledge-Based Subprojects</td>
<td>10,000,000</td>
<td>100% of the amounts disbursed under the relevant Knowledge-Based Grant</td>
</tr>
<tr>
<td>(4) Goods, minor works, Non-Consulting Services, consultants’ services, Training and/or Operating Costs under Technology Subprojects, and Scholarships under Part 3 of the Project</td>
<td>25,000,000</td>
<td>100% of the amounts disbursed under the relevant Technology Grant; and 100% in respect of Scholarships</td>
</tr>
<tr>
<td>(5) Goods, Non-Consulting Services, consultants’ services, Training and/or Operating Costs under Part 5 of the Project</td>
<td>4,387,500</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Front-end Fee</td>
<td>112,500</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) 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>45,000,000</td>
<td></td>
</tr>
</tbody>
</table>
For purposes of this Section:

(a) the term "Training" means expenditures (other than those for consultants' services) to finance reasonable transportation costs and per-diem of trainees and trainers (if applicable), training registration fees, and rental of training facilities and equipment under the Project; and

(b) the term "Operating Costs" means recurrent expenditures that would not have been incurred absent the Project, for: (i) transportation and per-diem costs of the staff of the ANPCyT and MINCyT who have been assigned to assist the Borrower in the carrying out of the Project, and the staff of Eligible Entities, Eligible Institutions and/or Beneficiaries who have been assigned to assist the same in the carrying out of Project activities under their responsibility; (ii) Project administration costs (including office rent), operation and maintenance of office equipment for the ANPCyT; and (iii) non-durable goods under the Project, but excluding salaries.

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 9,000,000 may be made for payments made prior to the Signature Date but on or after September 1, 2015, for Eligible Expenditures provided that the pertinent obligations and/or conditions set forth in this Agreement, in respect of the relevant Eligible Expenditure, have been complied with or met.

2. The Closing Date is September 25, 2018.

Section V. Other Undertakings

The Borrower and the Bank hereby agree to amend the Original Loan Agreement as reflected in Schedule 11 to this Agreement.
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</td>
<td></td>
</tr>
<tr>
<td>Beginning on November 15, 2023 through May 15, 2048</td>
<td>1.96%</td>
</tr>
<tr>
<td>On November 15, 2048</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.
SCHEDULE 4

Terms and Conditions of Scholarship Agreements I

Each Scholarship Agreement shall contain, *inter alia*, the following provisions:

(a) the obligation of the Borrower, through ANPCyT, to, upon the approval of a Scholarship, promptly inform the relevant Eligible Institution of said approval in a manner acceptable to the Bank;

(b) the right of the Borrower, through ANPCyT, to take remedial actions against the pertinent Eligible Institution in case said Eligible Institution shall have failed to comply with any of its obligations under the pertinent Scholarship Agreement (which actions must be previously agreed with the Bank); and

(c) the obligation of each relevant Eligible Institution:

(i) to periodically inform the Borrower, through ANCyPT, concerning the performance of the Eligible Student (including, but not limited to attendance and grades) in a manner acceptable to the Bank;

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

(iii) to, upon approval of a Scholarship, enter into an agreement (the Student Agreement I) with the pertinent Eligible Student under terms and conditions acceptable to the Bank which shall include, *inter alia*, those set forth in Schedule 5 to this Agreement;

(iv) to exercise its rights and carry out its obligations under each Student Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan in respect of said Scholarship;

(v) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Student Agreement or any provision thereof unless previously agreed by the Bank; and
(vi) to take or permit to be taken all action to enable the Borrower, through ANPCyT, to comply with its obligations referred to in this Agreement, as applicable to the pertinent Scholarship.
SCHEDULE 5

Terms and Conditions of Students Agreements I

Each Student Agreement shall contain, inter alia, the following provisions:

(a) the obligation of the Eligible Institution to permit the Eligible Student to enroll in the pertinent program, and take all necessary actions so as to permit said Eligible Student to attend classes in its facilities and/or campus for purposes of carrying out Parts 1 and/or 3 of the Project in respect of said Eligible Student, all in a manner acceptable to the Bank;

(b) the right of the Eligible Institution to take remedial actions against the pertinent Eligible Student in case said Eligible Student shall have failed to comply with any of his/her obligations under the pertinent Student Agreement, which actions shall be previously agreed with the Bank; and

(c) the obligation of each relevant Eligible Student:

(i) to use the proceeds of the Scholarship exclusively for the intended purposes;

(ii) to comply with the pertinent provisions of the Anti-Corruption Guidelines in respect of said Scholarship;

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

(iv) to take or permit to be taken all action to enable the Borrower, through ANPCyT, to comply with its obligations referred to in this Agreement, as applicable to the pertinent Scholarship.
SCHEDULE 6

Terms and Conditions of Graduate Program Grant Agreements

Each Graduate Program Grant Agreement shall contain, inter alia, the following provisions:

(a)  the obligation of the Borrower, through ANPCyT:

(i)  to promptly assign to each relevant Eligible Institution the proceeds of the Graduate Program Grant, and if applicable, to transfer the proceeds of said Graduate Program Grant to each said Eligible Institution, as provided in the Operational Manual, all in a manner acceptable to the Bank;

(ii) to, upon request of the relevant Eligible Institution, make direct payments to contractors, suppliers and/or consultants with the proceeds of the pertinent Graduate Program Grant; and

(iii) to ensure that the relevant Graduate Program Subproject is carried out in accordance with the provisions of the Anti-Corruption Guidelines;

(b)  the right of the Borrower, through ANPCyT, to take remedial actions against the pertinent Eligible Institution in case said Eligible Institution shall have failed to comply with any of its obligations under the pertinent Graduate Program Grant Agreement (which actions may include, inter alia, the partial or total suspension and/or cancellation of the proceeds of the corresponding Graduate Program Grant (as the case may be), all as previously agreed with the Bank); and

(c)  the obligation of each relevant Eligible Institution:

(i)  to use the proceeds of the Graduate Program Grant exclusively for the financing of the corresponding Graduate Program Subproject;

(ii) to provide the funds, facilities, services and other resources, necessary or appropriate to carry out the corresponding Graduate Program Subproject;
(iii) to ensure that the pertinent Graduate Program Subproject is carried out in accordance with the provisions of the Anti-Corruption Guidelines in respect of said Graduate Program Subproject;

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

(v) if applicable, to comply, or cause 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 Graduate Program Subproject; and

(vi) to take or permit to be taken all action to enable the Borrower, through ANPCyT, to comply with its obligations referred to in this Agreement, as applicable to the carrying out of the pertinent Graduate Program Subproject.
SCHEDULE 7

Terms and Conditions of Knowledge-Based Grant Agreements

Each Knowledge-Based Grant Agreement shall contain, *inter alia*, the following provisions:

(a) the obligation of the Borrower, through ANPCyT:

(i) to promptly assign to each relevant Eligible Entity the proceeds of the Knowledge-Based Grant, and if applicable, to transfer the proceeds of said Knowledge-Based Grant to each said Eligible Entity, as provided in the Operational Manual, all in a manner acceptable to the Bank;

(ii) to, upon request of the relevant Eligible Entity, make direct payments to contractors, suppliers and/or consultants with the proceeds of the pertinent Knowledge-Based Grant; and

(iii) to ensure that the relevant Knowledge-Based Subproject is carried out in accordance with the provisions of the Anti-Corruption Guidelines;

(b) the right of the Borrower, through ANPCyT, to take remedial actions against the pertinent Eligible Entity in case said Eligible Entity shall have failed to comply with any of its obligations under the pertinent Knowledge-Based Grant Agreement (which actions may include, *inter alia*, the partial or total suspension and/or cancellation of the proceeds of the corresponding Knowledge-Based Grant (as the case may be), all as previously agreed with the Bank); and

(c) the obligation of each relevant Eligible Entity:

(i) to use the proceeds of the Knowledge-Based Grant exclusively for the financing of the corresponding Knowledge-Based Subproject;

(ii) to provide the funds, facilities, services and other resources, necessary or appropriate to carry out the corresponding Knowledge-Based Subproject;
(iii) to ensure that the pertinent Knowledge-Based Subproject is carried out in accordance with the provisions of the Anti-Corruption Guidelines in respect of said Knowledge-Based Subproject;

(iv) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Knowledge-Based Grant Agreement or any provision thereof unless previously agreed by the Bank;

(v) if applicable, to comply, or cause 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 Knowledge-Based Subproject; and

(vi) to take or permit to be taken all action to enable the Borrower, through ANPCyT, to comply with its obligations referred to in this Agreement, as applicable to the carrying out of the pertinent Knowledge-Based Subproject.
SCHEDULE 8

Terms and Conditions of Technology Grant Agreements

Each Technology Grant Agreement shall contain, *inter alia*, the following provisions:

(a) the obligation of the Borrower, through ANPCyT:

(i) to promptly assign to each relevant Beneficiary the proceeds of the Technology Grant, and if applicable, to transfer the proceeds of said Technology Grant to each said Beneficiary, or to transfer the proceeds of the Scholarship to the Eligible Student, all as provided in the Operational Manual, all in a manner acceptable to the Bank;

(ii) to, upon request of the relevant Beneficiary, make direct payments to contractors, suppliers and/or consultants with the proceeds of the pertinent Technology Grant; and

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

(b) the right of the Borrower, through ANPCyT, to take remedial actions against the pertinent Beneficiary in case said Beneficiary shall have failed to comply with any of its obligations under the pertinent Technology Grant Agreement (which actions may include, *inter alia*, the partial or total suspension and/or cancellation of the proceeds of the corresponding Technology Grant (as the case may be), all as previously agreed with the Bank); and

(c) the obligation of each relevant Beneficiary:

(i) to use the proceeds of the Technology Grant exclusively for the financing of the corresponding Technology Subproject;

(ii) to provide the funds, facilities, services and other resources, necessary or appropriate to carry out the corresponding Technology Subproject;
(iii) to ensure that the pertinent Technology Subproject is carried out in accordance with the provisions of the Anti-Corruption Guidelines in respect of said Technology Subproject;

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

(v) if applicable, to comply, or cause 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 Technology Subproject;

(vi) to, upon approval of a Scholarship under Part 3 of the Project, enter into an agreement (the Scholarship Agreement II) with the relevant Eligible Institution under terms and conditions acceptable to the Bank, which shall include, inter alia, the obligation of the Eligible Institution to enter into an agreement (the Student Agreement II) with the relevant Eligible Student under similar terms and conditions of the Student Agreements I; and

(vii) to take or permit to be taken all action to enable the Borrower, through ANPCyT, to comply with its obligations referred to in this Agreement, as applicable to the carrying out of the pertinent Technology Subproject.
SCHEDULE 9

Terms and Conditions of Technology Transfer Program Grant Agreements

Each Technology Transfer Program Grant Agreement shall contain, *inter alia*, the following provisions:

(a) the obligation of the Borrower, through ANPCyT:

(i) to promptly assign to each relevant Eligible Institution the proceeds of the Technology Transfer Program Grant, and if applicable, to transfer the proceeds of said Technology Transfer Program Grant to each said Eligible Institution, or to transfer the proceeds of the Scholarship to the Eligible Professional, all as provided in the Operational Manual, all in a manner acceptable to the Bank; and

(iii) to ensure that the relevant Technology Transfer Program Subproject is carried out in accordance with the provisions of the Anti-Corruption Guidelines;

(b) the right of the Borrower, through ANPCyT, to take remedial actions against the pertinent Eligible Institution in case said Eligible Institution shall have failed to comply with any of its obligations under the pertinent Technology Transfer Program Grant Agreement (which actions may include, *inter alia*, the partial or total suspension and/or cancellation of the proceeds of the corresponding Technology Transfer Program Grant (as the case may be), all as previously agreed with the Bank); and

(c) the obligation of each relevant Eligible Institution:

(i) to use the proceeds of the Technology Transfer Program Grant exclusively for the financing of the corresponding Technology Transfer Program Subproject;

(ii) to provide the funds, facilities, services and other resources, necessary or appropriate to carry out the corresponding Technology Transfer Program Subproject;

(iii) to ensure that the pertinent Technology Transfer Program Subproject is carried out in accordance with the provisions of the Anti-Corruption Guidelines in respect of said Technology Transfer Program Subproject;
(iv) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Technology Transfer Program Grant Agreement or any provision thereof unless previously agreed by the Bank;

(v) if applicable, to comply, or cause 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 Technology Transfer Program Subproject;

(vi) to, upon approval of a Scholarship under Part 1(c) of the Project, enter into an agreement (the Professional Agreement) with the relevant Eligible Professional under terms and conditions acceptable to the Bank which shall include, inter alia, those set forth in Schedule 10 to this Agreement; and

(vii) to take or permit to be taken all action to enable the Borrower, through ANPCyT, to comply with its obligations referred to in this Agreement, as applicable to the carrying out of the pertinent Technology Transfer Program Subproject.
SCHEDULE 10

Terms and Conditions of Professional Agreements

Each Professional Agreement shall contain, *inter alia*, the following provisions:

(a) the obligation of the Eligible Institution to permit the Eligible Professional to participate under a Technology Transfer Program Subproject, and to take all necessary actions so as to permit said Professional to participate of the activities related to the pertinent Technology Transfer Program Subproject for purposes of carrying out Parts 1(c) of the Project in respect of said Eligible Professional, all in a manner acceptable to the Bank;

(b) the right of the Eligible Institution to take remedial actions against the pertinent Eligible Professional in case said Eligible Professional shall have failed to comply with any of his/her obligations under the Professional Agreement, which actions shall be previously agreed with the Bank; and

(c) the obligation of each relevant Eligible Professional:

(i) to use the proceeds of the Scholarship exclusively for the intended purposes;

(ii) to comply with the pertinent provisions of the Anti-Corruption Guidelines in respect of said Scholarship;

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

(iv) to take or permit to be taken all action to enable the Borrower, through ANPCyT, to comply with its obligations referred to in this Agreement, as applicable to the pertinent Scholarship.
SCHEDULE 11

Amendments to the Original Loan Agreement

The Borrower and the Bank hereby agree to amend the Original Loan Agreement as follows:

1. Section 3.01 of Article III is hereby amended as set forth in Section 3.01 of Article III of this Agreement.

2. Schedule 1 is hereby amended as set forth in Schedule 1 to this Agreement.

3. Sections I.M, I.N and I.O of Schedule 2 are hereby deleted.
APPENDIX

Section I. Definitions

1. “ANPCyT” means Agencia Nacional de Promoción Científica y Tecnológica, the Borrower’s National Agency for the Promotion of Science and Technology established under the administrative jurisdiction of MINCyT (as defined below).


3. “Basic Fee” means the fee to be paid out of the proceeds of the Original Loan (as said fee is determined in accordance with a formula set forth in the Operational Manual) to an Eligible Deal-Flow Facility to develop a technological idea with commercial potential.

4. “Beneficiary” means an individual or an entity vested with legal personality who/which has met the criteria set forth in the Operational Manual to carry out a Technology Subproject (as said term is defined below).

5. “DIGFE” means Dirección General de Proyectos con Financiamiento Externo, ANPCyT’s Directorate for Financial Management and Administration, or any successor thereto acceptable to the Bank.


7. “Disbursement Letter” means the letter from the Bank to the Borrower of even date herewith concerning the additional instructions that the Bank may issue concerning the withdrawal of the proceeds of the Loan, and referred to in Section IV.A of Schedule 2 to this Agreement, as said letter may be revised by the Bank from time to time.

8. “Eligible Deal-Flow Facility” means a public/private entity and/or a group of public/private entities duly established as a consortium (or under similar arrangement acceptable to the Bank) for purposes of identifying technological ideas with commercial potential, technically assessing the same, and thereafter, if applicable, converting said ideas into potential private investments, and obtaining financing of the same, which entity and/or group of entities has been selected to participate under Part 2 (b) of the Project in accordance with the criteria and competitive procedures set forth in the Operational Manual (as said term is defined herein).
9. "Eligible Entity" means an individual or an entity vested with legal personality which has met the criteria set forth in the Operational Manual for receiving a Knowledge-Based Grant (as said term is defined herein).

10. "Eligible Institution" means a university, a technology center and/or a technology training institute, and/or any other type of legal entity which meets the criteria set forth in the Operational Manual to participate under Parts 1 and 3 of the Project, and/or for receiving an Infrastructure Grant (as said terms are defined herein).

11. "Eligible Student" means any of the students referred to in Parts 1 and 3 of the Project who meet the eligibility criteria set forth in the Operational Manual for receiving a Scholarship (as said terms are defined herein).

12. "Eligible Professional" means a post-graduate professional and/or a graduate professional under the direction of a post-graduate professional who has met the eligibility criteria set forth in the Operational Manual for receiving a Scholarship under Part 1(c) of the Project.

13. "Environmental Management Manual" means the Borrower's manual, acceptable to the Bank (included in the Operational Manual) which sets forth, *inter alia*: (a) the guidelines for carrying out the environmental/social screenings/assessments referred to in Section I.G of Schedule 2 to this Agreement; (b) the list of excluded investments under the Project; (c) the guidelines to be followed in connection with the finding of cultural property; (d) the actions to mitigate any environmental negative impact as a result of the carrying out of the Project; (e) the pest management practices to be followed in case any Subproject involves the use of pesticides; and (f) the guidelines and procedures to be followed in connection with the carrying out of works under the Project (as said terms are defined herein).

14. "Fellowship" means an exchange of professors and/or researchers and, in connection with the exchange of said professors or researchers, a sabbatical or the visit of a professor and/or researcher to deliver services in universities located within the Borrower's territory or abroad, all under Parts 1(a) and 3 of the Project.

15. "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.

16. "Graduate Program Grant" means any grant provided under the pertinent Graduate Program Grant Agreement to finance the cost of a given Graduate Program Subproject up to the amount set forth in the Operational Manual (as said terms are defined herein).

17. "Graduate Program Grant Agreement" means any of the agreements referred to in Section I.D (a) of Schedule 2 to this Agreement.
18. "Graduate Program Subproject" means any of the activities to be carried out under Part 1 (a) of the Project, including Fellowships, but excluding Scholarships, under said Part of the Project (as said term is defined above).

19. "Infrastructure Grant" means any grant provided under the Original Loan to the pertinent Infrastructure Grant Agreement to finance the cost of a given Infrastructure Subproject up to the amount set forth in the Operational Manual (as said terms are defined herein).

20. "Infrastructure Subproject" means any of the investments referred to in Part 4 (a) of the Project.

21. "Knowledge-Based Grants" means any grant provided under the pertinent Knowledge-Based Grant Agreement to finance the cost of a given Knowledge-Based Subproject up to the amount set forth in the Operational Manual (as said terms are defined herein).

22. "Knowledge-Based Grant Agreement" means any of the agreements referred to in Section 1.E (a) of Schedule 2 to this Agreement.

23. "Knowledge-Based Subproject" means any of the activities referred to in Part 2 (b) of the Project.

24. "Knowledge Center EIA" means Estudio de Impacto Ambiental, Parte I – Evaluación Ambiental, the Borrower’s assessment dated November 7, 2008, acceptable to the Bank, prepared with the cooperation of the Buenos Aires University School of Architecture, Design and Urbanism and adopted by the Borrower, setting forth the environmental impact assessment of activities under Part 4(b) of the Project, including provisions for the environmental supervision thereof.

25. "MINCyT" means Ministerio de Ciencia, Tecnología e Innovación Productiva, the Borrower’s Ministry of Science, Technology and Productive Innovation.

26. "Non-Consulting Services" means services which will be bid and contracted on the basis of performance of measurable physical outputs.

27. "Operational Manual" means the Borrower’s manual dated May 18, 2016, acceptable to the Bank, which sets forth, inter alia: (a) the criteria for selecting the Beneficiaries under the Project; (b) the criteria for providing Scholarships; (c) the criteria for evaluating, selecting and approving Subprojects (which criteria shall include, inter alia, the list of excluded investments/activities under the Project); (d) the Environmental Management Manual; (e) the structures, functions and responsibilities of the DIGFE and UGSA; (f) the Project’s chart of accounts and
internal controls; (g) the format of: (A) the unaudited interim financial reports referred to in Section II.B.2 of Schedule 2 to this Agreement; and (B) the Financial Statements; (h) the terms of reference for carrying out the Project audits under Section II.B.3 of Schedule 2 to this Agreement; (i) the Project indicators (including the results framework); and (j) the Project disbursement and procurement procedures, as said manual may be updated and/or amended from time to time with the agreement of the Bank (as said terms are defined herein).

28. “Original Loan Agreement” means the loan agreement for the Unleashing Productive Innovation Project between the Borrower and the Bank, dated August 6, 2009, as amended to the date of this Agreement (Loan No. 7599-AR).

29. “Original Project” means the Project described in Schedule 1 to the Original Loan Agreement.


31. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated May 17, 2016 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

32. “Professional Agreement” means any of the agreements referred to in paragraph (c) (vi) of Schedule 9 to this Agreement.”

33. “Promoter Fee” means the success fee to be paid out of the proceeds of the Original Loan (as said fee is determined in accordance with a formula set forth in the Operational Manual) to an Eligible Deal-Flow Facility for obtaining the relevant financing for potential investments resulting from developing a technological idea with commercial potential.

34. “Scholarship” means a grant made out of the proceeds of the Loan to finance reasonable expenditures, acceptable to the Bank (as the same are determined in accordance with a formula set forth in the Operational Manual), in respect of the cost of living allowance, books and learning materials, and/or transportation costs and per-diem (as the case may be), all under Parts 1 and 3 of the Project.

35. “Scholarship Agreement I” means any of the agreements referred to in Section I.C (a) of Schedule 2 to this Agreement.

36. “Scholarship Agreement II” means any of the agreements referred to in paragraph (c) (vi) of Schedule 8 to this Agreement.
37. "Signature Date" means the latest of the two dates on which the Borrower and the Bank signed the Loan Agreement and such definition applies to all references to "the date of the Loan Agreement" in the General Conditions.

38. "Student Agreement I" means any of the agreements referred to in paragraph (c)(iii) of Schedule 4 to this Agreement.

39. "Student Agreement II" means any of the agreements referred to in paragraph (c)(vi) of Schedule 8 to this Agreement.

40. "Subproject" means a Graduate Program Subproject, a Knowledge-Based Subproject, a Technology Subproject, an Infrastructure Subproject and/or a Technology Transfer Program Subproject (as the case may be).

41. "Technology Grant" means any grant provided under the pertinent Technology Grant Agreement to finance the cost of a given Technology Subproject up to the amount set forth in the Operational Manual (as said terms are defined herein).

42. "Technology Grant Agreement" means any of the agreements referred to in Section I.F(a) of Schedule 2 to this Agreement.

43. "Technology Subproject" means any of the activities referred to in Part 3 of the Project, but excluding Scholarships under said Part of the Project.

44. "Technology Transfer Program Grant" means any grant provided under the pertinent Technology Transfer Program Grant Agreement to finance the cost of a given Technology Transfer Program Subproject in accordance with the criteria set forth in the Operational Manual.

45. "Technology Transfer Program Grant Agreement" means any of the agreements referred to in Section I.D(c) of Schedule 2 to this Agreement.

46. "Technology Transfer Program Subproject" means any of the activities to be carried out under Part 1(c) of the Project, excluding Scholarships, under said Part of the Project.

47. "UGSA" means Unidad de Gestión Socio-Ambiental, ANPCyT's Unit for Social and Environmental Management, or any successor thereto acceptable to the Bank.
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 with the following definition of “Commitment Charge”, 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).”

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 Withdrawn 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”.