



Board of Executive Directors

Short procedure

Expires on 7 May 2015

PR-4280
30 April 2015
Original: Spanish
Public
Simultaneous Disclosure

To: The Executive Directors

From: The Secretary

Subject: Argentina. Proposal for a loan for the “Program to Support the Policy on Improving Equity in Education – PROMEDU IV”

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Remarks: This is the fourth individual operation financed with resources from the Conditional Credit Line for Investment Projects (CCLIP) for the “Program to Support a Policy on Improving Equity in Education (PROMEDU)” (document PR-3244), approved pursuant Resolution DE-28/08.

The Executive Directors are requested to inform the Secretary, in writing, no later than **7 May 2015**, if they wish to interrupt this procedure. If no such communication is received by that date, the attached resolution will be considered adopted by the Board of Executive Directors, and a record to that effect will be made in the minutes of a forthcoming meeting.

Reference: GN-1838-1(7/94), DR-398-17(1/15), CS-3953-1(8/14), GN-2246-1(7/03), DE-58/03, GN-2246-4(12/06), DE-10/07, GN-2246-7(11/07), DE-164/07, GN-2805(3/15), PR-3244(2/08), DE-28/08, PR-3604(10/10), DE-134/10, PR-4014(5/13), DE-50/13

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

ARGENTINA

**CONDITIONAL CREDIT LINE (CCLIP): PROGRAM TO SUPPORT
THE POLICY ON IMPROVING EQUITY IN EDUCATION
(PROMEDU)**

(AR-X1011)

**PROGRAM TO SUPPORT THE POLICY ON IMPROVING EQUITY IN
EDUCATION – PROMEDU IV**

(AR-L1180)

LOAN PROPOSAL

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This document is being released to the public and distributed to the Bank's Board of Executive Directors simultaneously. This document has not been approved by the Board. Should the Board approve the document with amendments, a revised version will be made available to the public, thus superseding and replacing the original version.

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ELECTRONIC LINKS	
REQUIRED	
1.	Program execution plan (PEP) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39476452
2.	Monitoring and evaluation plan http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39470717
3.	Procurement plan http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39477550
4.	Environmental and Social Management Report (ESMR) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39410702
OPTIONAL	
1.	Program cost-benefit analysis http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39470942
2.	Itemized budget http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39477443
3.	Advances, outputs, and lessons of PROMEDU http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39410037
4.	School infrastructure: requirements for the coming decade http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39409753
5.	Percentage of households with unmet basic needs and population not attending school http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39409679
6.	PROMEDU III commitments http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39473329
7.	Assessment of quantitative outcomes of construction of educational institutions http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39412239
8.	Basic data on the education sector in Argentina http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39409740
9.	PROMEDU II and PROMEDU III Operating Regulations http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39415297
10.	Eligibility criteria for the PROMEDU IV lines of intervention http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39475827
11.	Argentina's results on the International Student Assessments http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39568759
12.	Safeguard Policy Filter (SPF) and Safeguard Screening Form (SSF) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39522033

ABBREVIATIONS

AUH	Universal Allowance per Child
CCLIP	Conditional credit line for investment projects
CEU	Central Executing Unit
CUEFPP	Coordination Unit for Externally Financed Projects and Programs
DGUF	Dirección General de Unidad de Financiamiento Internacional [International Financing Unit Division]
DINIECE	Dirección Nacional de Información y Evaluación de la Calidad Educativa [National Bureau for Information and Evaluation of the Quality of Education]
EAHU	Annual survey of urban households
ESMR	Environmental and Social Management Report
INDEC	National Statistics and Census Institute
MPFIPyS	Ministry of Federal Planning, Public Investment, and Services
NAP	Núcleos de Aprendizaje Prioritarios [Core learning priorities]
PISA	Programme for International Student Assessment
PMI	Plan de Mejora Institucional [Institutional Improvement Plan]
PROMEDU	Program to Support the Policy on Improving Equity in Education
S2EU	Subprogram II Executing Unit
UBN	Unmet basic needs

PROJECT SUMMARY

ARGENTINA

PROGRAM TO SUPPORT THE POLICY ON IMPROVING EQUITY IN EDUCATION – PROMEDU IV (AR-L1180)

FOURTH INDIVIDUAL OPERATION UNDER THE CONDITIONAL CREDIT LINE FOR INVESTMENT PROJECTS (AR-X1011)

Financial Terms and Conditions					
Borrower: Argentine Republic Executing agency: Ministry of Education and Ministry of Federal Planning, Public Investment, and Services (MPFIPyS)			Flexible Financing Facility *		
			Amortization period:	25 years	
			Original WAL:	15.25 years	
			Disbursement period:	5 years/60 months	
			Grace period:	5.5 years	
Source	Amount	%	Inspection and supervision fee:	**	
IDB (Ordinary Capital)	US\$200,000,000	80	Interest rate:	LIBOR-based	
Local	US\$50,000,000	20	Credit fee:	**	
Total	US\$250,000,000	100	Approval currency:	U.S. dollars from the Ordinary Capital	
Project at a Glance					
Project objective/description: The objective of the program is to support the national education policy aimed at the most vulnerable population, so as to: (i) increase the coverage of early childhood and secondary education; (ii) improve learning in primary schools; (iii) enhance internal efficiency (retention and promotion) in secondary schools; and (iv) improve the management and use of educational information for monitoring purposes.					
Special contractual conditions: Condition precedent to the first disbursement: The approval of the program’s Operating Regulations under terms agreed upon with the Bank (paragraph 3.4). Special execution conditions: (i) evidence that the Participation Agreement has been signed or renewed between the respective executing agency and the jurisdiction participating in the program (paragraph 3.3); and (ii) the executing agency will maintain the monitoring and evaluation system used in the previous loans under the CCLIP for subprogram I (paragraph 3.5).					
Exceptions to Bank policies: None.					
Project qualifies as:		SEQ [X]	PTI [X]	Sector [X]	Geographic [] Headcount []

* Under the Flexible Financing Facility (document FN-655-1), the borrower has the option of requesting changes to the amortization schedule, as well as currency and interest rate conversions. The Bank will take operational and risk management considerations into account when reviewing such requests.

** The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with the applicable policies.

*** In accordance with document AB-2990, disbursement of the loan proceeds will be subject to the following maximum limits: (i) up to 15% in the first 12 months; (ii) up to 30% in the first 24 months; and (iii) up to 50% in the first 36 months, in all cases as of the date of loan approval by the Bank's Board of Executive Directors.

I. DESCRIPTION AND RESULTS MONITORING

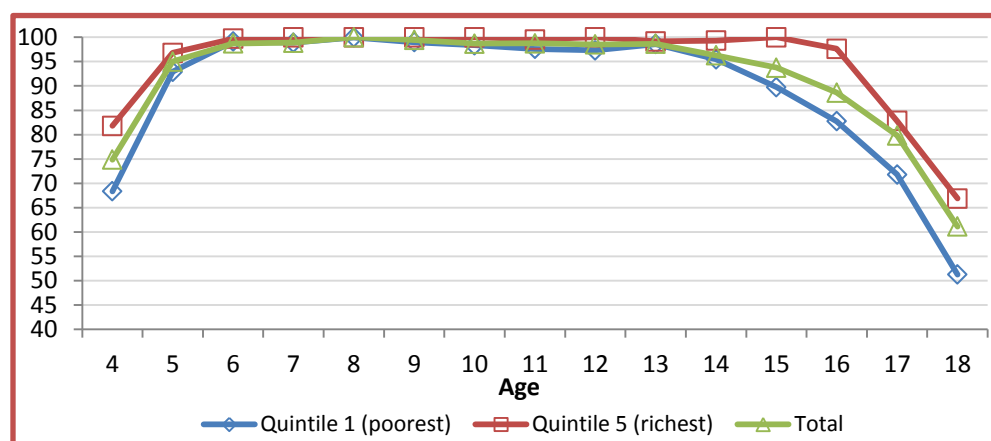
A. Background, problem addressed, and rationale

- 1.1 Between 2008 and 2013, compulsory education coverage in Argentina expanded significantly. At the early childhood level, the enrollment rate increased from 77.9% to 84.7%. The net primary and secondary school enrollment rates followed a similar trend during this period, rising from 93.9% to 96.8% at the primary school level and from 80.4% to 84.2% at the secondary school level.¹
- 1.2 Despite these strides, many young people, particularly those living in poor and rural areas, still fail to complete their compulsory education,² graduate in timely fashion, and obtain the expected educational outcomes. This limits their potential to successfully join the workplace and contribute to society.
- 1.3 **Some, mostly poor, children and young people have no access to or drop out of the education system.** It is estimated that close to 572,000 students 4 to 17 years of age are outside the education system. This situation primarily affects children and young people of lower socioeconomic status and is concentrated at the levels of secondary education (288,000 youths 12 to 17 years of age) and early childhood education (165,000 children 4 to 5 years of age). While 10.2% of 12- to 17-year-olds in the lowest-income quintile are outside the system, the equivalent proportion is only 3.7% in the highest-income quintile. There are also significant differences among the various provinces. For example, in the provinces of Argentina's central region, preschool coverage is 90.5%, while in the provinces of the country's northeast and northwest, preschool enrollment rates are respectively 71.7% and 64.2%. These rates are consistently lower in provinces with a higher level of unmet basic needs (see [optional electronic link 5](#)).
- 1.4 Once in the system, most children complete primary school, without considerable differences between regions or income quintiles. However, as shown in Figure 1, a significant number of students drop out of school starting at age 14, with an even higher dropout rate among students in the lowest-income quintile. As a result, only 63.3% of young people 20 to 29 years of age have completed their secondary education. The figure falls to 41.8% for the poorest quintile (annual survey of urban households, 2013).

¹ Data based on the INDEC's continuous household survey for the third quarters of 2008 and 2013. The net secondary school enrollment rate for 2008 was obtained from data published by SITEAL/IPE-UNESCO Buenos Aires at: http://www.siteal.iipe-oei.org/base_de_datos/consulta.

² Compulsory education includes preschool for 4- and 5-year-olds and twelve years/grades of primary and secondary education. In total, educational legislation requires 14 years of education (from age 4 to age 17).

Figure 1. Percentage of children and young people attending school by age and income quintile (2013)



- 1.5 This drop is influenced by several factors. First, there continues to be unsatisfied demand in certain areas of the country, which means that some young people have no access to secondary school and are forced to abandon their studies. According to current projections (see [optional electronic link 4](#)), bringing all the young people indicated in the National Education Act³ into the secondary school system would require close to 1,855 new educational institutions.
- 1.6 Second, the average year-over-year dropout rate in secondary education is 12.7%, with disparities between provinces ranging from 8.8% in La Rioja to 17.1% in Misiones. Research on school dropout confirms the weight of socioeconomic conditions—and thus the need to reduce the direct and opportunity costs faced by young people wishing to remain in secondary school—while also pointing to the relationship between school dropout and the nature of the institutions as well as their mechanisms, methodologies, and resources.⁴ This is consistent with assessments in Argentina showing that it is essential to address the lack of information and of administrative and teaching capacity on the part of school staff and principals in order to achieve educational improvement.⁵ The Ministry of Education has determined that school attendance is affected by the transportation difficulties of students, especially in the most vulnerable sectors, and that there is consequently a need to continue with and intensify strategies aimed at facilitating student mobility.⁶ In addition, in Argentina as in other countries in the region, academic failure increases the dropout risk since it results in repetition and over-

³ [National Education Act 26,206 \(2006\)](#) and [Amendment Act 27,045 \(2014\)](#).

⁴ The decline in the ability of education systems to retain students is also due to factors related to the difficulty of responding to the socioeconomic and cultural diversity of the student body and the learning problems associated with such diversity (Alfonso, Bos, Duarte, and Rondón, 2012).

⁵ OEI, 2015.

⁶ National Compulsory Education and Teacher Training Plan.

ages students.⁷ Recent data show that more than half (53%) of school slots are occupied by children who are repeating a grade and are over-age.

- 1.7 **Despite some improvements, learning results are still low and inequitable.** Learning results as measured by international standardized tests reflect some improvements in primary education but very slight advances or stagnation in secondary education.⁸ In primary school, the results of the Third Regional Comparative and Explanatory Study (TERCE) 2013⁹ for the sixth grade indicate that science and mathematics learning improved with respect to the Second Regional Comparative and Explanatory Study (SERCE) 2006 (from 513.03 to 530.23 in mathematics and from 488.72 to 501.31 in science), which coincides with teaching innovations introduced in both disciplines. Argentina remained above the regional average, but the gap narrowed in mathematics, and even more so in reading, between the country's results and the Latin American average. In science, Argentina showed a greater improvement than the rest of the region.
- 1.8 In secondary school, the Programme for International Student Assessment (PISA)¹⁰ tests administered between 2000 and 2012 show a slight improvement in science, stagnation in mathematics, and a slight decline in reading. In 2012, Argentine students scored an average of 388 points in mathematics (well below the 500-point average in Organization for Economic Cooperation and Development (OECD) countries). This means that only 33.5% of students attained level 2, the minimum skill threshold for this area, compared to 52% in participating countries in the region and 82% in the OECD. Furthermore, in socioeconomic terms, the gap in results in Argentina between the poorest 25% and the richest 25% is 78 points, which is equivalent to almost two years of schooling.
- 1.9 While there may be multiple reasons for the low learning levels, the literature is emphatic as to the importance of the capacity of teachers and principals, teaching practices and materials, and access to early childhood development spaces.¹¹ One of the most important learning improvement programs in Argentina—which directly provides teaching assistance to teachers to improve their teaching practices—is the primary-school science and mathematics plan.¹² This plan, which has yielded

⁷ Using PROMEDU data, Kit, Irene, 2014, shows that there is a direct correlation between over-age and repetition on one hand and dropout risk on the other. See also CIPPEC, 2010.

⁸ [Optional electronic link 11](#): TERCE and PISA results.

⁹ OREAL/UNESCO (2014): Available at: <http://www.unesco.org/new/fileadmin/MULTIMEDIA/FIELD/Santiago/pdf/Primera-Entrega-TERCE-Final.pdf>.

¹⁰ OECD international student assessment program that evaluates 15-year-old students.

¹¹ See Education and Early Childhood Development Sector Framework Document (document GN-2708-2).

¹² There is extensive evidence of a link between the quality of early childhood education centers and primary schools on one hand and good student performance and likelihood of secondary school graduation on the other (Barnett, 2008; Dhuey, 2007; Duckworth and Feinstein, 2006; Donovan Firtspatrick, 2008; Hanushek, 1997; Heckman, 2000; OECD, 2012; Schweinhart et al., 2005).

positive outcomes,¹³ covers one fifth of urban primary schools, leaving out the remaining 80%. Expanding this coverage requires strengthening the central technical teams, providing equipment, and assigning teaching assistants to the schools. Furthermore, access to educational materials to fulfill the core learning priorities (NAP) continues to be limited¹⁴ and appears to be inequitable.¹⁵ Regarding early childhood education, it is estimated that Argentina still needs a total of 1,965 new centers in order to reach the coverage levels required by law. Outfitting and providing teaching materials and teacher development to ensure the quality of these centers is also a need, particularly in light of the recent approval of a law making schooling compulsory for four-year-old children.

1.10 Educational policy strategies in recent years and Bank support for the sector.

In recent years, Argentine educational policy has been based on a set of laws and complementary provisions¹⁶ aimed at achieving goals including: (i) total early childhood education coverage for four- and five-year-olds; (ii) access to extended school hours for at least 30% of primary school students; (iii) improvement in mathematics, science, and language learning; (iv) enhanced quality of education through improvements in school infrastructure and equipment, teacher training and teaching practice, and educational processes and curriculum content; and (v) development of targeted strategies to ensure inclusion and retention of children and adolescents from vulnerable sectors, particularly in preschool and secondary school.

- 1.11 To accomplish these goals, Argentina has developed a strategy that addresses both supply and demand factors. On the supply side, the most significant national strategies include the National Teacher Training Plan; educational infrastructure expansion and improvement; distribution of textbooks and teaching materials at all levels; introduction of technologies and connectivity through the “conectar igualdad” and “primaria digital” programs; development of methodologies for teaching science and mathematics in primary school; and support strategies for schools through the Comprehensive Program for Educational Equity (PIIE) in primary school and the Institutional Improvement Plans (PMI) in secondary

¹³ The science and mathematics plan was implemented with IDB support in 1,700 schools based on the outcomes of a pilot project carried out in Tucumán and Buenos Aires that was experientially evaluated and showed positive student learning outcomes (AR-T1047). Näslund and Bando, in *All Children Count: Early Teaching of Mathematics and Science in Latin America and the Caribbean* (in press).

¹⁴ For example, in only 53% of primary schools do all or almost all students have a textbook (Rivas, 2010).

¹⁵ Bezem, 2012; Duarte, 2012.

¹⁶ These include: (i) [National Education Act 26,206 \(2006\)](#) and [Amendment Act 27,045 \(2014\)](#); (ii) [Educational Finance Act 26,075 \(2005\)](#); (iii) [Career and Technical Education Act 26,058 \(2005\)](#), and (iv) [Federal Board of Education resolutions 79/09](#) and [188/12](#) approving the [National Teacher Training Plan](#). For basic data on the education sector in Argentina, see [optional electronic link 7](#).

school.¹⁷ On the demand side, strategies include the Universal Allowance per Child (AUH) program (2009), which provides low-income families with a monthly allowance for each child under 18 years of age, and the Argentine Student Support Program (PROGRESAR, 2014), which provides monthly study grants, assistance for professional training, and child care for 18- to 24-year-olds in vulnerable situations.

- 1.12 The Bank has supported this educational strategy through the Program to Support the Policy on Improving Equity in Education (PROMEDU), which consists of a conditional credit line for investment projects (CCLIP) (AR-X1011)¹⁸ in the amount of US\$2.700 billion. Its objectives include helping to: (i) achieve universal early childhood education for five-year-olds and expand coverage for four-year-olds; (ii) increase the proportion of young people who complete secondary school to 70%; (iii) increase the proportion of students in primary schools with extended days to 30%; and (iv) enhance the internal efficiency indicators for secondary schools.
- 1.13 To date, three loan operations have been financed under the CCLIP, for a total amount of US\$1.4025 billion committed from 2008 to 2014.

Table I-1. Approved PROMEDU loans and commitment level (%)

Loan	Approved	2008	2009	2010	2011	2012	2013	2014	2015	2016
1966/OC-AR	11 Mar. 08	100%								
2424/OC-AR	12 Dec. 10			100%						
<u>2940/OC-AR</u>	31 May 13						75%			

- 1.14 **CCLIP eligibility.** The program meets the requirements for authorizing a CCLIP operation (document GN-2246-4 paragraph 1.17). In particular: (i) the operation is included in the country program (document GN-2805); (ii) the executing agencies are the same, staffed with consolidated teams that have performed well each year of execution, making it likely that the development objective will be achieved;¹⁹ (iii) the program is executed through the technical units of the Argentine Ministry of Education and the provincial ministries of education, which have monitoring and evaluation areas, contributing to sustainability; (iv) 75% of the loan proceeds under the previous program (AR-L1152) have been committed ([optional electronic link 6](#)); and (v) the borrower and the executing agencies have complied with the contractual conditions of the loan contract, the Bank's disbursement and procurement policies, and the requirement to present audited financial statements,

¹⁷ The PMIs are one of the basic instruments used by the Ministry of Education to strengthen secondary education, and schools are the plans' area of action. They are aimed at: achieving permanent inclusion and fostering learning for all, planning institutional development to improve educational paths, and creating a school model designed to reinvigorate teaching traditions and be accessible to a broader and more heterogeneous student body. Federal Board of Education resolution CFE 88/09.

¹⁸ Approved jointly with the first individual operation on 11 March 2008.

¹⁹ As set forth in the program's Progress Monitoring Reports (PMRs).

as reflected in the various program reports.²⁰ In addition, the operation includes process and outcome assessments that show advances and lessons learned (see [optional electronic link 7](#)).²¹

- 1.15 [Optional electronic link 3](#) provides a summary of the main outputs of PROMEDU programs. In terms of outcomes,²² PROMEDU has contributed to improving early childhood and secondary education coverage and to closing the existing equity gaps between different socioeconomic groups. From 2006 to 2014, the school attendance gap between the poorest and richest quintiles consistently declined, from 8.3 percentage points to 2.4 percentage points for five-year-old children and from 35.7 percentage points to 11.5 percentage points for four-year-old children. Similarly, the percentage of 18- to 20-year-olds from quintiles 1 and 2 (the poorest) who do not attend school and did not graduate declined from 26.9% to 17.95% over the same period. In addition, at the secondary school level, year-over-year dropout and promotion rates showed improvements between 2006 and 2011. The dropout rate fell from 14.3% to 12.7%, while the promotion rate rose from 75.3% to 79.1%. An assessment of PROMEDU secondary schools showed a 0.5 percentage point decline in the dropout rate between 2008 and 2011, in comparison with an increase of more than two points in the rest of the schools. This assessment also showed a four-point improvement in the promotion rate in 12 jurisdictions over the same period.
- 1.16 **Lessons learned.** As a result of PROMEDU execution, one may conclude that using the CCLIP as an instrument has made it possible to provide continuity to the strategy of working with the government, ensure stability in the technical teams, and enhance the ability to monitor the lines of intervention. In addition, the program's targeting mechanism has made it possible to direct resources to schools attended by lower-income youth with higher repetition and over-age rates and lower learning test scores. The above notwithstanding, the following lessons learned should be taken into account in line with the process evaluations:²³ (i) the loan proceeds need to be allocated to a smaller number of actions to provide better context and facilitate monitoring; (ii) the heterogeneity of the provinces, in terms of size, resources, capacity, and logistics, requires developing different operating and technical support arrangements for each; (iii) without prejudice to the need to maintain a national focus, actions should be more intensive in those areas that have greater social and educational difficulties; (iv) effectiveness can be enhanced by improving the information available for diagnostic assessments and for the development, planning, and ex post monitoring of actions, coordinating school

²⁰ As shown in ex post financial and procurement evaluations and annual financial and operating audits of both PROMEDU II and PROMEDU III (see [IDBDOCS#38843665](#) and [IDBDOCS#38768377](#)).

²¹ See also the program's monitoring and evaluation plan ([required electronic link 2](#)).

²² These outcomes cannot be solely attributed to the program, since this program supports a comprehensive policy and there have been other national and provincial initiatives similarly aimed at enhancing educational equity.

²³ See [optional electronic link 3](#).

resources received from other national and provincial programs; (v) a local-level analysis should be conducted to examine the reasons for dropping out, and interventions should be adjusted accordingly (e.g., the role of productive cycles in school attendance and the local relevance of the curriculum); and (vi) the profile of school principals should be strengthened with view to improving their management capacity and educational leadership. The program incorporates lessons learned by focusing on a few relevant interventions, creating mechanisms that take provincial heterogeneity into account, strengthening assistance to schools, and training school principals in their management and educational roles.

- 1.17 **Program strategy.** In this context, the strategy of this new program as part of the AR-X1011 line is to enhance the quality of and access to education from preschool through secondary school with a view to improving learning and promotion and retention rates in areas with the greatest educational lag and highest unmet basic needs (UBN).²⁴
- 1.18 The main lines of intervention include: (i) increased access to early childhood education, which has been associated with improved learning, better attitude in class, and retention in the rest of the education cycle;²⁵ (ii) improved quality of science and mathematics teaching, based on a body of evidence on the teaching methods that are most efficient for improving learning in these two subjects, including teacher assistance²⁶ and basic equipment to foster inquiry²⁷ (specifically, the primary-school science and mathematics plan described in paragraph 1.9 will continue to be expanded, and an innovative pilot will be carried out at the preschool level); (iii) expanded secondary school coverage and reinforcement of educational institutions through PMIs,²⁸ assistance to principals,²⁹ and educational materials,

²⁴ While the actions of subprogram I serve students from vulnerable sectors throughout the country, the subprogram provides for strengthening these actions in the provinces with higher UBN rates. Subprogram II focuses 100% of its interventions on provinces with higher UBN in Argentina's Norte Grande region, which consists of the six northwest provinces (Catamarca, Jujuy, La Rioja, Salta, Santiago del Estero, and Tucumán) and the four northeast provinces (Chaco, Corrientes, Formosa, and Misiones).

²⁵ In Latin America, preschool attendance for at least two years is associated with improvements of 9% to 14% in the standard deviation for learning outcomes in the third and sixth grades in primary school (Duarte, Bos, and Moreno, 2010).

²⁶ Teacher assistance involves classroom training combined with group support in school.

²⁷ With regard to science, the most effective programs are based on a shift from teacher-centric teaching methods to those involving a certain degree of student inquiry (Healy, 1990; Lowery, 1998). With regard to mathematics, Hiebert and Grouws (2007) advise conceptual understanding, constructing arguments and communicating mathematical ideas, and problem-solving and reasoning.

²⁸ Building new schools to expand coverage in places with unmet demand is associated with an increase in enrollment (Murnade and Ganimian, 2014). PROMEDU assessments show higher retention in schools that have a PMI (Kit, 2014). This is consistent with evidence from school improvement programs in Mexico that are similar to the PMI, showing significant improvements in school efficiency rates (Cardenas et al., 2006; Shapiro and Skoufias, 2006).

including training in their use; and (iv) continuity and strengthening of school transportation subsidies aimed at vulnerable youth in areas of difficult access.³⁰ On a crosscutting basis, the program seeks to strengthen the production and use of information for decision-making and educational research purposes.³¹

- 1.19 **Strategic alignment.** The proposed operation is aligned with the Bank's country strategy with Argentina (2012-2015) (document GN-2687), which provides for strengthening social investments to improve coverage in provinces with higher UBN, particularly in the country's Norte Grande region and Greater Buenos Aires. Similarly, the program will contribute to the objectives of the Ninth General Increase in the Resources of the Inter-American Development Bank (GCI-9) (document AB-2764) by seeking to support poverty reduction and equity enhancement. In addition, the program supports the regional goals of increasing the number of beneficiary students, as defined in the Results Framework. The program is consistent with the Strategy on Social Policy for Equity and Productivity (document GN-2588-4) in the areas of improving school quality and investing effectively in early childhood development, and with the Education and Early Childhood Development Sector Framework Document (document GN-2708-2), particularly Dimensions 2 "New students enter ready to learn" and 4 "All schools have adequate resources and are able to use them for learning." This operation is included in the 2015 Operational Program Report (document GN-2805).

B. Objectives, components, and cost

- 1.20 The objective of the program is to support the national education policy aimed at the most vulnerable population, so as to: (i) increase the coverage of early childhood and secondary education; (ii) improve learning in primary schools; (iii) enhance internal efficiency (retention and promotion) in secondary schools; and (iv) improve the management and use of educational information for monitoring purposes. The program is divided into two complementary subprograms.³²

²⁹ Successful education systems tend to invest in school principal training programs to help principals lead school improvement processes. If school principals are given the opportunity of making management and resource allocation decisions, they end up using such resources more efficiently in accordance with their context (Vegas, 2013). In turn, this has a positive impact on the internal efficiency indicators.

³⁰ A recent study of effective policies suggests that reducing school transportation time and costs results in higher enrollment (Murnane, Gaminian, 2014). The assessment conducted in the context of PROMEDU shows that the school attendance level of students who receive a school subsidy (to purchase bicycles or other means of transportation) remains constant or rises slightly, while it declines in students who do not receive a subsidy (Espinoza, 2014).

³¹ Research shows that successful education systems have information systems that allow for informed decision-making aimed at educational improvement. Darling-Hammond, 2010 and Darling-Hammond and Wentworth, 2010.

³² The eligibility criteria for each subprogram are described in [optional electronic link 10](#).

1. Subprogram I. Improvement in education system performance (US\$150,000,000)

- 1.21 Under the responsibility of the Ministry of Education, it will include: (i) actions to improve the quality of education; (ii) demand-side actions to reduce secondary school access and retention costs; and (iii) actions to enhance the gathering and use of information for decision-making purposes.
- 1.22 **Component 1. Actions to strengthen the quality of education (US\$106,650,000).** The specific objective of this component is to improve internal efficiency and the quality of education by means of supply-side actions that include:
- (a) **Implementation of and support for PMIs.** The PMIs support actions aimed at enhancing the management and teaching performance of schools, with a view to supporting young people throughout their academic career.³³ All common public educational units (8,000) will receive financial resources and personnel to implement the agreed-upon PMIs, thus benefiting approximately 2.7 million students. The PMIs will be supplemented by a training module for school principals. Operated in coordination with the training activities of the National Teacher Training Plan, this module will emphasize the use of information for planning³⁴ and PMI results monitoring, as well as the dissemination of alternatives to support retention and enhance learning in students at greater risk of dropout and repetition. In addition, specifically contextualized school assistance modules will be implemented in the 10 provinces with the greatest educational lag, located in the NGB. These modules will include actions aimed at: (a) supporting the teaching staff in analyzing information on the school and the context/territory, setting goals for the school, and training the teaching staff to work with a population with learning difficulties; (b) conducting a gender analysis of these strategies; (c) creating networks and coordination among schools to capture successful experiences so as to enable teachers to receive assistance from their peers; and (d) identifying the factors that affect school atmosphere and intensifying work with families with a view to building spaces of institutional improvement.
 - (b) **Support for teaching natural science and mathematics.** The objective is to improve primary school learning outcomes through continuity and scaling of the Ministry of Education's science and mathematics plans. The central technical teams will be strengthened; 4,297 urban primary schools will be supported in science and 4,700 in mathematics through teaching assistance and materials. This will allow coverage under each

³³ See footnote 16.

³⁴ This includes, but is not limited to, assistance in using the Secondary School Improvement Index (IMESA) recently launched by DINIECE.

plan to be expanded from 20% to 50%³⁵ and will benefit a total of 1,600,000 students in fourth, fifth, and sixth grades. Schools will be prioritized according to the percentage of students receiving benefits under the Universal Allowance per Child (AUH) program. Innovatively, a pilot will be deployed at the preschool level to support the provinces in implementing the core learning priorities (NAP)³⁶ in science. The pilot includes technical assistance and development of support materials and/or platforms as well as materials to facilitate inquiry and monitoring tools. Approximately 700 kindergartens will be included, with an estimated 50,000 students.

- (c) **Improvement of teaching conditions in schools.** The objective of this line is to ensure the basic material conditions for teaching and learning in accordance with the goals of the National Compulsory Education and Teacher Training Plan or its equivalent by purchasing, distributing, and providing training in the use of: (i) teaching materials for the early childhood education universe (13,300 schools), based on the Ministry of Education's educational guidelines, including art galleries, libraries, and teaching materials; and (ii) equipment and educational materials to support the implementation of secondary school educational policies, including production and distribution of "educational backpacks" or educational kits for the 636,000 students in the first year of secondary school and multimedia production centers for the schools with the highest AUH percentage. In all cases, educational materials will be provided together with training in their proper use in the classroom.

- 1.23 **Component 2. Actions to strengthen demand (US\$37,100,000).** This component will finance a transportation subsidy for schools. The subsidy will be aimed at supporting students from the most socially vulnerable sectors who, whether because of the distance they need to travel to reach their educational institution or because access to such institution is difficult, require support to ensure transportation to school. Coverage will be expanded to make rural boarding schools and schools serving special-needs students eligible. The component will support a total of 6,500 secondary schools identified by the jurisdictions on the basis of access conditions, benefiting approximately 150,000 students per year. These students will be selected by the schools based on information regarding their socioeconomic status and truancy rate.
- 1.24 **Component 3. Continuous evaluation and monitoring (US\$1,750,000).** This component seeks to strengthen the management and use of educational information for monitoring and decision-making purposes by: (i) creating statistical analyses for

³⁵ The plans have been designed to be mutually exclusive in order to encompass a greater number of schools. However, a small number of schools are included in both plans; as a result, the grand total is higher than the total of 8,595 urban primary schools.

³⁶ Approved by Board of Education resolutions 225/04 and 37/07. <http://www.me.gov.ar/curriform/nap.html>, http://www.me.gov.ar/curriform/publica/nap/nap-nivel_inicial.pdf.

decision-making: this includes the production of provincial reports analyzing trends based on the statistics set forth in the annual regulations of the Dirección Nacional de Información e Evaluación de la Calidad Educativa [National Bureau for Information and Evaluation of the Quality of Education] (DINIECE). These reports will be made available to the various lines of the national Ministry of Education and be disseminated in the provinces as educational planning inputs. In the provinces of Argentina's Norte Grande region, these reports will be accompanied by dissemination and technical support workshops to provide guidance on using the information. The program execution unit will produce 10 reports in close coordination with the relevant Ministry of Education areas; (ii) supporting the capacity to monitor and evaluate the program lines: this includes strengthening existing systems for monitoring and evaluation of the school transportation line, school improvement, and science and mathematics improvement at the central level. In addition, mechanisms will be developed to monitor the use and appropriation of equipment received by the schools, in line with the criteria and targets proposed by the officials in charge at the relevant areas of the ministry. There will be actions aimed at: developing or consolidating measuring instruments, systematizing information, and disseminating outcomes in the jurisdictions; and (iii) promoting contextualized educational research: contextualized research will be fostered in the provinces of the country's Norte Grande region, emphasizing the problems of preschool access and of secondary-school access and retention. The composition of this research agenda will be based on the opportunities identified in the provinces and will reflect the criteria set forth in the program's Operating Regulations.

- 1.25 **Administration, audit, and supervision (US\$4,500,000).** Subprogram costs will include the financing of administration and supervision expenses and an external audit of subprogram I.

2. Subprogram II. Expansion of the educational infrastructure (US\$100,000,000)

- 1.26 Under the responsibility of the MPFIPyS, it will include construction and outfitting of new educational infrastructure to contribute to the objective of increasing access at the preschool and secondary school levels.
- 1.27 **Component 1. Construction and outfitting of educational buildings (US\$95,700,000).** This component calls for building and outfitting 100 new educational institutions³⁷ that will benefit approximately 20,250 students distributed by school level as shown in the following table:

³⁷ In the case of secondary schools, a renovation of existing schools may be considered if they can be restored for use for the same period as a new school.

Table I-2: Number of institutions and slots created

Level	Number of institutions	Slots created
Preschool	75	11,250
Secondary school	25	9,000

- 1.28 The schools will be located in the provinces of the country's Norte Grande region with the highest UBN and unmet educational demand levels (see [optional electronic link 5](#)). They will also be required to comply with the eligibility criteria described in the Operating Regulations in effect for PROMEDU III.³⁸
- 1.29 The characteristics of the new schools are determined by taking into account the central functional (teaching, curricular) and support (outreach, management, and complementary) processes. They include the following functional areas: the teaching area, the administrative and/or governance area, the services and support area (restrooms, offices, storage areas, kitchen), and an area for multiple, community-related activities (multiuse auditorium, library-computer room, exterior spaces). Furthermore, all new infrastructure will ensure accessibility for persons with limited mobility as provided by national law.³⁹
- 1.30 **Administration, audit, and evaluation (US\$4,300,000).** Program costs will include the financing of administration and supervision expenses, external audit, and evaluation and monitoring of the operation's processes, outputs, and outcomes.
- 1.31 **Cost-benefit analysis.** A cost-benefit analysis of the operation, quantified by taking into account the wage difference between the income of a person who completes secondary school and the income of someone who does not, yields positive results. Thus, based on the 12% discount rate typically applied to projects in this sector, the best-case scenario (which means assuming results of prior operations and similar interventions in terms of graduation) yields a US\$3.80 net benefit per US\$1 of investment in subprogram I and a US\$7.20 benefit per US\$1 of investment in subprogram II. Even a highly conservative scenario, with a reduction of up to 72% with respect to the results under the preceding scenario, yields a benefit of US\$0.70 per US\$1 of investment in subprogram I and US\$1.90 per US\$1 of investment in subprogram II. Furthermore, if the externalities associated with an investment in education are taken into account, the benefits under both scenarios are even higher for both the beneficiary students and the entire population ([optional electronic link 1](#)).

³⁸ The school eligibility criteria are set forth in:

<http://www.700escuelas.gov.ar/web/documentos/Instructivo%20Presentacion%20de%20proyectos.pdf>.

³⁹ See also attached link: Manual de Proyecto - Arquitectura Fichas Complementarias [Project manual – Architecture – Supplementary specifications] <http://www.700escuelas.gov.ar/web/documentos/Arquitectura.pdf>, which sets forth the design criteria for school prototypes.

C. Key results indicators

- 1.32 In the context of the above-described CCLIP objectives, the fourth loan will contribute by: (i) raising the average score of sixth-grade primary school students in natural science and mathematics in at least 60% of the jurisdictions; (ii) improving the internal efficiency indicators of secondary school students in at least 60% of the jurisdictions; (iii) expanding preschool coverage in the provinces with the highest UBN levels; and (iv) expanding secondary school coverage in the provinces with the highest UBN levels (see [Annex II Results Matrix](#)).

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 PROMEDU IV is the fourth operation under a CCLIP (AR-X1011) and amounts to US\$250 million, of which the loan will account for US\$200 million, with a local counterpart of US\$50 million and a disbursement period of five years (summary in Table II-1 and greater detail in [optional electronic link 2](#)).

Table II-1. Costs (in US\$ thousands)

Description	IDB	LOCAL	TOTAL
Subprogram I. Improvement in education system performance	120,000	30,000	150,000
Component 1. Actions to strengthen the quality of education	77,100	29,550	106,650
Component 2. Actions to strengthen demand	37,100	-	37,100
Component 3. Continuous evaluation and monitoring	1,750	-	1,750
Administration, audit, and supervision	4,050	450	4,500
Subprogram II. Expansion of the educational infrastructure	80,000	20,000	100,000
Component 1 Construction and outfitting of educational buildings	76,500	19,200	95,700
Administration, audit and evaluation	3,500	800	4,300
TOTAL	200,000	50,000	250,000

- 2.2 The loan will be disbursed in accordance with the schedule shown in Table II-2.

Table II-2. Tentative disbursement schedule (in US\$ thousands)

Source	2015	2016	2017	2018	2019	TOTAL
IDB	30,000	30,000	40,000	52,650	47,350	200,000
Local	6,925	15,650	17,175	4,925	5,325	50,000
Total	36,925	45,650	57,175	57,575	52,675	250,000

- 2.3 In accordance with document AB-2990, disbursement of the loan proceeds will be subject to the following maximum limits: (i) up to 15% during the first 12 months;

(ii) up to 30% during the first 24 months; and (iii) up to 50% during the first 36 months, in all cases as of the date of loan approval by the Board of Executive Directors. These limits may become inapplicable in the event that the Bank's policy requirements regarding such limits are fulfilled, provided that the borrower has been notified in writing.

B. Environmental and social risks

2.4 In accordance with the guidelines of the Bank's Environment and Safeguards Compliance Policy (Operational Policy OP-703) – Directive B.3 (Screening and Classification), the program was classified as a category "B" operation, with a low socioenvironmental risk (see [optional electronic link 12](#)).

2.5 Any potential adverse socioenvironmental impacts of the construction activity are minor and short-term. Despite this, the relevant mitigation and control measures will be applied; these are widely known and easily implemented for this type of small-scale civil works construction. Emphasis will be placed on the impacts that could arise during the construction stage, particularly with regard to occupational safety and health issues. Since the operation does not call for resettlement during any of the planned works, the Bank's Operational Policy on Involuntary Resettlement (OP-710) is not applicable (see program ESMR in [required electronic link 4](#)).

C. Fiduciary risks

2.6 Due to the experience and capacity of the execution unit, the risk identification and analysis process did not identify any fiduciary risks considered high.

D. Other risks

2.7 Five risks rated as low or medium were identified during the risk identification and analysis process. In other words, most of the risks identified in previous operations have disappeared, primarily due to the capacity that has been created in both program execution units.

2.8 Two risks rated as medium are associated with subprogram II. They relate to a potential insufficiency of funds to achieve the physical targets (development risk) and inadequate upkeep and maintenance of the newly built facilities (sustainability risk). The main mitigation measures include: (a) ensuring, in the course of procurement planning, that the resources will be committed expeditiously; (b) promoting agreements with the national treasury to achieve the planned targets using the local contribution if necessary; (c) strengthening the jurisdictional teams in their capacity to monitor infrastructure upkeep; and (d) developing upkeep and maintenance strategies jointly with the Ministry of Education.

2.9 An additional risk is related to the effects of potential changes in government authorities during the life of the program. Such effects would include: (a) modifications in the strategies for compliance with current educational policies; and (b) changes in criteria at the ministry level affecting the program monitoring and evaluation arrangements. The program design has reduced the likelihood that

these risks will materialize by: (i) including lines set up at the national level and backed by a judicial and legal framework; (ii) ensuring a detailed description of the agreed upon processes in the program Operating Regulations; and (iii) providing for centralized execution and a significantly smaller number of intervention lines, thus reducing the number of authorities with whom agreements need to be ratified. In addition, further mitigation measures are planned during execution, in the form of program dissemination and training workshops and technical support for each of the lines.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 The borrower under PROMEDU IV is the Argentine Republic and the executing agencies will be the Ministry of Education and the MPFIPyS, in accordance with the execution arrangements used in the previous operations under the CCLIP.
- 3.2 The Ministry of Education will be responsible for executing subprogram I and performing strategic and interagency coordination for both subprograms, including any request for changes made to the Bank through the Ministry of Economy and Public Finance (MEF) during the course of the program. The Ministry of Education will operate through its International Financing Unit Division (DGUFI), which reports to the Office of the Deputy Secretary of Administrative Coordination (SSCA). For its part, the MPFIPyS will be responsible for subprogram II through the Coordination Unit for Externally Financed Projects and Programs (CUEFPP). Both ministries will have specific executing units (Central Executing Unit - CEU/DGUFI and Subprogram 2 Executing Unit – S2EU/CUEFPP), supported by the technical areas of the Ministry of Education.
- 3.3 **Execution modality.** Each subprogram will be executed in centralized fashion by the CEU and the S2EU, respectively, with support from the respective technical areas of the provincial jurisdictions. The existing participation agreements (“Participation Agreements”) between the executing agencies and the jurisdictions will be amended and extended so as to cover this operation and set forth the responsibilities of the parties. The presentation of evidence to the Bank that these agreements have been signed or renewed will be a special execution condition. The smaller number of lines under this operation, and the introduction of a more centralized design aimed at contextualizing the support for and monitoring of the interventions, will contribute to more effective coordination among the various actors involved.
- 3.4 **Program Operating Regulations.** The Operating Regulations in effect for PROMEDU II and III will be adapted and used for this operation ([optional electronic link 9](#)). **Their approval will be a special contractual condition precedent to the first disbursement** and the Operating Regulations will define the specific duties of the executing agency, including: (i) the specific execution arrangements; (ii) the financial and procurement management guidelines; (iii) the

- investment targeting and eligibility criteria; (iv) the programming and evaluation structure and process; (v) the results matrix; (vi) the risk mitigation matrix; and (vii) the arrangements for fulfillment of the program's environmental and social commitments.
- 3.5 **Financial management.** The loan proceeds may be disbursed in the form of advances of funds, expense reimbursements, and direct payments to providers. In the case of advances of funds, disbursements will be based on expense projections for up to 180 days. The External Loan Executing Unit (UEPEX) system used in PROMEDU I, II, and III, or the system replacing it, will be applied. The executing agency will maintain the monitoring and evaluation system used in the prior loans under the CCLIP for subprogram II.
- 3.6 **Procurement.** The execution of PROMEDU I, II, and III has consolidated the executing agencies' work in terms of procurement. The procurement plan will be managed through the online electronic system known as Procurement Plan Execution System (SEPA). Procurement of works and goods and contracts for consulting services will be carried out in accordance with the Policies for the Procurement of Works and Goods Financed by the IDB (document GN-2349-9), the Policies for the Selection and Contracting of Consultants Financed by the IDB (document GN-2350-9), both of March 2011, or their subsequent updates, and pursuant to the specifications included in the loan contract and procurement plan. In addition, these documents will set forth the method of supervision for the procurement of works, goods, and nonconsulting services and the contracting of consulting services to be charged against the Bank's loan.
- 3.7 **External audit.** Each executing agency will annually submit the program's audited financial statements on the terms required by the Bank under its policies. To this end, an external audit firm will be contracted for subprogram I, with a scope of action to be defined in the program Operating Regulations. Subprogram II may use the Auditoría General de la Nación [National General Auditing Office] (AGN) as an external auditor, as was done with PROMEDU I, II, and III.
- B. Summary of arrangements for monitoring results**
- 3.8 Program monitoring will be based on the Results Matrix, the annual work plans (AWP), the progress reports, the supervision plan, and the periodic updates of the risk mitigation matrix. These instruments are to be used to carry out the planning, updating, and monitoring of program execution activities, including annual work meetings as already carried out in previous programs.
- 3.9 In the evaluation area, the following is planned: (i) a descriptive analysis of the internal efficiency indicators for secondary school, learning outcomes in the sixth grade of primary school, and preschool and secondary school coverage before and after the program; (ii) an experimental impact evaluation of the pre-scientific abilities of children in the preschool science program; (iii) an ex post cost-benefit evaluation to confirm the expected benefits; (iv) a process evaluation to verify the use of educational information by the jurisdictions; and (v) a final evaluation of

program management and outcomes, to be contracted once 80% of the program resources have been committed (see [required electronic link 2](#)).

C. Post-approval design of activities

- 3.10 Consulting is called for during the first year of program execution to support the detailed design of the pilot for assistance to preschools in implementation of the core learning priorities (paragraph 1.22 (ii)). This will include a review of the indicators to ensure that they are consistent with the early education policies and objectives. In addition, once the jurisdictions participating in the pilot are identified, the appropriate size of the sample will have to be determined along with other evaluation specifications.

Development Effectiveness Matrix			
Summary			
I. Strategic Alignment			
1. IDB Strategic Development Objectives		Aligned	
Lending Program		-Lending for poverty reduction and equity enhancement	
Regional Development Goals		-Share of youth ages 15 to19 who complete ninth grade	
Bank Output Contribution (as defined in Results Framework of IDB-9)		-Students benefited by education projects	
2. Country Strategy Development Objectives		Aligned	
Country Strategy Results Matrix	GN-2687	i) Total coverage for Kindergarten (for 5 years of age and increasing the incorporation of children of 3 and 4 years old) y secondary school, and ii) Improve quality of education.	
Country Program Results Matrix	Not available	Document under revision.	
Relevance of this project to country development challenges (If not aligned to country strategy or country program)			
II. Development Outcomes - Evaluability		Highly Evaluable	Weight
		9.4	10
3. Evidence-based Assessment & Solution		8.9	33.33%
3.1 Program Diagnosis		3.0	
3.2 Proposed Interventions or Solutions		4.0	
3.3 Results Matrix Quality		1.9	
4. Ex ante Economic Analysis		10.0	33.33%
4.1 The program has an ERR/NPV, a Cost-Effectiveness Analysis or a General Economic Analysis		4.0	
4.2 Identified and Quantified Benefits		1.5	
4.3 Identified and Quantified Costs		1.5	
4.4 Reasonable Assumptions		1.5	
4.5 Sensitivity Analysis		1.5	
5. Monitoring and Evaluation		9.3	33.33%
5.1 Monitoring Mechanisms		1.8	
5.2 Evaluation Plan		7.5	
III. Risks & Mitigation Monitoring Matrix			
Overall risks rate = magnitude of risks*likelihood		Low	
Identified risks have been rated for magnitude and likelihood		Yes	
Mitigation measures have been identified for major risks		Yes	
Mitigation measures have indicators for tracking their implementation		Yes	
Environmental & social risk classification		B	
IV. IDB's Role - Additionality			
The project relies on the use of country systems			
Fiduciary (VPC/FMP Criteria)	Yes	Financial Management: Accounting and Reporting, Internal Audit.	
Non-Fiduciary			
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:			
Gender Equality			
Labor			
Environment			
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project			
The ex-post impact evaluation of the project will produce evidence to close knowledge gaps in the sector that were identified in the project document and/or in the evaluation plan		Yes	The science program's experimental evaluation will provide information on effective programs for the development of children's pre-scientific abilities. This information is currently unavailable for the region.

The Project identifies gaps in the quality of education and coverage gaps at the preschool and secondary levels as a function of income levels of the population. The document identifies the beneficiary population, and the factors that contribute to the problems including lack of infrastructure, pedagogical practices and access to spaces that promote early childhood development, among others. Evidence on effectiveness for the proposed interventions is provided and context relevant information is provided.

The indicators related on the number of students are listed separately and not integrated with the results matrix. As a result, the vertical logic is not clear. The results indicator on "Departments that use reports on statistical analysis of the program in their planning process, including gender indicators" is not specific. Three results indicators related with this component are properly defined and the results indicator not being specific is one out of six, therefore no points are deducted.

Regarding monitoring, the project costs are not grouped by outputs and no annual expected amounts are reported. The plan includes an impact evaluation on a science pilot with experimental design and a before-after comparison on student learning at the elementary level, and promotion and dropout at the secondary level. The monitoring and evaluation plan establishes that the evaluation budget will be covered by PROMEDU IV, but no budget is specified. No points are deducted because the monitoring activities are budgeted.

The main risks are changes in the strategies to meet education policies due to a change in local authorities and insufficient conservation and maintenance resources. The project has additionality on the use of country systems and for closing knowledge gaps through the generation of experimental evidence on the effects of the science pilot program on pre scientific abilities in children.

RESULTS MATRIX

Project objective	The objective of the program is to support the national education policy aimed at the most vulnerable population, so as to: (i) increase the coverage of early childhood and secondary education; (ii) improve learning in primary schools; (iii) enhance internal efficiency (retention and promotion) in secondary schools; and (iv) improve the management and use of educational information for monitoring purposes.		
Impact outcomes	Baseline	Final target ¹	Observations
Percentage of young people 18 to 20 years of age in total household income quintiles 1 and 2 who no longer attend school and did not graduate from secondary school. ²	17.98 (2014)	16.76	Source: Prepared on the basis of data from the National Statistics and Census Institute's (INDEC) continuous household survey (EPH) for the second quarter of 2014. ³
Gap in the preschool attendance rate between the first and fifth total household income quintiles for the four-year-old population.	11.50 (2014)	6.50	Source: Prepared on the basis of data from the INDEC continuous household survey (EPH) for the second quarter of 2014.
Gap in the preschool attendance rate between the first and fifth total household income quintiles for the five-year-old population.	2.41 (2014)	1.80	Source: Prepared on the basis of data from the INDEC continuous household survey (EPH) for the second quarter of 2014.
Difference in average score in mathematics on the national evaluation exercise (ONE) for primary school between the Norte Grande region ⁴ and the rest of the country.	21.31(2010)	17	Source: Estimate based on Cervini, R. (2014): Evaluación del Programa Ciencia y Matemática Educación Primaria Análisis Cuantitativo [Assessment of the Primary School Science and Mathematics Program. Quantitative Analysis]. Verification: Assessment report based on ONE 2016-2019.

¹ Estimated targets are based on this indicator's trends from 2006 to 2014 as described in the POD, paragraph 1.14, and will be reviewed once the third-quarter EPH data are available in order to maintain consistency with the baseline calculation method.

² This indicator, as well as those that use EPH microdata, follows the tabulation procedures described in the effect indicators of the PROMEDU I PCR.

³ Data were classified by variables: age in years (ch06); present or past attendance at an educational institution (ch10); educational level reached (niveled); and total household income (ITF). The data will be verified once the third-quarter EPH results are available.

⁴ Comprised of the northwest provinces of Catamarca, Jujuy, La Rioja, Salta, Santiago del Estero, and Tucumán, and the northeast provinces of Chaco, Corrientes, Formosa, and Misiones.

Subprogram 1. Improvement in educational system performance								
	Baseline 2014	Year 1	Year 2	Year 3	Year 4	Year 5	Final target	Observations
Outcomes								
Jurisdictions that reduce their annual dropout rates at the secondary school level by at least one percentage point.	0	0	0	8	10	13	13	The attached annex (see link) includes the dropout indicators for the country's 24 jurisdictions (2010) that will serve as a basis for measuring advances in each jurisdiction. Verification: Evaluation report based on data from the DINIECE annual survey.
Jurisdictions that increase their effective promotion rate at the secondary school level by at least one percentage point.	0	0	0	8	10	13	13	The attached annex (see link) includes the promotion indicators for the country's 24 jurisdictions (2010) that will serve as a basis for measuring advances in each jurisdiction. Verification: Evaluation report based on data from the DINIECE annual survey.
Jurisdictions that increase their average score in natural science on sixth-grade ONE tests by at least five points.	0	0	0	0	13	13	13	The average results in natural science in the 24 jurisdictions (2010) are in the preparation process. Verification: Evaluation report based on ONE 2016-2019. ⁵
Jurisdictions that increase their average score in mathematics on sixth-grade ONE tests by at least five points.	0	0	0	0	13	13	13	The attached annex (see link) includes the average results for the 24 jurisdictions (2010). Verification: Evaluation report based on ONE 2016-2019.
Difference in score in pre-scientific skills between the treatment and control groups in the sample of schools under the pilot (standard deviations).	0	0	0	0	0	0.13	0.13 ⁶	Verification: Impact assessment outcomes.
Jurisdictions that use statistical analysis reports for the program in their planning process, including gender indicators.	0	0	0	5	5	10	10	Verification: Process evaluation report on use of information.

⁵ The 2016 data will be available in year 4 of the program and will make it possible to verify the trends.

⁶ The proposed target for the science pilot is based on the impact outcomes of science programs in Argentina included in the publication Educación para la Transformación [Education for transformation], Inter-American Development Bank, 2012, and early childhood mathematics programs in Paraguay and Peru.

	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Final target	Observations
Outputs component 1: Improvement in the quality of education								
Support for institutional improvement plans in secondary school								
Secondary schools that receive financial resources and support personnel for their institutional improvement plan according to the allocation criteria set forth in the Operating Regulations.	5,500	5,500	8,000	8,000	8,000	8,000	8,000	Verification: Program status reports based on SITRARED.
School principals trained in the use of educational data for purposes of developing and monitoring the institutional improvement plans.	0	0	0	4,000	4,000	0	8,000	Added to the sector indicator: teachers trained. Verification: Program status reports.
Jurisdictions that have arrangements in place with schools for contextualized assistance for schools, including a gender dimension.	0	0	0	5	5	10	10	Refers to the jurisdictions in the country's Norte Grande region. Verification: Annual program status reports.
Support for the teaching of natural science and mathematics								
Technical teams financed by the program for the science and mathematics plan formed.	0	0	2	2	2	2	2	Verification: Program status report.
Primary schools that receive at least two monthly visits to provide teaching assistance in science.	1,700	2,300	2,900	3,500	4,100	4,297	4,297	2,597 additional schools in the course of the program. Verification: Program status report based on line monitoring reports.
Primary schools that receive at least two monthly visits to provide teaching assistance under the mathematics plan.	1,700	2,500	3,300	4,100	4,700	4,700	4,700	3,000 additional schools in the course of the program. Verification: Program status report based on line monitoring reports.
Science laboratory sets for the primary school science plan distributed.	1,700	2,500	500	0	0	0	4,700	Verification: Program status reports.

	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Final target	Observations
Early childhood education centers that receive at least two monthly visits to provide teaching assistance in science.	0	0	0	700	700	700	700	Verification: Pilot program management reports.
Equipment to foster scientific inquiry at the preschool level distributed.	0	0	700	0	0	0	700	Verification: Pilot program management reports.
Improvement of teaching conditions at schools								
Secondary schools that receive at least one consignment of equipment or teaching materials to implement the NAPs.	0	0	0	4,000	4,000	0	8,000	Consignments include: teaching kits, educational backpacks. Verification: Program status reports.
Early childhood education centers that receive at least two consignments of educational materials.	0	0	0	6,250	7,250	0	13,500	Materials include art galleries, libraries, and science materials. Verification: Annual program report.
Outputs component 2: Support for demand								
Secondary schools that receive subsidies to encourage school attendance.	5,500	5,500	6,500	6,500	6,500	6,500	6,500	Verification: Program status reports based on SITRARED.
Outputs component 3: Continuous evaluation and monitoring								
Jurisdictional reports analyzing educational indicators produced and disseminated.	0	0	2	8	0	0	10	Dissemination involves delivery of the reports and discussion workshops with the political and technical authorities in the jurisdictions of the country's Norte Grande region. Verification: Annual program report based on the jurisdictional reports.
Reports on systematizing outcomes of and lessons learned from the program lines.	0	0	0	3	3	3	9	Verification: Annual program report based on transportation, PMIs, and science and mathematics monitoring reports.
Reports on contextualized educational research disseminated.	0	0	0	2	2	2	6	Verification: Program status reports (as well as terms of reference of the research and outcome reports).

Subprogram II: Expansion of educational infrastructure.								
	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Final target	Observations
Outcomes								
Preschool coverage in the provinces of Argentina's Norte Grande region.	80.3	80.3	80.3	80.8	81.9	83.0	83.0	Coverage estimates are based on an impact simulation study of the slots created by building schools under PROMEDU (see link). Verification: Results of coverage assessment.
Secondary school coverage in the provinces of Argentina's Norte Grande region.	93.8	93.8	93.8	93.9	94.1	94.3	94.3	It is estimated that 50% of the new slots will expand coverage and the other 50% will be used by students already in the system. Verification: Results of coverage assessment.
Outputs component 1: Construction and outfitting of educational buildings.								
New slots available for preschool.	0 ⁷	0	0	2,700	4,275	4,275	11,250	It is estimated that 75 centers will be built, each with space for 150 students. Verification: Subprogram II program reports.
New slots available for secondary school.	0	0	0	2,160	3,420	3,420	9,000	It is estimated that 25 centers will be built, each with space for 360 students. Verification: Subprogram II program reports.

⁷ The “zero” values included in this column are present because the universe that serves as the basis for the accounting of these outputs is comprised of new units and therefore of additional slots created due to the availability of the new infrastructure.

Sector indicator (CSI)								
Secondary school students benefiting from the program Male Female	0	0	2,700,000 50% 50%	2,700,000 50% 50%	2,700,000 50% 50%	2,700,000 50% 50%	2,700,000 50% 50%	Refers to students benefiting from the PMI and students enrolled in new secondary school infrastructure. Verification: Annual program status report.
Primary school students benefiting from the program Male Female	0	0	1,600,000 50% 50%	1,600,000 50% 50%	1,600,000 50% 50%	1,600,000 50% 50%	1,600,000 50% 50%	Refers to students benefiting from primary-school science and mathematics programs. Verification: Annual program status report.
Preschool students benefiting from the program Male Female	0	0	2,700 50% 50%	2,700 50% 50%	2,925 50% 50%	2,925 50% 50%	11,250 50% 50%	Refers to students benefiting from new early childhood education infrastructure. Verification: Annual program status report.

FIDUCIARY AGREEMENTS AND REQUIREMENT

Country: Argentina

Project number: AR-L1180

Name: Program to Support the Policy on Improving Equity in Education - PROMEDU IV

Executing agency: Ministry of Education and Ministry of Federal Planning, Public Investment, and Services (MPFIPyS)

Prepared by: Ignacio Vinocur and Brenda Alvarez (FMP/CAR).

I. EXECUTIVE SUMMARY

- 1.1 The Risk Management Guide for Sovereign-guaranteed Projects (RMG) was used for risk assessment purposes. The program is divided into two subprograms: (i) improvement in educational system performance, executed by a Central Executing Unit (CEU) of the Argentine Ministry of Education; and (ii) expansion of the educational infrastructure, managed by a CEU operating under the authority of the Ministry of Federal Planning, Public Investment, and Services (MPFIPyS). The Bank assessed the capacity of the executing agencies to implement procurement actions and determined that the total program risk associated with procurement management is low.

II. FIDUCIARY CONTEXT OF THE EXECUTING AGENCIES

- 2.1 The fiduciary systems of the executing agencies are considered satisfactory, based on their experience in executing loans 1345/OC-AR-2, 1966/OC-AR-2, 2424/OC-AR-1, 2424/OC-AR-2, and 2940/OC-AR.

III. FIDUCIARY RISK EVALUATION AND MITIGATION MEASURES

- 3.1 Risk analysis (including fiduciary risk) was performed using the RMG method through a workshop including members of the executing agencies. Based on the experience gained in executing similar programs, the risk at the executing agency level has been deemed low.
- 3.2 The applicable supervision modality for financial and procurement management was determined on the basis of the above. This supervision modality may change over the course of program execution based on the evaluations.

IV. CONSIDERATIONS FOR THE SPECIAL CONDITIONS OF THE CONTRACT

- 4.1 The executing agencies will submit annual financial statements for the program, audited by an independent audit firm acceptable to the Bank, based on terms of reference to be previously agreed upon with the Bank.

V. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

A. Procurement execution

- 5.1 Procurement will be conducted in accordance with the Policies for Procurement of Works and Goods Financed by the Inter-American Development Bank (document GN-2349-9) and the Policies for Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-9), both of March 2011, or their subsequent updates. In addition, the Bank and the executing agencies agree to use the Procurement Plan Execution System (SEPA) for administration and management of procurement planning under the program. In the event of temporary connectivity problems and/or problems in loading information into the SEPA, a physical Excel format may be used on a provisional basis to ensure the existence of a current and approved procurement plan.
- 5.2 The country subsystems for direct procurement through abbreviated bidding and for contracting of individual consultants may be used upon request by the executing agencies once the implementation stage is formalized with the Argentine authorities.
- 5.3 In the event that Argentina is validated for the use of country systems, the intention to use such systems will be indicated, including a description of their scope. There will also be an indication that the use of any subsequently approved systems will be automatic, and it will be so noted in the procurement plan.
- 5.4 **Procurement of goods, works, and nonconsulting services.** Procurement of works, goods, and nonconsulting services¹ arising under the program and subject to international competitive bidding (ICB) will be executed using the standard bidding documents (SBD) issued by the Bank. Procurement subject to national competitive bidding (NCB) will be executed using domestic bidding documents agreed upon with the Bank. The program's sector specialist will be responsible for reviewing the technical specifications for procurement during the preparation stage of selection processes.
- 5.5 For procurement processes conducted through national competitive bidding, the executing agency may, in accordance with paragraph 2.47 of the respective procurement policy, notify bidders of the award proposal at the end of the evaluation process if so provided by national regulations and set forth accordingly

¹ Policies for Procurement of Works and Goods Financed by the Inter-American Development Bank (document GN-2349-9) paragraph 1.1: Nonconsulting services are treated as goods.

in the relevant bidding document. Furthermore, after the bid opening date, the executing agency may leave open the possibility for bidders to review their proposals and issue comments or observations (but neither challenges nor protests), which would then have to be addressed in the evaluation report.

- 5.6 **Selection and contracting of consultants.** Consulting service contracts arising under the program will be executed using Requests for Proposals (RFPs) issued by the Bank. For consulting services with an estimated budget of up to US\$200,000, the executing agencies will promote the use of the selection method based on consultants' qualifications (CQS), as provided in paragraph 3.7 of the policies.
- a. **Selection of individual consultants.** In the case of individual consultants, selection will be based on the provisions of Section V, paragraphs 5.1 to 5.4, of document GN-2350-9. Consultants hired to assist the executing agency during the program execution period may be contracted through single-source selection, as provided in Section V, point 5.4 (a) of the aforementioned policy. For such purposes, the executing agency will provide the Bank with a list of consultants who have been rendering services at the Central Executing Unit under loan 2424/OC-AR 2 and their terms of reference by position. Approval by the program's executive coordinator of a performance evaluation showing at least satisfactory results will be sufficient for the renewal of service contracts.
 - b. **Training.** The procurement plan describes the procurement applicable to program components that include training, which is contracted as consulting services.
- 5.7 **Recurring expenses.** Recurring or operating and maintenance expenses required during the program will include: airfare (for such purposes, the national provisions of Decree 1191/2012 require the use of Aerolíneas Argentinas and Austral when traveling anywhere in Argentina and abroad), per diems, ground transportation, leasing and services; maintenance; building maintenance fees; office supplies, courier, and postage; cleaning services; computer supplies; insurance; telephone; and minor expenses required for operation of the executing agencies. They will be financed by the program and will be incurred in compliance with the procedures reviewed and accepted by the Bank. Operating expenses do not include salaries of public-sector officials.
- 5.8 **Advance procurement/Retroactive financing.** Not planned.
- 5.9 **Consolidation/standardization of threshold amounts.** At the request of the executing agency, in the case of procurement of readily available goods in stock that are of small value and have standard specifications, or simple civil works of small value, the project team leader may, subject to the technical opinion of the procurement specialist, authorize the executing agency to use the shopping method for procurement in an amount estimated to exceed the established threshold for this modality, provided such amount is in a range of US\$100,000 to US\$500,000. The above is in accordance with the relevant tables of authority (Operations Administration Policies OA-420 and OA-421), which allow the

project team leader to waive contractual conditions, and the scope of decision-making authority in procurement matters under the Procurement Function Operational Guidelines (document OP-272-2).

B. Table of threshold amounts (US\$ thousands)

Expense category	Amount in US\$ thousands	Procurement method	IDB review
Works	≥ 5,000	ICB	Ex ante
	< 5,000 > 350	NCB	Ex post
	≤ 350	S	Ex post
Goods	≥ 500	ICB	Ex ante
	≤ 500 > 100	NCB	Ex post
	≤ 100	S	Ex post
Nonconsulting services	≥ 500	ICB	Ex ante
	≤ 500 > 100	NCB	Ex post
	≤ 50	S	Ex post
Consulting firms	> 500	International shortlist	Ex ante
	≤ 500	100% national shortlist	
Individual consultants	See Section V of document GN-2350-9		Ex post

Note: The thresholds for ex post review of procurement are applied on the basis of the executing agency's fiduciary execution capacity and may be modified by the Bank to the extent that this capacity changes.

C. Major procurement processes

Activity	Type of bidding process	Estimated date	Estimated amount
Goods			
Natural science laboratories for early childhood education centers and primary schools	ICB	2014 (retroactive expense)	7,150,000
Art galleries for early childhood education centers	ICB	January 2018	4,500,000
Libraries for early childhood education centers	ICB	September 2016	4,400,000
Equipment/teaching materials for secondary schools	ICB	March 2017	7,500,000
School furnishings	ICB	August 2016	6,000,000
Works			
Bidding processes for 75 early childhood education centers	NCB	August 2016 – end of program	39,388,000
Bidding processes for 25 secondary schools	NCB		50,312,000
Nonconsulting services			
Ground transportation for secondary schools (passes and subsidies)	SSS	October 2015	37,100,000
Financial resources for secondary school improvement plans	SSS	January 2016	34,300,000
Firms			
Arrangements for training secondary school principals in PMIs and use of data	ICB	January 2017	9,000,000

Activity	Type of bidding process	Estimated date	Estimated amount
Technical support for provinces with greatest lag (access and internal efficiency) in education in the Norte Grande region and Greater Buenos Aires – Preschool and secondary school	ICB	January 2016	4,300,000

5.10 To access the 18-month procurement plan for the program, click [here](#).

D. Procurement supervision

5.11 Contracts subject to ex post review by the Bank will be as itemized in the procurement plan and will be performed as set forth in Appendix 1 of the relevant policies. When the amounts involved are greater than or equal to those indicated in the table, the contracts will be supervised on an ex ante basis. It should be noted that ex post reviews may be conducted for ICB when the executing agency so requests and is able to show technical and administrative capacity for managing the bidding process.

5.12 Ex post review visits by the Bank will be conducted at least once every 12 months. Ex post review reports will include at least one physical inspection visit, when appropriate. It should be noted that at least 10% of reviewed contracts will be subject to a physical inspection over the course of the program.

E. Records and files

5.13 The executing agencies will maintain a standardized filing system with procedures for original documents. Program reports will be prepared and filed using the agreed-upon formats or procedures, described in the program Operating Regulations. Originals are filed by the program's coordinating unit, which will be responsible for managing bidding processes.

VI. FINANCIAL MANAGEMENT

6.1 **Programming and budget.** The executing agencies' budget has programmatic categories and other classifications by expense purpose (subitems), including personnel expenses; consumables; nonpersonnel expenses; property, plant, and equipment; transfers; financial assets; debt service and reduction of other liabilities; and other expenses. Depending on their economic nature, items are current expenses, capital expenses, and financial applications. In addition, internal financing sources may refer to the national treasury, own resources, specific allocations, or internal transfers. External financing includes external transfers and external credit.

6.2 There are no problems in terms of management, local counterpart timing, or system delays expected to affect execution.

6.3 **Accounting and information system.** The executing agencies will use the UEPEX system as their financial management system, which will be

- implemented at the central government level and at the level of the subexecuting provinces. Accounting will be on a cash basis and International Financial Reporting Standards (IFRS) will be followed when applicable in accordance with established national accounting principles. Audited annual financial statements at 30 April of each year will be required, in accordance with terms of reference to be agreed upon by the executing agencies and the Bank.
- 6.4 **Disbursements and cash flow.** The applicable policies will be the Financial Management Policy for IDB-financed Projects (documents OP-273-5 and OP-273-6) and the Financial Management Operational Guidelines for IDB-financed Projects (document OP-274-1).
- 6.5 Loan proceeds requested of the Bank in the form of advances of funds will be deposited in an account in dollars. These funds will then be converted to pesos based on operating needs and credited to an account in pesos exclusively for the program. Program expenses and investments will be paid from this account as planned. The executing agencies will maintain rigorous and proper control over the use of advances of funds, with mechanisms designed to verify and reconcile the available balance in each executing agency's records with the equivalent balances in the Bank's records (LMS1 report).
- 6.6 The program will use e-Disbursements, the Bank's online system that allows the executing agency to electronically prepare and send disbursement requests to the Bank, reducing transaction costs by enabling the Bank to review and process the requests remotely.
- 6.7 The exchange rate to be used, as agreed upon with the executing agencies, is the exchange rate indicated in Section 4.10(b)(i) of the General Conditions and Section 3.03 of the Special Conditions.
- 6.8 Other specific requirements for financial management of projects that may need to be established in the contract or agreement to be signed with the Bank: Disbursements will be made as provided in Sections 4.05, 4.06, 4.07, 4.08, and 4.09 of the General Conditions.
- 6.9 **Internal control and internal audit.** Internal control is performed by the Sindicatura General de la Nación [Office of the Comptroller General] (the governing body of the internal control system), which conducts periodic internal audits of the various government agencies. A manual of administrative procedures governing the processes and procedures to be carried out within the program framework will be prepared and implemented.
- 6.10 **External control and reports.** External control is carried out by the Auditoría General de la Nación [Office of the Auditor General] (AGN) (governing body for external control), which may perform external audits of any national government agency.
- 6.11 **Financial supervision plan.** The initial financial supervision plan is based on risk and fiduciary capacity assessments conducted in accordance with onsite and desk reviews provided for the program, and includes the scope of operational,

- financing, and accounting actions; compliance and legal consideration; frequency of supervision; and identification of the person in charge. The plan calls for an annual financial inspection visit. Disbursements will be reviewed on an ex post basis.
- 6.12 **Execution arrangements.** The program is divided into two subprograms: (i) improvement in educational system performance, executed by a Central Executing Unit (CEU) of the Argentine Ministry of Education; and (ii) expansion of the educational infrastructure, managed by a CEU operating under the authority of the Ministry of Federal Planning, Public Investment, and Services (MPFIPyS).
- 6.13 For their part, the jurisdictions will participate in the program through their relevant technical areas, which will submit the final project designs for works for eligibility and take part in the evaluation and award stages of the bidding processes. As in prior stages, participation in the program will be formalized through the signing of a participation agreement, a model of which is part of the program Operating Regulations.
- 6.14 The Operating Regulations, which are a part of the loan proposal, define the specific duties of the executing agency with a view to ensuring effective and efficient application of resources and guaranteeing fulfillment of contractual and policy provisions regarding the program's legal and procedural aspects and program objectives. In particular, they include: (i) the specific execution arrangements; (ii) the financial and procurement management guidelines; (iii) the investment targeting and eligibility criteria; (iv) the programming and evaluation structure and process; (v) the results matrix; (vi) the risk mitigation matrix; and (vii) the model participation agreement for the jurisdictions.
- 6.15 **Disbursements.** Disbursements will be made in the form of advances of funds pursuant to a financial plan spanning at most 180 days; these advances will be settled when at least 80% thereof has been expended. Disbursement requests will require a disbursement request form, the execution status, and a financial plan for the following 180 days. The financial management specialist may require additional information, such as: (i) itemized list of commitments; and (ii) reports on estimated physical and financial progress on the project. Settlement of advances will be submitted to the Bank with the following information: (i) disbursement request form; (ii) program execution status; (iii) reconciliation of Bank resources; (iv) itemization of payments; and (v) other reports helping to show progress on the program. The settlement documents need not include support documents for expenses incurred or payments made, but this will not imply Bank approval of such expenses or payments. The original support documents for such expenses must be available for review upon request by the Bank.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/15

Argentina. Loan ___/OC-AR to the Argentine Republic
Program to Support the Policy on Improving Equity
in Education – PROMEDU IV

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Argentine Republic, as Borrower, for the purpose of granting it a financing aimed at cooperating in the execution of the Program to Support the Policy on Improving Equity in Education – PROMEDU IV, which constitutes an individual operation under the Conditional Credit Line for Investment Projects (CCLIP) AR-X1011 approved on March 11, 2008 by Resolution DE-28/08. Such financing will be in the amount of up to US\$200,000,000, from the resources of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on ____ 2015)