October 17, 2014

His Excellency
Axel Kicillof
Minister of Economy and Public Finance
Ministry of Economy and Public Finance
Hipólito Yrigoyen 250
C1086 AAB, Buenos Aires
Argentina

Excellency:

Re: IBRD Loan 7599-AR (Unleashing Productive Innovation Project - ARGENTINA)
Additional Instructions: AMENDED Disbursement Letter


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

I. Disbursement Arrangements

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

- Reimbursement
- Advance
- Direct Payment
(ii) **Disbursement Deadline Date (subsection 3.7).** The Disbursement Deadline Date is four months after the Closing Date specified in the Loan Agreement. Any changes to this date will be notified by the Bank.

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

II. Withdrawal of Loan Proceeds

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

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

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

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

(iii) **Electronic Delivery (subsection 3.4).** The Borrower may deliver Applications to the World Bank through the World Bank’s Client Connection, web-based portal, by completing Form 2380, which is accessible through Client Connection (http://clientconnection.worldbank.org). Officials of the Borrower may deliver Applications electronically on behalf of the Borrower if they: (a) have been designated in writing by the Borrower, pursuant to the terms of subparagraph (i) of this Section, to sign and deliver Applications by electronic means and to receive secure identification devices (“Tokens”) from the World Bank, (b) are registered as users of Client Connection, and (c) have received from the World Bank Tokens for such purpose. This constitutes an additional means of delivering Applications to the World Bank. The Borrower may continue to exercise the option of preparing and delivering Applications in paper format. The World Bank reserves the right, and may in its sole discretion, temporarily or permanently, disallow the electronic delivery of Applications by the Borrower.
(iv) Terms and Conditions of Use of S IDC to Process Applications. By designating officials to use S IDC and by choosing to deliver the Applications electronically, the Borrower confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation ("Terms and Conditions of Use of Secure Identification Credentials") provided in Attachment 5; and (b) to cause such official to abide by those terms and conditions.

(iv) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications claimed under Disbursement Categories 1, 2, 4, 5, 6, 7, 8, 9, and 14 is United States Dollars 1,600,000.

(v) Advances (sections 5 and 6). Designated Account "A" for payments made under Disbursement Categories 1, 2, 4, 5, 6, 7, 8, 9, and 14;

- Type of Designated Account (subsection 5.3): Segregated
- Currency of Designated Account (subsection 5.4): United States Dollars (USD).
- Financial Institution at which the Designated Account Will Be Opened (subsection 5.5): Banco de la Nación Argentina
- Ceiling (subsection 6.1): USD 8,000,000

(v) Reimbursement. For payments made under Disbursement Category 13; funds will be reimbursed through a one-time application for an amount (approximately) equivalent to US$ 10,000,000, and will be deposited into an Operative Account open at Banco de la Nación Argentina in Argentinean Pesos (AR$).

III. Reporting on Use of Loan Proceeds

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

- For requests for Reimbursement:
  - Records (Attachment 3A-Customized SOE with supporting documents, evidencing eligible expenditure, e.g., copies of receipts, supplier invoices) for payments for: (i) Works against contracts valued at USD 500,000 equivalent or more, under Part 5 of the Project; (ii) Goods against contracts valued at USD 300,000 equivalent or more, under Part 5 of the Project (iii) Consulting Firms against contract valued at USD 100,000 equivalent or more, under Part 5 of the Project and for the Basic and Promoter Fees. (iv) Individual Consultants against contracts valued at USD 50,000 equivalent or more, under Part 5 of the Project and for the Basic and Promoter Fees, as applicable; (v) Non-Consultant Services
against contracts valued at USD 100,000 equivalent or more, under Part 5 of the Project;

- Records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices under Part 4 (b) (categories 13 and 14);

- Statement of Expenditures in the form attached (Attachments 3B-\textit{Customized SOE with no supporting documentation}) for all other expenditures/contracts; and

- List of payments against contracts that are subject to the Bank’s prior review, in the form attached (Attachment 4).

**For reporting eligible expenditures paid from the Designated Account “A”, for payments made under Disbursement Categories 1, 2, 4, 5, 6, 7, 8, 9, and 14.**

- Records (Attachment 3A-\textit{Customized SOE with supporting documents}, evidencing eligible expenditure, e.g., copies of receipts, supplier invoices) for payments for: (i) Works against contracts valued at USD 500,000 equivalent or more, under Parts 4 (b) and 5 of the Project; (ii) Goods against contracts valued at USD 300,000 equivalent or more, under Parts 4 (b) and 5 of the Project; (iii) Consulting Firms against contract valued at USD 100,000 equivalent or more, under Part and 5 of the Project and for the Basic and Promoter Fees; (iv) Individual Consultants against contracts valued at USD 50,000 equivalent or more, under Part 5 of the Project and for the Basic and Promoter Fees, as applicable; (v) Non-Consultant Services against contracts valued at USD 100,000 equivalent or more, under Part 5 of the Project.

- Statement of Expenditures in the form attached (Attachments 3B-\textit{Customized SOE with no supporting documentation}) for all other expenditures/contracts; and

- List of payments against contracts that are subject to the Bank’s prior review, in the form attached (Attachment 4).

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

**(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):** Quarterly or more often if needed.

**(iii) Other Supporting Documentation Instructions:** The Designated Account activity reconciliation statement and Bank statement should be submitted with each withdrawal application reporting on the use of Loan proceeds. Supporting documentation related to expenditures under Graduate Program Subprojects; Technology Transfer Program Subprojects; Knowledge-Based Subprojects; Technology Subprojects; and Infrastructure Subprojects; should be kept by the Project Implementing Unit for external audit purposes, and timely made available to the auditors.
IV. Other Important Information


From the Client Connection website, you will be able to download Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information.

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

If you have any queries in relation to the above, please contact the World Bank Loan Department by sending an email to loa-lcr@worldbank.org and naming the project and loan number in the subject line.

Yours sincerely,

[Signature]

Victor Ordonez
Sr. Finance Officer
World Bank Loan Department

Attachments

Note: Attachments 1 to 4 listed below remain valid, as per the original disbursement letter. Attachment 5 listed below remains valid, as per the last amendment to the Disbursement Letter dated February 27, 2014.

1 - World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2 - Form for Authorized Signatures
3A - Customized SOE with supporting documents (above SOE thresholds)
3B - Customized SOE without supporting documentation (below SOE thresholds).
4 - Form of Payments Against Contracts Subject to the Bank’s Prior Review
5 - Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation, dated March 1, 2013