His Excellency
Axel Kicillof
Minister of Economy and Public Finance
Ministry of Economy and Public Finance
Hipólito Irigoyen 250
1310 Buenos Aires, Argentina

Re: ARGENTINA: Loan No. 7599-AR (Unleashing Productive Innovation Project)
Amendment to the Loan Agreement

Excellency:

We refer to the Loan Agreement between the Argentine Republic (the Borrower) and the International Bank for Reconstruction and Development (the Bank), dated August 6, 2009 (the Loan Agreement) for the above-captioned Project, as amended and restated on July 2, 2012. Please note that capitalized terms used in this letter ("Amendment Letter") and not defined herein have the meaning ascribed to them in the Loan Agreement.

In response to the Borrower's (DNPOIC) letters No. 826 and No. 1025 to the Bank, dated August 15, 2013 and October 3, 2013, respectively, requesting the Bank to: (i) support technology transfer program subprojects under Part 1 of the Project; (ii) finance goods under Part 4(b) of the Project; and (iii) reallocate loan proceeds among disbursement Categories, the Bank hereby proposes to amend the Loan Agreement as follows:

1. Part 1 of Schedule 1 to the Loan Agreement is amended in its entirety to read as follows:

"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 between Eligible Institutions and the productive sector in communities where said Eligible Institutions are located, 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).“

2. Part 4 of Schedule 1 to the Loan Agreement is amended in its entirety to read as follows:

“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).”

3. The following paragraphs are added to Section I. D of Schedule 2 to the Loan Agreement as follows:

“(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 which shall have been approved by the Bank and which shall include, inter alia, those set forth in Schedule 11 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.”

4. The table set forth in Section IV.A.2 of Schedule 2 to the Loan Agreement is amended in its entirety to read as set forth in attachment I to this Amendment Letter.

5. Section IV.B.1(c) of Schedule 2 to the Loan Agreement is hereby amended in its entirety to read as follows:

“(c) for payments made to finance any Graduate Program Subproject and/or any Technology Transfer Program Subproject and/or any Scholarship under Category (2), unless the relevant Eligible Institution has met the criteria set forth in the Operational Manual, which criteria shall include, inter alia, that: (i) the corresponding Graduate Program Grant Agreement or Technology Transfer
Program Grant Agreement, as applicable, has been signed by the respective parties thereto; and/or (ii) if applicable, the condition mentioned in paragraph (b) above has been met in respect of the pertinent Scholarship and/or the corresponding Technology Transfer Program Grant Agreement and the pertinent Professional Agreement have been signed by the respective parties thereto;”

6. Schedules 11 and 12 are added to the Loan Agreement to read as set forth in attachment II to this Amendment Letter.

7. The following new definitions are added (in their corresponding alphabetical order) to the Appendix to the Loan Agreement and the remaining paragraphs are renumbered as applicable:

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

“'Professional Agreement' means any agreement referred to in paragraph (c) (vi) of Schedule 11 to this Agreement between an Eligible Institution and an Eligible Professional.”

“'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.”

“'Technology Transfer Program Grant Agreement' means any of the agreements referred to in Section 1.D(c) of Schedule 2 to this Agreement.”

“'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’”.

8. The following definitions are modified to read as follows:

“'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).”

All other provisions of the Loan Agreement, except as amended herein, shall remain in full force and effect.
Please confirm your agreement with the foregoing, on behalf of the Borrower, by signing and dating two originals of this Amendment Letter and returning one fully signed original to us. The amendment set forth in this Amendment Letter will become effective on the date the Bank notifies to the Borrower the receipt of said fully countersigned original.

Please also note that the restructuring paper dated February 19, 2014 (a copy of which is also attached herewith) will be disclosed on the Bank's external website.

ACUERDO MEYFP N° 34/14

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Sabine Hader
Acting Director
Argentina, Paraguay and Uruguay
Latin America and the Caribbean Region

ARGENTINE REPUBLIC

By: [Authorized Representative]

Name: DR. AXEL KICILLOF
Title: Minister of Economy and Finances Publica
Date: 02 JUN 2014

Cc:
Felix A. Camarasa
Executive Director
The World Bank
## Attachment I

<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 I (b) of the Project</td>
<td>16,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, minor works, Non-Consultant Services, consultants’ services,</td>
<td>6,000,000</td>
<td>100% of the amounts disbursed under the relevant Graduate Program Grant; and 100% in respect of Scholarships</td>
</tr>
<tr>
<td>Training and/or Operating Costs under Graduate Program Subprojects and/or Technology Transfer Program Subprojects, and Scholarships under Part I (a) and (c) of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) (a) [intentionally left blank]</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>(b) [intentionally left blank]</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>(4) Goods, consultants’ services, Training and/or Operating Costs under Knowledge-Based Subprojects</td>
<td>15,993,000</td>
<td>100% of the amounts disbursed under the relevant Knowledge-Based Grant</td>
</tr>
<tr>
<td>(5) Basic Fee</td>
<td>1,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Promoter Fee</td>
<td>3,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(7) Goods, minor works, Non-Consultant Services, consultants’ services,</td>
<td>50,000,000</td>
<td>100% of the amounts disbursed under the relevant Technology Grant; and 100% in respect of Scholarships</td>
</tr>
<tr>
<td>Training and/or Operating Costs under Technology Subprojects, and Scholarships under Part 3 of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(8) Goods, minor works, and consultants’ services and/or Operating Costs under Infrastructure Subprojects</td>
<td>25,000,000</td>
<td>100% of the amounts disbursed under the relevant Infrastructure Grant</td>
</tr>
<tr>
<td>(9) Goods, Non-Consultant Services, consultants’ services, Training and/or Operating Costs under Part 5 of the Project</td>
<td>12,124,000</td>
<td>100%</td>
</tr>
<tr>
<td>Category</td>
<td>Amount of the Loan Allocated (expressed in USD)</td>
<td>Percentage of Expenditures to be financed (inclusive of Taxes)</td>
</tr>
<tr>
<td>----------------------------------------------------</td>
<td>-------------------------------------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>(10) Refund of the Preparation Advance</td>
<td>508,000</td>
<td>Amount payable pursuant to Section 2.07 (a) of the General Conditions</td>
</tr>
<tr>
<td>(11) Front-end Fee</td>
<td>375,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(12) Premia for Interest Rate Caps and Interest Collars</td>
<td>0</td>
<td>Amounts payable pursuant to Section 2.07 (c) of this Agreement</td>
</tr>
<tr>
<td>(13) Works under Part 4(b) of the Project</td>
<td>10,000,000</td>
<td>39%</td>
</tr>
<tr>
<td>(14) Goods under Part 4(b) of the Project</td>
<td>10,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>150,000,000</td>
<td></td>
</tr>
</tbody>
</table>
"SCHEDULE 11

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 12 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.
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.