



Board of Executive Directors

For consideration

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To: The Executive Directors
From: The Secretary
Subject: Argentina. Proposal for a Conditional Credit Line for Investment Projects (CCLIP) and first individual loan under the line for the "Urban Integration and Social and Educational Inclusion Program in the Autonomous City of Buenos Aires"

Basic Information: Loan type Conditional Credit Line for Investment Projects (CCLIP)
Borrower Autonomous City of Buenos Aires

Line of Credit
Amount up to US\$250,000,000
Source Ordinary Capital

Individual Loan
Amount up to US\$100,000,000
Source Ordinary Capital

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Remarks: This operation is included in Annex III of document GN-2884, "2017 Operational Program Report", approved by the Board of Executive Directors on 8 March 2017. However, the loan amount exceeds the ceiling established for Group A countries. Therefore, the operation does not qualify for approval by Simplified Procedure.

Reference: GN-1838-1(7/94), DR-398-17(1/15), GN-2884(3/17), 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-2246-9(9/16), DE-86/16, GN-2564-3(12/11), DE-225/11

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

ARGENTINA

**CONDITIONAL CREDIT LINE FOR INVESTMENT PROJECTS (CCLIP)
URBAN INTEGRATION AND SOCIAL AND EDUCATIONAL INCLUSION
PROGRAM IN THE AUTONOMOUS CITY OF BUENOS AIRES**

(AR-O0005)

**FIRST OPERATION OF THE URBAN INTEGRATION AND SOCIAL AND
EDUCATIONAL INCLUSION PROGRAM IN THE AUTONOMOUS CITY OF
BUENOS AIRES**

(AR-L1260)

LOAN PROPOSAL

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ABBREVIATIONS

AWP	Annual work plan
AySA	Agua y Saneamientos Argentinos S.A. [Argentine Water and Sanitation Company]
B31	Barrio 31
CCLIP	Conditional Credit Line for Investment Projects
EDGE	Excellence in Design for Greater Efficiencies
ESA	Environmental and social analysis
ESMP	Environmental and Social Management Plan
FEPBA	Finalización de Estudios de Primaria de Buenos Aires [Buenos Aires Primary School Completion Test]
FESBA	Finalización de Estudios de Secundaria de Buenos Aires [Buenos Aires Secondary School Completion Test]
IBRD	International Bank for Reconstruction and Development
ICT	Information and communications technology
MM-I	Multisector modality I
OECD	Organization for Economic Cooperation and Development
PCU	Project coordination unit
PISA	Program for International Student Assessment
PIU	Plan Integral Urbano [comprehensive urban plan]
PSBA	Plan Sarmiento Buenos Aires
SECISyU	Secretaría de Integración Social y Urbana [Social and Urban Integration Department]
SES	Socioemotional skills
TESBA	Prueba de Tercer Año de Estudios Secundarios de Buenos Aires [Buenos Aires Third Year High School Test]
UFOMC	Unidad de Financiamiento con Organismos Multilaterales de Crédito [Multilateral Lending Agency Financing Unit]
V31	Villa 31

PROJECT SUMMARY

ARGENTINA CONDITIONAL CREDIT LINE FOR INVESTMENT PROJECTS (CCLIP) URBAN INTEGRATION AND SOCIAL AND EDUCATIONAL INCLUSION PROGRAM IN THE AUTONOMOUS CITY OF BUENOS AIRES (AR-O0005)

FIRST OPERATION OF THE URBAN INTEGRATION AND SOCIAL AND EDUCATIONAL INCLUSION PROGRAM IN THE AUTONOMOUS CITY OF BUENOS AIRES (AR-L1260)

Financial terms and conditions					
Borrower: Autonomous City of Buenos Aires			Flexible Financing Facility ^(a)		
			Amortization period:	25 years	
Guarantor: The Argentine Republic			Original WAL:	15.25 years	
			Disbursement period:	4 years	
Executing agency: The Autonomous City of Buenos Aires through the Finance Department in coordination with the Social and Urban Integration Department (SECISyU) and the Department of Education			Grace period:	5.5 years ^(b)	
			Inspection and supervision fee:	^(c)	
			Interest rate:	LIBOR-based	
Source	CCLIP (US\$ millions)	First operation (US\$ millions)	%	Credit fee:	^(c)
IDB (Ordinary Capital):	250.0	100	80	Currency of approval:	U.S. dollars from the Ordinary Capital
Local:	62.5	25	20		
Total:	312.5	125	100		
Project at a glance					
Project objective/description: The CCLIP's multisector objective is to help increase social and urban equity and integration in the Autonomous City of Buenos Aires by improving living conditions in Barrio 31 (B31) and the quality of education in the city.					
The objective of the first operation is to contribute to: (i) the integration of B31 by providing urban infrastructure, quality social facilities, and improved habitability for housing and businesses; and (ii) greater educational quality and equity in the Autonomous City of Buenos Aires by increasing access to new educational tools and strengthening management and evaluation systems.					
Special contractual condition precedent to the first disbursement of the loan: Approval of the program's Operating Regulations to the Bank's satisfaction (paragraph 3.4).					
Special contractual condition for execution: See the special execution conditions established in the Environmental and Social Management Report (ESMR) at required electronic link 4 (required electronic link 3).					
Exceptions to Bank policies: None.					
Strategic alignment					
Challenges: ^(d)	SI <input checked="" type="checkbox"/>	PI <input type="checkbox"/>	EI <input type="checkbox"/>		
Crosscutting themes: ^(e)	GD <input type="checkbox"/>	CC <input checked="" type="checkbox"/>	IC <input checked="" type="checkbox"/>		

^(a) 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.

^(b) Under the Flexible Financing Facility's flexible repayment options, the grace period may be changed provided that the original weighted average life (WAL) of the loan and the date of final payment established in the loan contract are not exceeded.

^(c) The credit fee and the 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 applicable policies.

^(d) SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).

^(e) GD (Gender Equality and Diversity); CC (Climate Change and Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

I. PROJECT DESCRIPTION AND RESULTS MONITORING

A. Background, problem addressed, and rationale

- 1.1 The Autonomous City of Buenos Aires is the most prosperous and habitable of all Argentine cities ([optional electronic link 4\[1\]](#)) but inequalities still exist in residents' access to social and urban benefits. As in the rest of Latin America and the Caribbean, inequalities are apparent socially in access to good quality public services such as education, and territorially in shortcomings in quality of life concentrated in informal settlements ([optional electronic link 4\[2\]](#)). The gap in years of schooling between residents of the city's largest informal settlement, Villa 31 (V31),¹ and those of the adjoining Recoleta neighborhood is illustrative: in V31 this figure is 8.3 years, where is Recoleta, it is 14.6 years.² In an attempt to address the challenge of inequality, in 2016 the Buenos Aires municipal government prioritized social integration in its government commitments, focusing on the villas (shantytowns) and the strengthening of educational equity.³
- 1.2 In Buenos Aires, informal settlements are called "villas," which are marked by vertical growth and a lack of integration with the formal city. Approximately 200,000 people live in 15 villas (6% of the total population), a figure that has trebled between 1991 and 2014 despite the fact that the city's population remained stable over that period ([optional electronic link 4\[3\]](#)). The highest concentration of villas is in the southern part of the city, but the oldest and largest villa is V31, where about 43,000 people live on 32 hectares in the northern area of Retiro. V31 was established in the 1930s to house immigrants arriving in Buenos Aires to work at the port and on the railroads. On account of its strategic location, the barrio continued to grow despite two attempts at clearing it (by the military government in 1980 and to build the Illia expressway in 1996). Over the last decade, there has been a significant change in its urban morphology, which has taken the form of vertical expansion, with residents building their housing upward. The informal spontaneous densification of V31 has led to significant overcrowding and major problems with urban quality, limiting access to the interior of the barrio and to it from neighboring areas, aggravating socioenvironmental problems due to informal connections to basic infrastructure, and the absence of urban facilities and green areas. In addition, in terms of social services, residents are demanding better access to education. Records of social demands addressed by the municipal government in 2016 indicate that one third were related to the need for classroom slots, school transport, and technological support for education programs.
- 1.3 Given the scale, complexity, and visibility of V31, the Buenos Aires municipal government has focused its social integration policy on this area, promoting a flagship program of urban transformation and applying a multisector management model that it will aim to replicate in other villas around the city. The decision to establish a new educational hub in V31, including the offices of the city's Education Department and the construction of three new schools, symbolizes the city's

¹ Villa 31 (V31) refers to the current situation and Barrio 31 (B31) to proposed actions.

² Social and Urban Integration Department (SECISyU) report (2016) and the Department of Education of the Autonomous City of Buenos Aires.

³ See [Compromisos de Gobierno](#) [government commitments].

- commitment to V31 with the understanding that education is a key factor in social inclusion and in breaking the cycle of intergenerational transmission of poverty.
- 1.4 In fact, better learning and more years of schooling are associated with better job opportunities and higher incomes ([optional electronic link 4](#)[4]). In Buenos Aires, early childhood, primary, and secondary education are the responsibility of the Municipal Department of Education, which serves 310,000 students (51% of total enrollment) in 861 public schools (61% of the total).⁴ In those establishments, 43% of primary students and 59% of secondary students come from the lowest socioeconomic levels.⁵ Despite progress in coverage in recent decades on all levels (almost universal primary and secondary education),⁶ learning is both uneven and low. While 22% of students in grade 7 perform poorly in language in the Recoleta zone, the figure rises to 45% in the most vulnerable zones, such as V31. In secondary school, the learning gap in mathematics is 12%, with 24% of students in the more prosperous zones performing poorly, compared to 36% in vulnerable zones.⁷ The results of the Program for International Student Assessment (PISA) test is 2015 show that Buenos Aires has one of the most unequal education systems, where the most vulnerable students are between four and seven times more likely to be in low performing groups than the average for Organization for Economic Cooperation and Development (OECD) countries. Furthermore, 23% of 15-year-old students in the city do not have basic skills in science (higher than countries with less economic development than Buenos Aires, such as Poland, Estonia, and Vietnam). Among the poorest students, the percentage is 49%, which falls to 6% for the wealthiest ones.⁸
- 1.5 The Buenos Aires municipal government estimates that 67% of families in V31 live below the poverty line, with insufficient monthly income to cover the total basket.⁹ In this context, access to the education system is a critical need: The percentage of children aged 3 to 5 who do not attend school in V31 is twice the average for the city (Table 1). The main reason for failure to attend preschool is the shortage of classroom slots, which affects 58% of children not in school. Although at the primary level (6 to 12 years) attendance is the same as in the rest of the city (98%), because there is no public primary school in V31, these pupils must travel an average of 40 minutes each day.¹⁰ Another problem is the habitability of V31, where there is just 0.8 m² of public space and green areas per person, while the average for the city is 6 m² (Table 1). According to the World Health Organization, the optimum recommended public space is 10-15 m² per person. This deficiency turns the zone into an island of heat in the city, with temperatures that are between

⁴ There are 1,400 schools in Buenos Aires: 61% public, 26% private but subsidized, and 13% private and unsubsidized.

⁵ ISSAP and ISSAS (index of the socioeconomic situation of primary and secondary school students), Municipal Department of Education of Buenos Aires, 2016.

⁶ The attendance rate is 88% for three-year-olds; 96% for four-year-olds; 98% for five-year-olds; 99% in primary school; and 94% in secondary.

⁷ Municipal Department of Education of Buenos Aires. Primary school completion test (FEPBA) and secondary school completion test (FESBA), 2016.

⁸ PISA: Excellence and Equity in Education, OECD 2015.

⁹ SECISyU report of August 2016.

¹⁰ An analysis of school transportation times and costs can be found at [optional electronic link 1](#).

1.5°C and 3.5°C hotter than in neighboring areas, due to the number of impermeable surfaces that absorb and radiate heat.¹¹ The international standard for individual private space is 14 m² per person for minimum habitability, but the average in V31 is just 7 m². In the same vein, 22% of families live in overcrowded conditions, compared to 1.8% elsewhere in the city. Residents have broad access to electricity, water, and sanitation, but their connections are informal and makeshift and affect the quality of the service. For water, they cause problems with pressure and temporary interruptions in service. About 80% of complaints by residents of V31 are related to the habitability of structures, including sanitary and electrical connections, poor ventilation, and lack of safety in the accesses to their housing units. Access to tall buildings in V31 is by way of exterior spiral staircases to maximize habitable interior space. According to a study conducted in Villa 20 in Buenos Aires that has tall self-constructed buildings, 25% of families reported that someone had fallen down the stairs at least once during 2012.¹²

Table 1. Comparison of socioenvironmental indicators in Buenos Aires and V31

Socioenvironmental indicators	City	V31
Unmet basic needs (%)	6	32
Public space (m ² /person)	6	0,8
Overcrowded housing (%)	1.8	22
Water inside the home (%)	94	82
Preschool children (3-5 years) who do not attend school (%)	11	25
Teenagers (18-25 years) who have not completed high school (%)	18	64

Source: Socio-habitational and demographic report, SECISyU (2016), municipal government.

- 1.6 An additional challenge for social inclusion in Buenos Aires is that schools do not prepare students to meet the demands of the twenty-first century labor market ([optional electronic link 4\[5\]](#)). In a 2010 IDB study of employers in Argentina, Brazil, and Chile, 90% were unable to find employees with the skills they required to produce competitively and 80% valued noncognitive skills more highly than technical skills ([optional electronic link 4\[6\]](#)). The digital and knowledge society requires skills over and above specific aptitudes and knowledge, i.e. socioemotional skills (SESs)¹³ which have also been linked to better academic performance and higher incomes, particularly when stimulated from an early age ([optional electronic link 4\[7\]](#)). Spurred on by initiatives to measure these skills, such as the Assessment and Teaching of 21st Century Skills (ATC21s),¹⁴ some Latin

¹¹ Climate projections indicate an increase in the number of days with extreme heat in most parts of Argentina. See [Plan de Acción Cambio Climático Buenos Aires 2030](#) (2009) [Buenos Aires Climate Change Action Plan 2030].

¹² [Optional electronic link 1](#). Economic evaluation of Component 1.

¹³ SESs are related to personality traits and loosely correlated with cognitive skills ([optional electronic link 4\[8\]](#)).

¹⁴ [Assessment & Teaching of 21st Century Skills](#).

- American and Caribbean countries are beginning to develop evaluation tools so they can identify needs to develop these skills.¹⁵
- 1.7 Since 2011, the Municipal Department of Education has been developing and administering learning evaluations to grade 7 students and students in the last year of high school. The Buenos Aires primary school completion (FEPBA) and the Buenos Aires secondary school completion (FESBA) tests are administered to all students at the end of the primary and secondary cycles. They are administered manually and results processing is slow, making it impossible for teachers to use the information in a timely manner to design learning paths adapted to the specific needs of each student. The provision and use of information on student performance by the different actors in the education community (principals, teachers, parents) can have a positive impact on learning in the very short term ([optional electronic link 4\[9\]](#)). In 2017, the department launched a project to digitize the tests in order to obtain precise information on each student's performance more quickly, thereby strengthening the process of pedagogical planning and support for schools. The evaluation strategy was also revised to design new tools to perform a formative and adaptive evaluation of the learning requirements of each student so that support programs can be designed to assist those with the greatest difficulties. The Municipal Department of Education will evaluate the SES of secondary students for the first time.
- 1.8 **Rationale.** This operation seeks to bring about greater social and urban inclusion, improving the management and supply of public services and addressing territorial and socioeconomic issues in Buenos Aires that have been neglected. The improvement of informal barrios requires interventions that include infrastructure works, coupled with social actions, particularly education activities, to achieve urban integration ([optional electronic link 4\[10\]](#)). In 2010, the municipal government passed Law 3343, which orders the urbanization of V31 and determines that the zone will become another of the city's neighborhood. Ensuring that its residents have quality urban services like the neighboring barrios of Recoleta and Puerto Madero is the specific mandate of the city's Social and Urban Integration Department (SECISyU) and its comprehensive urban plan (PIU). The plan seeks to provide V31 with social facilities, basic infrastructure, urban connectivity, and housing habitability and business improvements, and to make investments to promote the sustainable development of human, economic, and environmental capital. This same approach has been applied since 2017 in Villa 20 and Villa 21-24, in the southern part of the city, with IDB financing through the Barrio Improvement Program (loan 3458/OC-AR). In V31, the implementation of the PIU began in 2016 with participative processes involving residents ([optional electronic link 7](#)) and the execution of works in the barrio, including a pilot project to upgrade housing in Block G1 and the rehabilitation of public spaces.¹⁶ The PIU also has financing from: (i) the Inter-American Investment Corporation (IIC) for US\$100 million for urban roads to divert traffic from the Illia expressway that passes over and divides V31; and (ii) the World Bank (IBRD) for US\$170 million for

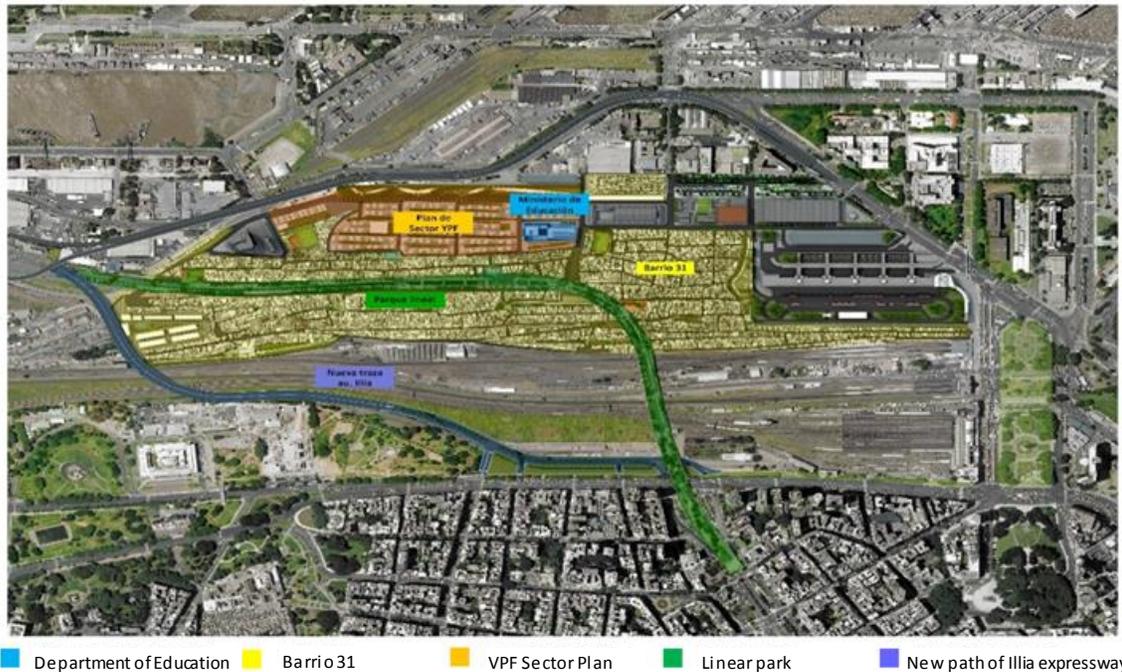
¹⁵ Brazil's Instituto Ayrton Senna, in partnership with certain provinces, has been developing a Social and Emotional Non-cognitive Nationwide Assessment (SENNA).

¹⁶ The SECISyU [website](#) and [@BA_Integración](#) report progress in implementation.

basic services infrastructure for the formal provision of electricity, drinking water and sanitation, paving, and construction of about 1,000 housing units in the B31 expansion area to relocate residents that currently live in informal structures beneath the Illia expressway.¹⁷

- 1.9 The activities to be financed in B31 through this operation complement the PIU with actions to improve the quality of life of its residents, addressing the deficits in public spaces, water service quality, and the barrio's housing and business structures. As a catalyst investment, an education hub will be built in B31 to consolidate the Municipal Department of Education's activities in a single building for more efficient management and to facilitate access by the residents of B31 and the city to its services. The hub includes three new schools to increase the number of slots available in the barrio for the preschool and primary levels and for adult high school completion.¹⁸ The second individual operation under the CCLIP will coordinate activities with the IIC, transforming the structure of the Illia expressway (which will be deactivated) into a large linear park, and with the IBRD's investments in basic infrastructure, scaling up housing and business improvement activities.

Map 1. B31



¹⁷ The International Bank for Reconstruction and Development (IBRD) approved the [Metropolitan Buenos Aires Urban Transformation Project](#) in 2017.

¹⁸ The education hub is part of the Buenos Aires Public Building Decentralization Plan which promotes local development in other bypassed zones ([Katz et al., 2016](#)).

- 1.10 Inefficient data management and lack of individualized information in the education supply can widen gaps between students at different learning levels by limiting the potential of targeted pedagogical policies and interventions ([optional electronic link 4](#)[11]). One strategy is the guided use of new technologies by teachers in the classroom, with the support of digital platforms that enable differentiated learning paths to be developed for each student based on their specific needs ([optional electronic link 4](#)[12]). Despite the huge growth in the supply of technological infrastructure in education in Latin America and the Caribbean (in 2000 the average number of students per computer was 56, falling to just 21 in 2009) ([optional electronic link 4](#)[13]), the impacts of these policies on student learning have been limited. This is partly because the countries have made less progress in developing content and training human resources in their effective use. Moreover, implementation of quality assurance systems through the pedagogical use of the results of student performance evaluations has been highlighted as a common characteristic of successful education systems.¹⁹ In Buenos Aires, the Municipal Department of Education is currently working with 14 uncoordinated management and evaluation systems²⁰ for different administrative and pedagogical matters, limiting the comprehensive and strategic management of information for planning and decision-making, both in schools and in the department itself. To attain the objective of assuring educational quality by supporting schools and students on different levels, especially those with greater needs like the population of V31, this program will be built on the following pillars: (i) strengthening of education management and evaluation systems to provide individualized information on student performance for the Municipal Department of Education and schools; and (ii) facilitation of the development of pedagogical interventions targeted to the needs of each school and student, through the use of technologies that support the personalized progress of each student.
- 1.11 Through its Department of Education, Buenos Aires adopted the “Learning City” strategy intended to promote equal opportunities by integrating the digital culture and new information and communication technologies (ICTs) as innovation and management tools. Since 2011 the department has been implementing the Plan Sarmiento Buenos Aires (PSBA) and seeks to improve education through evaluation platforms, the construction of indexes to better characterize students and schools, and training for management teams to target resources to support students and schools with the greatest needs. The PSBA is part of the comprehensive digital education plan, a federal government initiative to promote quality education with equity and favor socioeducational inclusion.²¹ Implementation of phase I of the PSBA between 2015 and 2016 provided computer access for 270,000 primary school students and 21,700 teachers, narrowing the digital divide among Buenos Aires students. Before the PSBA, four

¹⁹ The Education and Early Childhood Development Sector Framework Document (IDB, 2013) finds that successful systems invest in the use of information to strengthen policies and programs.

²⁰ Online registration; preschool and primary school management; secondary school management; teacher management; education system management (programs); education portal; school meal subsidies; secondary school completion; digital container; administrative portal for schools; teacher rating; district system; high school scholarship system; and private school information system.

²¹ [Plan Integral de Educación Digital](#) [comprehensive digital education plan].

out of 10 families had no computer at home.²² The Department of Education has also focused on providing new school furniture, building motivating and attractive spaces for learning, and providing special care for children with disabilities.

- 1.12 **Lessons learned.** The operation's design incorporates lessons learned from the execution of loans and technical cooperation operations that the Bank has supported in Argentina and other Latin American and Caribbean countries. The transformation of B31 will benefit from the capacity developed in Argentina through the Barrio Improvement Programs (AR-X1004) in execution since 1997, which highlight the importance of: (i) acting on larger vulnerable areas to cover urban exclusion zones that have historically been neglected; (ii) generating higher impact through interventions carried out in stages, with financing under a CCLIP and other complementary resources; and (iii) promoting community participation to focus interventions on the needs of each barrio. The following lessons have been incorporated into the education component: (a) subcomponents 2.1 and 2.3: (i) the limitations of programs that focus exclusively on the provision of computers for students and the need to train teachers to promote their use (IDB-TN-670); and (ii) improvement in evaluation and management processes aims at a culture of continuing innovation and improvement to identify the specific needs of schools and provide quality education with equity (loans 22424/OC-AR, 3455/OC-AR, and international evidence);²³ (b) for Subcomponent 2.2: (i) the availability of a technology platform for the evaluation of online learning that yields results that can be put to immediate use by teachers, as in the case of the learning evaluation system in Uruguay (loans 3773/OC-UR and 2260/OC-UR); and (ii) the use of adaptive platforms for teaching, as in the case of the adaptive mathematics platform under Plan CEIBAL (loan 3225/OC-UR), allows for individualized support for each student.
- 1.13 This program represents a differentiated set of activities given its educational approach as a vector for urban equity and integration in the context of the transformation of V31, which will benefit more than one fifth of the residents of all the villas of Buenos Aires and serve as a flagship project and a reference for future interventions in high-density, complex informal settlements. The municipal government is strongly committed to the inclusion of the residents of B31, their economic and social development, with a major focus on education. The data management tools and information for decision-making on educational management and on monitoring the quality of learning will improve equity in education and will highlight the essential elements for quality assurance in successful education systems ([optional electronic link 4](#)[14]). Studies show that the most integrated and equitable cities have better competitiveness and investment indexes ([optional electronic link 4](#)[15]).
- 1.14 **Strategic alignment.** The program is consistent with the Update to the Institutional Strategy 2010-2020 (document AB-3008) and the Corporate Results Framework 2016-2019 (document GN-2727-6) in the challenge of social inclusion and equity, since it contributes to the eradication of extreme poverty and provides inclusive infrastructure by reducing the housing deficit and expanding access to education

²² [Fase I del PSBA](#) [phase 1 of the PSBA] benefited all primary school students.

²³ See [16], [17], and [18] in the bibliography ([optional electronic link 4](#)).

for all population segments. The program is aligned with the crosscutting areas of: (i) institutional capacity and rule of law, through the government agencies benefitting from projects to strengthen technology and management instruments to enhance public service delivery; and (ii) climate change and environmental sustainability, with approximately 64.55% of program resources invested in activities to mitigate and adapt to climate change, according to the [joint methodology of the multilateral development banks for estimating climate change financing](#). These resources will contribute to the IDB Group's target of increasing financing for climate-change-related projects to 30% of all operation approvals by the end of 2020. It is also consistent with the Urban Development and Housing Sector Framework Document (document GN-2732-6), the Education and Early Childhood Development Sector Framework Document (document GN-2708-5), and is aligned with the Strategy on Social Policy for Equity and Productivity (document GN-2588-4). Lastly, it contributes to the priority area of poverty and inequality reduction of the Country Strategy with Argentina 2016-2019 (document GN-2870-1) and its strategic objectives of improving education quality and the urban habitat. The program has been included in the 2017 Operational Program Report (document GN-2884).

- 1.15 **Consistency with the Public Utilities Policies ([optional electronic link 2](#))**. In relation to the water supply system works in Subcomponent 1.2, whose purpose is to connect B31 to the formal drinking water service provided by Agua y Saneamientos Argentinos S.A. [Argentine Water and Sanitation Company] (AySA), the program complies with the financial sustainability and economic evaluation conditions established in document GN-2716-6 and is consistent with its principles. The water supply system is socioeconomically viable (paragraph 1.30). To assure its financial sustainability, the program's Operating Regulations will require the Autonomous City of Buenos Aires to sign an agreement with AySA prior to execution of the works, which includes provisions to ensure compliance with document GN-2716-6.²⁴

B. Objectives, components, and cost

- 1.16 The CCLIP's multisector objective is to help increase social and urban equity and integration in the Autonomous City of Buenos Aires by improving living conditions in B31 and the quality of education in the city.
- 1.17 The objective of the first individual operation is to contribute to: (i) the integration of B31 by providing urban infrastructure, quality social facilities, and improved habitability for housing and businesses; and (ii) greater educational quality and equity in the Autonomous City of Buenos Aires by increasing access to new educational tools and strengthening management and evaluation systems.
- 1.18 **Component 1. Urban integration of B31 (Total US\$86,000,000)**. SECISyU will bear technical responsibility for this component. It supports processes to improve living conditions and the urban integration of B31 by developing urban

²⁴ Including (i) transferring the works and agreeing that AySA assume responsibility for its maintenance; (ii) guaranteeing the quality of the service provided as set forth in existing regulations; and (iii) agreeing on the rate to cover operation and maintenance costs and depreciation of the infrastructure built by this program.

- infrastructure, social facilities, and community development activities based on participatory strategies.²⁵ The component has been organized into four subcomponents.
- 1.19 **Subcomponent 1.1. New education hub (US\$63,000,000).** The objective is to increase and facilitate access to education for children and adults from B31 and establish a new hub of activity, attracting people from other parts of the city to spur integration with the surrounding urban area. A 30,000m² building will be financed in B31 to include: (i) three schools for about 1,100 students on the preschool (up to 5 years of age), primary (6 to 12 years), and adult levels; and (ii) offices for the Municipal Department of Education which will consolidate its activities and personnel in one building for more efficient education management. The hub includes energy-efficient and sustainable natural resource management features and will be certified under the [Excellence in Design for Greater Efficiencies \(EDGE\)](#) system or earn a similar certification.²⁶
- 1.20 **Subcomponent 1.2. Urban infrastructure (US\$14,500,000).** The objective is to improve habitability in B31 by developing climate-change-resilient urban infrastructure. It will finance: (i) the construction of a water supply system approximately 2.8 km long to link the city's formal water supply system with the one inside B31;²⁷ and (ii) preparation of final designs and execution of works to develop approximately 18,000 m² of public and green spaces around the education hub²⁸ to provide quality meeting and recreational spaces for the residents of B31, which will also help increase permeability and moderate temperatures in the area.
- 1.21 **Subcomponent 1.3. Housing and business improvements (US\$7,000,000).** The objective is to assure that structures are durable and safe, with adequate living and working spaces. It will finance plans, final designs, technical assistance, and works for exterior renovations and improvements for approximately 550 housing units and businesses in B31. It will address the qualitative shortcomings of these structures relating to access, facades, insulation, roofs, balconies, finishes, and other exterior elements.²⁹ The improvement plans will be drawn up in conjunction with the residents of each structure and participation is voluntary.³⁰ Depending on feasibility, design elements will be included to mitigate and adapt to climate

²⁵ Beneficiaries will include 43,000 residents of B31. SECISyU has a Planning and Community Management Office that will lead social support and participatory planning activities.

²⁶ [Excellence in Design for Greater Efficiencies](#) (EDGE) certifies reductions in consumption of energy, water, embodied energy in materials, and CO₂ emissions compared to buildings constructed using conventional techniques.

²⁷ The IBRD will finance piped connections within B31 to establish a formal water supply system, operated by the [Agua y Saneamiento](#) company.

²⁸ The education hub will be located on a seven-hectare site bordering B31 which was purchased by the municipality in 2016. The site includes about 1,000 new housing units financed by the IBRD to relocate families currently living under the Illia expressway. Bidding on contracts for the education hub and the housing will begin in the second half of 2017.

²⁹ The Autonomous City of Buenos Aires will finance interior improvements in housing units and business as a complement to this subcomponent.

³⁰ The participatory, voluntary approach to housing and business improvements is based on pilot projects carried out during 2017. The exterior improvements to the buildings make transformation of the barrio visible and raise credibility among residents while giving priority to the common good of the community.

- change, relating to the use of energy efficient technologies and green roofs. To promote business improvements and the economic development of the barrio, guidance, training, and job placement activities will be financed.³¹
- 1.22 **Subcomponent 1.4. Institutional strengthening of SECISyU (US\$1,500,000).** The following will be financed: studies and projects to support the transformation of B31 with a community development approach, including capacity-building aimed at social participation and innovation; preparation of studies and final designs, and other activities for the second operation under the CCLIP; and the development of instruments to evaluate the interventions.
- 1.23 **Component 2. Educational quality and equity in Buenos Aires (US\$35 million).** The Municipal Department of Education will bear technical responsibility for this component. The component will: support and strengthen educational and school processes and management systems to strengthen the design and implementation of policies to identify and support students with greater needs; and promote new teaching methods to improve educational quality, focusing on the city's students, teachers, and schools.³² Specifically for B31, the planned activities will provide disaggregated information to identify and support the most vulnerable students. This component has been organized into three subcomponents.
- 1.24 **Subcomponent 2.1. Innovation in education (US\$32,700,000).** The objective is to improve the quality of education through the use of innovative teaching and learning methods and computerized solutions to strengthen the Municipal Department of Education's administrative and pedagogical management. The following will be financed: (i) netbooks for 100,000 primary school pupils and notebooks for 18,000 teachers, through implementation of phase II of the PSBA; (ii) extension of connectivity to 584 schools, equipment for digital laboratories in 420 schools, and a pilot project in 44 schools,³³ furnished to adequately accommodate the new teaching strategies; (iii) development of a digital learning platform for the preschool, primary, and secondary levels to support individual performance in accordance with each student's needs; and (iv) development of an integrated education management system that incorporates four main areas: administrative, academic, pedagogical, and reporting and statistics.
- 1.25 **Subcomponent 2.2. Learning and skills evaluation (US\$1,200,000).** The objective is to improve the pedagogical planning process, developing and implementing tools to monitor and evaluate learning in order to support the teaching-learning process. It will finance: (i) the design and implementation of a

³¹ These activities are coordinated with the Centro de Desarrollo Emprendedor y Laboral [Entrepreneurial and Labor Development Center] (CEDEL) in B31, which works to promote access to jobs and to formalize economic activities in B31.

³² The activities will benefit 1,284 schools (861 public and 423 subsidized private); 319,000 students, and 5,500 teachers. In B31, the new schools will enjoy priority in receiving hardware and benefit from the education management and evaluation platforms, which will provide disaggregated and individualized information to identify and support the most vulnerable students with the greatest needs.

³³ The other schools will be gradually assisted with local resources during the second stage of the CCLIP. The 44 schools selected for the pilot project are those with the greatest need for furniture, where a new secondary school project will be introduced in 2018.

comprehensive formative platform to evaluate learning in mathematics and language at the primary and secondary levels (FEPBA and TESBA³⁴ tests in a digital environment) to identify the learning difficulties of each student and produce timely information for the design of specific pedagogical interventions to support improved performance; and (ii) the design and implementation of a socioemotional skills (SES) evaluation that will identify the needs of each student and provide specific timely information to support teachers in fostering the comprehensive development of their students.

- 1.26 **Subcomponent 2.3. Institutional strengthening of the Municipal Department of Education (US\$1,100,000).** This subcomponent will finance courses and workshops to train the department's teams in education management to support the process of implementing digital platforms and teachers in the use of the new management and teaching technologies to support the implementation of digital platforms and the use of ICT through the PSBA. The design of a center for innovation and training for teachers in the new education technologies will also be financed under the second CCLIP operation.
- 1.27 Administration, monitoring, and evaluation expenses in the amount of US\$4,000,000 have been taken into account.

C. Key results indicators

- 1.28 On the impact level, attainment of the first operation's objectives will be measured by indicators for: (i) the urban integration of B31, considering the development of formal economic activities as measured by square meters of commercial space registered with the National Tax Agency; and (ii) educational quality and equity as measured by improvements in the mathematics and language scores of primary and secondary students through the FEPBA and TESBA tests and the reduction in the high school dropout rate.
- 1.29 On the outcome level, attainment of the operation's objectives will be measured using the following indicators: (i) the increase in access to quality education services, specifically in B31; (ii) the increase in access to quality urban infrastructure that is resilient to climate change; (iii) the reduction in health problems caused by infectious diseases among the residents of upgraded housing; (iv) access to new technological equipment, furniture, and computer laboratories in city schools; (v) access to new digital platforms for learning and evaluation; and (vi) access to computerized data management systems for education planning.
- 1.30 The program's [economic evaluation](#) was established through a cost-benefit analysis. Given the variety of interventions included in the program, different methodological tools were used to estimate and assign a value to the benefits, using conservative criteria and assumptions. The program presents an internal rate of return of 18.8% a year. This conclusion also applies to the program interventions considered individually, since they all present returns above the cut-off rate adopted as the opportunity cost of basic social capital in Argentina of 12% per year. This analysis was supplemented by a sensitivity analysis.

³⁴ The TESBA [Buenos Aires Third Year High School Test] will be administered to students in the third year of secondary school in 2017 and replaces the FESBA tests that were administered annually to all students in the last two years of high school between 2011 and 2016.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instrument

- 2.1 **Rationale for the CCLIP** ([optional electronic link 3](#)). A multisector modality I (MM-I) CCLIP is proposed for up to US\$250 million, with a 10-year term, through two individual operations executed by the same executing agency in the same sectors. This complies with the eligibility criteria established in the Proposed Modifications to the Conditional Credit Line for Investment Projects: Strengthening the Multisector Approach (document GN-2246-9): (i) the urban development and education sectors are included in the Bank's country strategy and country program; (ii) the executing agency is an integral and sustainable part of the sectors' institutional framework; (iii) the executing agency has a solid track record of satisfactory performance in executing previous projects; (iv) the executing agency has completed a similar project in the two sectors for which the CCLIP is requested within the last five years; and (v) overall execution of these projects has been satisfactory and the contractual and fiduciary conditions have been fulfilled.
- 2.2 An MM-I CCLIP is the right instrument for supporting the government's medium-term strategic objectives, providing a technical framework for ongoing multisector work and timely financing. The city government's social integration policy requires technical and operational coordination among different departments, including the Departments of Education, Urban Development and Transportation, and Finance, to attain its objectives in due time and form. In the case of B31, its transformation from a villa to a barrio requires actions implemented in stages and the incorporation of lessons learned from pilot projects, and therefore the second operation under the CCLIP will transform the Illia expressway into a linear park to increase connectivity with the rest of the city and extend housing and business improvements to the other 71 blocks in the barrio. The education component will extend coverage of the PSBA to more teachers and students and develop an additional learning platform. A center for innovation and training for teachers in new education technologies (Subcomponent 2.3) will be implemented.
- 2.3 The first operation proposed under the CCLIP has been structured as an investment loan for specific projects from the Bank's Ordinary Capital resources for US\$100 million, with a four-year disbursement period. This execution period is justified, considering that the program's investments dovetail with actions that are already under way, and responsibility for their fiduciary and technical matters is borne by formally-established institutions in Buenos Aires ([optional electronic link 8](#)). Table 2 presents the disbursement schedule.

Table 2. Disbursement schedule

Financing/year	1	2	3	4	Total
IDB (US\$ millions)	40	52	7	1	100
%	40	52	7	1	100

- 2.4 This first individual operation complies with the applicable requirements of Bank policy (document GN-2246-9, paragraphs 1.21 and 1.22): (i) its objectives and

components fall within the multisector objectives, sectors, and components of the CCLIP; (ii) the operation is included in the 2017 Country Program Document; and (iii) the executing agency has satisfactorily executed previous programs.³⁵

2.5 Table 3 summarizes the cost of the operation by subcomponent and source.

Table 3. Cost and financing (in US\$)

Category	IDB	Local	Total
Component 1. Urban integration of B31	68,500,000	17,500,000	86,000,000
1.1 New education hub	54,000,000	9,000,000	63,000,000
1.2 Urban infrastructure	8,500,000	6,000,000	14,500,000
1.3 Housing and business improvements	5,000,000	2,000,000	7,000,000
1.4 Institutional strengthening of SECISyU	1,000,000	500,000	1,500,000
Component 2. Educational quality and equity in Buenos Aires	28,000,000	7,000,000	35,000,000
2.1 Innovation in education	26,000,000	6,700,000	32,700,000
2.2 Learning and skills evaluation	1,100,000	100,000	1,200,000
2.3 Institutional strengthening of the Municipal Department of Education	900,000	200,000	1,100,000
Administration and audits	3,500,000	500,000	4,000,000
Total	100,000,000	25,000,000	125,000,000

B. Environmental and social risks

2.6 Under the Environment and Safeguards Compliance Policy (Operational Policy OP-703), this program has been classified as a category “B” operation because the potential negative impacts and socioenvironmental risks of the works in Component 1 are localized and short-term, and effective management instruments and measures are readily available. The potential environmental and social impacts identified for the construction stage of the works are: impact on tree cover, earth movement, soil contamination by environmental liabilities (fossil fuels) in the area of the education hub and public spaces, air pollution, increased traffic, noise and vibrations, and possible impact on the health and safety of laborers and the community. During the operating stage, increased traffic and noise are anticipated in the area around the education hub and public spaces, as well as increased road safety risks. In the social area, there may be damage and temporary interference with basic services systems and temporary impact on the economic activities of businesses in the vicinity of the works.

³⁵ Plan Sarmiento Buenos Aires, Phase I and IBRD loan 7289-AR “Urban Flood Prevention and Drainage Project.” See [optional electronic link 3](#).

- 2.7 In terms of environmental and social sustainability, three medium risks have been identified for Component 1: (i) rejection of the project by the V31 community, which would impact times, costs, and attainment of the expected outcomes; (ii) technical difficulties in execution of the housing improvements, making additional works or modifications necessary; and (iii) gentrification of B31 during the operation, particularly affecting the tenant population, on account of the combined impact of the improvements planned in the barrio. These medium risks will be mitigated by: (i) communications activities by the executing agency and mechanisms to address complaints arising from the project, in addition to the activities of the consultation plan prior to the start of the works; (ii) application of a specific environmental and social management plan (ESMP) for each of the works; and (iii) inclusion in the environmental and social analysis (ESA) ([optional electronic link 7](#)) of a strategy to manage the risk of gentrification. Other potential socioenvironmental risks associated with the program are: institutional management risk, in particular turnover in the executing agency's socioenvironmental team; risk of flooding or water damage if the water and sanitation systems are not adequately maintained; risk of temporary cuts in public utilities in sectors bordering B31; possible cases of temporary resettlement of households, businesses, and residents of mixed residential-commercial use units during construction; potential exclusion of vulnerable groups from program benefits; and risk of accidents.
- 2.8 The main environmental and social management instruments are the ESA³⁶ for each individual operation under the CCLIP, which includes an environmental and social management framework for the CCLIP, and an ESMP for each of the program works, a resettlement framework, a strategy for managing the risk of gentrification, a crosscutting gender strategy, and a citizen consultation and participation plan. The public consultations are being carried out as established in the citizen consultation and participation plan, consistent with the requirements of IDB policy OP-703 (B.6). The executing agency will also have an environmental and social management system for internal matters. Further information is available in the environmental and social management report ([required electronic link 3](#)).
- C. Fiduciary risks**
- 2.9 Two medium fiduciary risks have been identified: (i) delays in preparing the bidding documents; and (ii) execution affected by delays in procurement processes. In both cases, the mitigation measures are support by the Bank in the preparation of bid documents, training, and adequate monitoring of the executing agency.
- D. Other project risks**
- 2.10 For Component 2, a medium development risk has been identified due to the possibility that teachers and principals may not use the information produced by the new management and evaluation platforms because of resistance to change, which will be mitigated through training workshops offered by the Municipal Department of Education to the various users of the new platforms.

³⁶ The ESA and its annexes were published on the Bank's and SECISyU's websites in May and July 2017.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements for the first operation

- 3.1 The borrower will be the Autonomous City of Buenos Aires and the guarantor will be the Argentine Republic. The executing agency will be the municipal government acting through the Municipal Finance Department³⁷ in coordination with the SECISyU and the Municipal Department of Education. The department has a Multilateral Lending Agency Financing Unit (UFOMC), where a project coordination unit (PCU) will be established. The PCU will be responsible for coordinating program activities, cooperating with the two areas with technical responsibility, i.e. SECISyU for Component 1 and the Municipal Department of Education for Component 2. The executing agency will assume fiduciary responsibility and will be responsible to the Bank for: (i) procurement and contracts for goods, works, and services; (ii) financial management and disbursement requests; (iii) preparing and submitting the reports required by the Bank; (iv) contracting external audits; (v) preparing and submitting the work plans (including the financial plan, the procurement plan, and the annual work plan); (vi) supporting supervision and inspection of works and service contracts; and (vii) ensuring compliance with Bank policies. The details are described in the program's Operating Regulations ([optional electronic link 9](#)).
- 3.2 SECISyU will bear technical responsibility for Component 1, which comprises the preparation of technical documentation, including studies, terms of reference, and technical specifications, as well as technical, social, and environmental supervision of the works contracts. SECISyU will be responsible for interagency coordination of the different actors involved in executing the PIU for B31, and may arrange joint meetings with the IDB Group and the IBRD to maximize synergies among the programs in execution. The municipal government will establish an interdepartmental coordination body as a venue for joint work and coordination of activities in B31.³⁸
- 3.3 The Municipal Department of Education will bear technical responsibility for Component 2, which includes preparation of the technical documentation, studies, terms of reference, and technical specifications, and technical supervision of contracts to procure equipment, furniture, and consulting services. The Office of the Chief of Staff of the Municipal Department of Education will coordinate activities with the other areas of the department executing the program: the Education Planning and Innovation Office for Subcomponent 2.1 and the Educational Quality and Equity Comprehensive Evaluation Unit for Subcomponent 2.2, and will coordinate Subcomponent 2.3 directly.
- 3.4 To assure successful program execution, guaranteeing effective coordination between the executing agency and the institutions with technical responsibility, **approval of the program's Operating Regulations to the Bank's satisfaction**

³⁷ The Finance Department has legal authority to execute loans for international financial institutions (Municipal Law 5460/15, article 17, paragraph 5).

³⁸ The municipality is already operating a flood risk management committee (Decree 287/2016) to support IBRD project 8628-AR.

will be a special contractual condition precedent to the first loan disbursement.

- 3.5 Annex III presents the fiduciary arrangements for execution, covering disbursement modalities, financial and procurement administration systems, and auditing arrangements. The Bank will make disbursements in the form of advances of funds. The minimum percentage required to replenish an advance will be 80%. A single firm of independent auditors acceptable to the Bank will be contracted for the annual financial audits. Works, goods, and consulting services financed from the loan will be procured in accordance with Bank policies (documents GN-2349-9 and GN-2350-9).
- 3.6 **Advance procurement, retroactive financing, and recognition of expenditures.** The Bank may retroactively finance from the loan proceeds up to US\$20 million (20% of the proposed loan amount) and recognize up to US\$5 million from the local contribution (20% of the estimated contribution) for eligible expenditures incurred by the borrower prior to the loan approval date for works, goods, and consulting and other services, provided requirements substantially similar to those established in the loan contract were met. The expenditures will have been incurred on or after 5 July 2017 (date of approval of the project profile), but may in no event include expenditures incurred more than 18 months prior to the loan approval date.

B. Summary of arrangements for monitoring results

- 3.7 **Monitoring.** The UFOMC will submit semiannual status reports³⁹ with information on: (i) fulfillment of the objectives and outcomes established in the AWP and the program monitoring reports, including analysis and monitoring of risks and mitigation measures; (ii) status of execution and procurement plans; (iii) compliance with the contractual clauses; (iv) application of environmental and social safeguards; (v) status of financial execution of the program components; and (vi) status of the monitoring and evaluation plan.
- 3.8 **Evaluations.** The monitoring and evaluation plan provides for the following evaluations. For Component 1: (i) a reflexive comparative methodology for Subcomponent 1.1 (education hub) and Subcomponent 1.2 (urban infrastructure) to verify access to education services, urban water services, and public spaces; and (ii) a quasi-experimental methodology of differences in differences for Subcomponent 1.3 (housing and business improvements) to capture the health benefits for residents and the commercial activities formalized in B31. For Component 2, an experimental methodology will be applied to measure the program's impacts on the use of data and information generated by the evaluation platform by schools and on learning in mathematics and language by primary and secondary school students through the FEPBA and TESBA tests.

³⁹ Based on bimonthly status reports by SECISyU and the Municipal Department of Education.

Development Effectiveness Matrix		
Summary		
I. Corporate and Country Priorities		
1. IDB Development Objectives	Yes	
Development Challenges & Cross-cutting Themes	-Social Inclusion and Equality -Climate Change and Environmental Sustainability -Institutional Capacity and the Rule of Law	
Country Development Results Indicators	-Students benefited by education projects (#)* -Households benefitting from housing solutions (#)* -Households with new or upgraded access to drinking water (#)* -Government agencies benefited by projects that strengthen technological and managerial tools to improve public service delivery (#)* -Subnational governments benefited by decentralization, fiscal management and institutional capacity projects (#)*	
2. Country Development Objectives	Yes	
Country Strategy Results Matrix	GN-2870-1	i) Improve the quality of education and school completion rate; and ii) Improve the habitat and access to basic services, particularly in lower income regions.
Country Program Results Matrix	GN-2884	The intervention is included in the 2017 Operational Program.
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		
3. Evidence-based Assessment & Solution	Evaluable	
3.1 Program Diagnosis	9.6	
3.2 Proposed Interventions or Solutions	3.0	
3.3 Results Matrix Quality	3.6	
3.3 Results Matrix Quality	3.0	
4. Ex ante Economic Analysis	10.0	
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	9.0	
5.1 Monitoring Mechanisms	1.5	
5.2 Evaluation Plan	7.5	
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood	Medium	
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, External Control. Procurement: Information System.
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		

Note: (*) Indicates contribution to the corresponding CRF's Country Development Results Indicator.

This is the first operation of a Conditional Credit Line for Investment Projects (CCLIP) of US\$ 250 million. The objective of the line is to contribute to the increase of social and urban equity and integration of the Autonomous City of Buenos Aires (CABA, from Spanish), through the improvement of the living conditions of the neighborhood Barrio 31 (B31) and the quality of education of the city. The objective of the first operation, of US\$ 100 million, is to contribute to: (i) the integration of B31 by providing urban infrastructure and quality social facilities and improving habitability conditions for homes and businesses; (ii) improving the educational quality of CABA by expanding access to new educational tools and strengthening management and evaluation systems.

The operation includes two components. The first, to improve the urban integration of B31, is justified given the housing conditions and difficulties of access to educational services by the inhabitants of B31. For example, the proportion of households with water inside the home is 12 percentage points lower than that of the city and the proportion of children 3 to 5 years old who do not attend the initial level is 14 percentage points more than for the city. The component includes the construction of an educational complex that addresses the problem of distance to elementary and primary schools for neighborhood B31 residents and provides educational services for adults. The second component seeks to increase the school performance of primary and secondary students throughout the city, including the inhabitants of B31. It implements technological solutions to promote new teaching methods and a personalized learning evaluation system. These actions seek to eliminate learning gaps. For example, more than twice as many students in vulnerable areas have low scores in seventh grade language (45%) compared to students in high-income areas (22%). The diagnosis is well articulated with the proposed solutions, and the indicators in the results matrix are well specified.

The economic analysis is well developed and uses reasonable assumptions and standard methodologies to measure ex-ante the expected benefits of the program. The analysis is careful to show positive returns for all subcomponents of the program, and presents reasonable sensitivity analyzes.

The monitoring and evaluation plan is complete, proposing non-experimental methods to evaluate component 1 and experimental methods to evaluate component 2. The design of the impact evaluation is appropriate given the characteristics of the project and in the case of component 2 could provide important evidence about the effectiveness of programs aimed at improving information about learning provided to teachers and school principals.

The overall risk of the operation is medium, and this classification appears appropriate, as well as the proposed risk mitigation actions.

RESULTS MATRIX

General objective	To help increase social and urban equity and integration in the Autonomous City of Buenos Aires by improving living conditions in Barrio 31 (B31) and the quality of education in the city.
Specific objectives	To contribute to: (i) the integration of B31 by providing urban infrastructure, quality social facilities, and improved habitability for housing and businesses; and (ii) greater educational quality and equity in the Autonomous City of Buenos Aires by increasing access to new educational tools and strengthening management and evaluation systems.

EXPECTED IMPACTS OF THE FIRST OPERATION

Indicator	Unit of measure	Baseline	Baseline year	End target	Means of verification
Component 1. Urban integration of Barrio 31 (B31)					
Formal economic activity in B31	m ² of commercial space registered with the National Tax Agency	540	2016	2,720	Data from the economic activity survey conducted in B31 ¹
Component 2. Educational quality and equity in Buenos Aires					
Average dropout rate in high school	%	3.8%	2015	1.9%	Data from the annual report 2020 ²
Average score in mathematics in grade 7	Score	469.7	2016	500	Results of the FEPBA test ³
Average score in language in grade 7	Score	471.2	2016	500	Results of the FEPBA test
Average score in language and literature in the third year of high school	Score	To be determined ⁴	2017	To be determined	Results of the TESBA test
Average score in mathematics in the third year of high school	Score	To be determined	2017	To be determined	Results of the TESBA test

¹ Implemented by SECISyU and the Urban Policy and Housing Research Center (CIPUV) of Torcuato di Tella University.

² Implemented by the Municipal Department of Education. Responsibility: Municipal Department of Education.

³ The FEPBA and TESBA tests are administered by the Municipal Department of Education. Responsibility: Municipal Department of Education.

⁴ The TESBA will be administered for the first time in 2017. The baseline and targets will be determined after the results are analyzed.

EXPECTED OUTCOMES

Indicator	Unit of measure	Baseline (2016)	End target (2022)	Source/means of verification	Comments
Component 1: Urban integration of B31					
Subcomponent 1.1. New education hub					
Students enrolled in the preschool financed by the program once it is operational	Number of students	0	480	Preschool records	Responsibility: SECISyU and the Municipal Department of Education
Students enrolled in primary school financed by the program once it is operational	Number of students	0	510	Primary school records	Responsibility: SECISyU and the Municipal Department of Education
Students enrolled in the adult education school financed by the program once it is operational	Number of students	0	125	Adult education school records	Responsibility: SECISyU and the Municipal Department of Education
Average daily travel time to school for students	Number of minutes	40	20	SECISyU. Survey of a significant sample of students at the hub	Includes average time spent walking and on school buses
Reduction in energy consumption	%	0	38	SECISyU. Certificate from the World Bank's program Excellence in Design for Greater Efficiencies (EDGE)	Comparison with a conventional building calculated using the EDGE methodology
Reduction in water consumption	%	0	47	SECISyU/EDGE	Comparison with a conventional building calculated using the EDGE methodology
Reduction in consumption of embodied energy in materials	%	0	22	SECISyU/EDGE	Comparison with a conventional building calculated using the EDGE methodology
Reduction in CO ₂ emissions when the building is being used	Tons of CO ₂ /year	0	289	SECISyU/EDGE	Comparison with a conventional building calculated using the EDGE methodology
Subcomponent 1.2. Project 1: Water supply system					
B31 housing units with formal access to drinking water	Number	0	8,600	SECISyU report	The program will finance construction of a water supply system that will be operated by the water and sanitation company (AySA) and will connect the formal municipal service to an internal distribution system in B31, to be executed separately from this operation.
Subcomponent 1.2. Project 2: Public spaces					
Residents who use public spaces at least two days per week	%	75	15	SECISyU survey	Public space is defined as parks and green areas, squares, and sports fields in B31.

Indicator	Unit of measure	Baseline (2016)	End target (2022)	Source/means of verification	Comments
Subcomponent 1.3. Housing and business improvements					
Falls on stairs in improved housing units	Annual accident rates per improved housing unit	26/600	7/600	Municipal Health Department. Report based on data from the Community Health and Action Centers (CeSAC) in B31	The data will be identified by address in the blocks treated, since not all housing in B31 will be improved. The data will be broken down by gender of the head of household.
Tuberculosis rate	Tuberculosis rate per 10,000 Barrio 31 inhabitants	5.09	4.07	Municipal Health Department. Report on notifications of cases in hospitals and health centers attended by residents of the barrio (Fernández Hospital Rivadavia Hospital, CeSACs in Barrio 31). Baseline corresponds to data reported between January and July 2017.	Tuberculosis is an infectious disease whose reporting is compulsory at public health centers. The target is to reduce the rate of tuberculosis among the 1,242 residents of the beneficiary blocks by 20%.
Percentage of businessmen and stallholders registered with the National Tax Agency	%	100/1,000	900/1,000	Commercial report by SECISyU	Broken down by gender. Baseline and target include all businesses in the barrio.

Indicator	Unit of measure	Baseline (2017)	Baseline year	2018	2019	2020	End target	Means of verification
Component 2: Educational quality and equity								
Subcomponent 2.1. Innovation in education								
Teachers benefitting from Plan Sarmiento Phase II: Connectivity and new equipment /notebooks	Teachers	0	2017		9,000	9,000	18,000	Report by Plan Sarmiento. Responsibility: Department of Education
Students in grades 4 to 7 and in the first to fifth years of high school who complete a course each year through a learning platform provided by Plan Sarmiento	Students	0	2017	0	82,000	86,000	168,000	Annual reports on the learning platform. Responsibility: Department of Education Corporate Results Framework indicator
Percentage of primary and secondary school students who take classes in computing and mathematics in digital laboratories ⁵	%	0	2017	0	28%	50%	50%	Annual reports by the Technology Office of the Department of Education Responsibility: Department of Education
Public schools and central units of the Municipal Department of Education that operate the comprehensive education management platform	Professionals	0	2017	1,000	400	0	1,400	Annual reports on access to the management system. Responsibility: Department of Education
Subcomponent 2.2. Learning and skills evaluation								
Students who take the FEPBA and TESBA tests through the evaluation platform	Students	0	2017	0	7,500	22,500	30,000	Evaluation platform annual reports. Responsibility: Department of Education
Public secondary and primary schools whose principals and teachers receive reports with data on education indicators and results of the FEPBA and TESBA tests through the evaluation platform	Reports	0	2017	0	607	607	1,214	Evaluation platform annual reports. Responsibility: Department of Education
Socioemotional skills evaluations of high school students performed through the evaluation platform.	Students	0	2017	0	800	1,700	2,500	Evaluation platform annual reports. Responsibility: Department of Education
Subcomponent 2.3. Institutional strengthening of the Municipal Department of Education								
Technical professionals certified in education management and innovation	Professionals	0	2017	160	160	160	480	Report confirming attendance by professionals and the number of certificates granted. Responsibility: Department of Education

⁵ A curricular review that is under way is expected to be implemented in 2018, which will be used to guide mathematics classes for the laboratories.

OUTPUTS

Indicator	Unit of measure	Baseline (2017)	2018	2019	2020	2021	Source/means of verification	Comments
COMPONENT 1: URBAN INTEGRATION OF B31								
Subcomponent 1.1. New education hub								
New Municipal Department of Education building constructed (includes preschool, primary school, and adult education school facilities)	Building	0	0	1	0	0	Works certification. Source: SECISyU	
Subcomponent 1.2. Urban infrastructure								
New water supply system built	Linear meter	0	0	2,800	0	0	Works acceptance certificate by AySA	The municipality executes the work and transfers it to AySA for operation as agreed, through a provisional acceptance certificate.
Subcomponent 1.2. Urban infrastructure								
Public space per person in B31	m ² /person	0	0.8	1.00	1.23	0	Works certification. Source: SECISyU	18,716 m ² of new public and green spaces will be incorporated into the YPF zone (extension of B31). The denominator is the resident population of B31 (43,190).
New streets planted with trees	Linear meter	0	500	1,500	200	0	Works certification. Source: SECISyU	At the YPF site.
Subcomponent 1.3. Housing and business improvement								
Housing units improved	Number of housing units	0	0	294	249	0	Works certification. Source: SECISyU	In blocks Güemes 4, Güemes 12, and Playón Oeste 3.
Businesses improved	Number of businesses	0	0	29	25	0	Works certification. Source: SECISyU	One business for every 10 housing structures improved.
Subcomponent 1.4. Institutional strengthening of SECISyU								
Plans and studies	Number of plans and studies	0	0	0	1	1	Studies and plans approved by SECISyU. Source: SECISyU	These are preinvestment and community development studies to be executed under the second CCLIP operation.

Outputs	Unit of measure	Baseline	Baseline year	2018	2019	2020	End target	Means of verification
Component 2: Educational quality and equity								
Netbooks for students provided under Plan Sarmiento phase II	Netbook	0	2017	0	50,000	50,000	100,000	Plan Sarmiento report. Responsibility: Department of Education
High schools equipped with new furniture	School	0	2017	44	0	0	44	Department of Education reports on the delivery and installation of furniture
Laboratories equipped and in operation	Laboratory	0	2017	0	200	220	420	Department of Education reports on implementation and operation of the labs
Education management platform implemented in the Department of Education	Platform	0	2017	1	0	0	1	Online platform
Learning platform implemented	Platform	0	2017	1	0	0	1	Online platform
Subcomponent 2.2 Learning and skills evaluation								
FEPSA and TESBA digital and formative platform implemented	Platform	0	2017	0	1	0	1	Online platform
Socioemotional evaluation platform designed and implemented	Platform	0	2017	1	0	0	1	Online platform
Component 2: Educational quality and equity								
Subcomponent 2.3 Institutional strengthening								
Training courses designed and implemented	Course	0	2017	2	2	2	6	Administrative records of the area offices and the Teachers' College
Plan to implement the Center for Teacher Training in New Technologies completed	Plan	0	2017	0	1	0	1	Document proposing an implementation plan for the training center approved by the Department of Education and the IDB.

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Country:	Argentina
Project number:	AR-O0005 - AR-L1260
Name:	Urban Integration and Social and Educational Inclusion Program in the Autonomous City of Buenos Aires
Executing agency:	The Autonomous City of Buenos Aires through the Finance Department in coordination with the Multilateral Lending Agency Financing Unit and the Public Credit Division
Fiduciary team:	Marisol Pinto Bernal (FMP/CAR) and Teodoro Noel (FMP/CAR)

I. EXECUTIVE SUMMARY

- 1.1 To evaluate the executing agency's fiduciary capacity (procurement and financial), the Institutional Capacity Assessment System (ICAS) methodology was applied to the city's Finance Department, specifically to the Multilateral Lending Agency Financing Unit (UFOMC) and the Public Credit Division (DGCPUB). It was concluded that the executing agency has adequate operating, technical, and human capacity to execute the program.
- 1.2 The project does not include financing from other multilateral institutions and the executing agency has no prior experience with the IDB. However, UFOMC is working with the World Bank (IBRD)¹ and is currently executing the Metropolitan Buenos Aires Urban Transformation Project (P159843AR for US\$170 million), which is active in the same sector as the proposed operation.
- 1.3 The executing agency will be the Autonomous City of Buenos Aires, through its Finance Department in coordination with the UFOMC, where a project coordination unit (PCU) will be established.² The PCU will be responsible for coordinating program activities, cooperating with the two areas with technical responsibility, i.e. the Social and Urban Integration Department (SECISyU) for component 1 and the Municipal Department of Education for component 2. The PCU will be responsible to the Bank for: (i) supervising procurement and contracting; (ii) financial management; (iii) preparing and submitting reports; (iv) external audits; (v) monitoring and evaluation; (vi) supervision of works and service contracts; and (vii) guaranteeing compliance with Bank policies.

¹ P08822 (Water risk management in Buenos Aires) and P145686 (Support for flood risk management in Buenos Aires).

² The Finance Department has legal authority to execute loans for international financial institutions (Municipal Law 5460/15, article 17, paragraph 5).

II. FIDUCIARY CONTEXT OF THE EXECUTING AGENCY

- 2.1 The fiduciary systems used for the program's financial administration and accounting will be the system for execution units of external loans (UEPEX).

III. FIDUCIARY RISK EVALUATION AND MITIGATION MEASURES

- 3.1 The risk analysis applied the project risk management (PRM) methodology at a workshop with the executing agency. It was determined that the level of risk is: (i) low, for financial considerations; and (ii) medium for procurement, since the executing agency has no prior experience with the Bank.
- 3.2 To mitigate procurement risks, a support mechanism has been established for preparing the bid documents to ensure their quality. The UFOMC has contracted a professional with knowledge of the Bank's procurement processes.
- 3.3 The supervision modality for financial management and procurement management has been determined on the basis of the [ICAS](#). The initial supervision modality may be changed during program execution based on the evaluations undertaken. Table 1 summarizes the program risks.

Table 1. Program risks

Institutional capacity and fiduciary risk				
Institutional capacity		Financial management and procurement:	Satisfactory	Tool: ICAS
Fiduciary risk		Financial:	Low	Tool: PRM
		Procurement:	Medium	
Type of risk	Risk	Classification	Mitigation measures	
Procurement	Delays in preparing the bid documents Delays in bid processes owing to poor coordination	Medium	Provide support in preparing the bid documents to ensure their quality.	
			Strengthen coordination by the executing agency to streamline contracting. Spell out the coordination flow among the entities involved in the Operating Regulations.	
			Provide training and monitoring for the executing agency.	

IV. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF THE CONTRACTS

- 4.1 The agreements and requirements to be considered in the special provisions or in the sole annex to the loan contract, as applicable, are included below and may be updated or amended during program execution, as applicable, upon prior documentation and authorization by the Bank.
- a. **Procurement.** The Policies for the procurement of works and goods financed by the IDB (document GN-2349-9) and the Policies for the selection and

contracting of consultants financed by the IDB (document GN-2350-9) will apply.

- b. **Disbursement management.** The executing agency will submit the financial plans for the respective components following the guidelines agreed upon by the Bank and the country. The minimum percentage required to replenish advances of funds will be 80%.
- c. **Exchange rate.** For purposes of Article 4.10 of the General Conditions, the parties agree that the applicable exchange rate will be the rate indicated in section (b)(i) of that article. To determine the equivalency of expenditures in local currency from the local contribution, the agreed exchange rate will be the rate in effect on the first working day of the month in which the borrower, the executing agency, or any other individual or legal entity with spending authority makes the respective payment to a contractor, supplier, or beneficiary. To determine the equivalency of expenditure reimbursements from the loan proceeds, the agreed exchange rate will be the rate in effect on the first working day of the month in which the reimbursement request is submitted. Furthermore, owing to the limitations of the UEPEX system, to determine the equivalency of expenditures incurred in local currency from the loan proceeds and the local contribution, the exchange rate indicated in Article 4.10 (b) (i) of the General Conditions will be used.

V. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

A. Procurement execution

- 5.1 The policies set forth in documents GN-2349-9 and GN-2350-9 will apply. The selection and contracting processes will be subject to ex ante or ex post supervision as determined in the procurement plan, which will be reviewed and adjusted by the executing agency once a year or as necessary. Changes to the procurement plan will obtain the Bank's no objection prior to performing the processes included therein.
 - a. **Procurement of works, goods, and nonconsulting services.** Contracts for works, goods, and nonconsulting services³ subject to international competitive bidding (ICB) will be executed using the standard bidding documents issued by the Bank. Bid processes subject to national competitive bidding (NCB) will be executed using the national bidding documents agreed upon with the Bank. The project's sector specialist will be responsible for reviewing the technical specifications during bid preparation. No direct contracting is anticipated, but any such contracts decided upon during the program will be identified beforehand in a timely manner in the procurement plan, including their justification, and selection processes that require the prequalification of bidders will be identified.
 - b. **Selection and contracting of consultants.** Contracts for consulting services will be executed using the standard request for proposals issued by or agreed upon with the Bank. The project's sector specialist will be responsible for reviewing the terms of reference for consulting services. No

³ According to document [GN-2349-9](#), paragraph 1.1: Nonconsulting services are treated as goods.

direct contracting is anticipated, but any such contracts decided upon during the program will be identified beforehand in a timely manner in the procurement plan, including their justification.⁴ The contracting of individual consultants will be governed by the provisions of document GN-2350-9, Section V (paragraphs 5.1 to 5.4). For operation of the PCU, direct selection may be used for consultants who are currently working under contracts financed by other programs being executed by the PCU.⁵

- c. **Use of country procurement systems.** Any system or subsystem approved subsequently will be applicable to this operation. The procurement plan and its updates will indicate which contracts will be executed through approved country systems.⁶
- d. **Recurrent costs.** Recurrent costs or operating and maintenance costs will include: travel, per diems, transportation, leasing of equipment and services, office maintenance, expenses, stationary, training, graphics production, printing, publications and copies, messenger and postal services, cleaning services, computer supplies, insurance, telephone, and petty cash required by the PCU for program operation. These costs will be financed by the project using counterpart resources and will be incurred following the executing agency's administrative procedures, which have been reviewed and accepted by the Bank, provided they do not violate the fundamental principles of competition, efficiency, and economy. Operating costs do not include civil servants' salaries.
- e. **Advance procurement, retroactive financing, and recognition of expenditures.** The Bank may retroactively finance from the loan proceeds up to US\$20 million (20% of the proposed loan amount) and recognize up to US\$5 million from the local contribution (20% of the estimated contribution) for eligible expenditures incurred by the borrower prior to the loan approval date for works (subcomponent 1.1), goods (subcomponent 2.1), consulting and other services (counterpart), provided requirements substantially similar to those established in the loan contract were met. The expenditures will have been incurred on or after 5 July 2017 (date of approval of the project profile), but may in no event include expenditures incurred more than 18 months prior to the loan approval date.
- f. **Relevance of expenditures.** Determining the relevance of expenditures, the terms of reference, the technical specifications, and the budget for program procurement will be the responsibility of the Project Team Leader and the Bank's prior no objection will be required.

⁴ Document [GN-2350-9](#), paragraph 3.9 and following: Direct selections must be duly justified.

⁵ As an exception, financing will be provided for the incremental personnel costs incurred by the executing agency linked specifically to project execution (document [GN-2331-5](#), Annex I 1.7 and C.c.1.22).

⁶ If the Bank validates a system or subsystem it will be applicable to the operation in accordance with the provisions of the loan contract.

B. Thresholds for ICB and the international shortlists (US\$ thousands)

Table 2. Thresholds

Method	ICB works	ICB goods and nonconsulting services	Shortlist of international consulting services
Threshold	≥25,000,000	≥1,500,000	≥1,000,000

Note: Consulting services valued at more than the equivalent of US\$200,000 will be announced on the websites of UNDB online and the Bank.

C. Major procurement processes

Table 3. Procurement processes

Activity	Selection method	Estimated date of bid/invitation	Estimated amount (US\$)
Goods			
2.1 Equipment	ICB	6/1/2018	15,030,000
Works			
1.1 Education hub	ICB	6/1/2018	51,500,000
1.2 Water supply system	NCB	1/2/2018	8,000,000
Firms			
External audit	QCBS	3/2/2019	2,500,000
2.1.1 Comprehensive education management system	Country system	1/1/2018	3,500,000
Individuals			
Administration and supervision	3CVs	1/12/2018	1,200,000

Note: To consult the 18-month procurement plan see [required electronic link 4](#).

D. Procurement supervision

5.2 Ex post supervision of procurements of works, goods, consulting, and nonconsulting services will be applied as follows:

Table 4. Threshold for ex post reviews

Works	Goods and nonconsulting services	Consulting services	Individual consultants
<5,000,000	<500,000	<200,000	<50,000

Note: 1. The thresholds for ex post reviews are applied on the basis of the capacity of the executing agency and may be amended by the Bank. 2. Goods costing less than US\$100,000 may be procured using the shopping method, as may works costing less than US\$350,000. In both cases, ex post reviews will be used.

- 5.3 The following will be subject to ex ante review: (i) NCB processes above the thresholds established in Table 4; (ii) all ICB processes; (iii) all direct contracts; and (iv) all processes which, on account of their complexity or risk, justify ex ante supervision.
- 5.4 In the case of individual consultants, ex ante reviews will be used for all contracts worth US\$50,000 and over; bidding processes for which it is justified on account of their complexity or risk; and direct contracts. Contracts below these amounts will be subject to ex post review.
- E. Special provisions**
- 5.5 **Measures to reduce the likelihood of corruption.** The provisions of the policies set forth in documents GN-2349-9 and GN-2350-9 relating to prohibited practices will apply. The executing agency will also review the list of firms and individuals prohibited from participating in processes financed by multilateral banks.
- 5.6 **Other special procedures.** The procurement plan will be kept up to date to reflect project needs and integrated into project planning.
- 5.7 **Records and files.** The areas with technical responsibility will be responsible for the preparation and filing of project reports , for which the agreed formats and procedures established in the program's Operating Regulations will be used.

VI. FINANCIAL MANAGEMENT

A. Programming and budget

- 6.1 The areas with technical responsibility will be responsible for formulating and programming the annual budget and will take all the steps necessary to consolidate the annual budget for approval. As the need arises to increase or reassign budget items, the areas with technical responsibility through the executing agency, will request such modifications and obtain approval of them. Budget credits will be executed through accrued quarterly and monthly commitments, which are assigned by the Finance Department.
- 6.2 No difficulties are anticipated with budget management, timeliness of the local counterpart, or system delays affecting execution.

B. Cash and disbursement management

- 6.3 The DGCPUB will process disbursements, account for expenditures in the UEPEX system, and prepare the semiannual financial reports.
- 6.4 Disbursements will be based on an itemized financial plan, whose model will be provided to the executing agency's authorities.
- 6.5 The borrower is expected to open an account for the project in Banco Ciudad de Buenos Aires in U.S. dollars and an account in Argentine pesos, and funds will be transferred from them into the single treasury account (CUT).

C. Accounting, information systems, and reporting

- 6.6 The executing agency will use the UEPEX system for financial administration. Cash-basis accounting will be used and International Financial Reporting Standards will be followed where applicable under national rules. The required financial reports will

be: (i) financial execution plan for up to 180 days after requests for advances; (ii) audited annual financial statements; and (iii) other reports required by the fiduciary specialists.

D. Internal control and internal audit

6.7 The internal control institution is the Sindicatura General de la Ciudad de Buenos Aires [Buenos Aires Municipal Office of the Comptroller General] (SIGEBA). Internal auditing in each municipal department is performed by its internal audit unit (IAU). The unit is responsible for performing audits and issuing recommendations under the authority conferred by Law 70 (Law on Public Sector Management, Financial Administration, and Control, 27 August 1998). The IAUs of the Municipal Department of Education and Office of the Chief of Staff to which SECISyU reports have the authority to perform the program's internal audits.

E. External control: external financial audits and project reports

6.8 The Office of the Auditor General of the City of Buenos Aires has not been evaluated for auditing IDB-financed loans and the National Office of the Auditor General does not have jurisdiction to audit the city's resources. For that reason, it is recommended that an independent firm of auditors be contracted to audit the program's two components. The contract will be based on the Bank's terms of reference, 2017 version.

F. Project financial supervision⁷

6.9 The financial supervision plan is based on the risk and fiduciary capacity evaluations performed for the program, which include reviews of operating, financial, and accounting activities, compliance and legality, frequency and responsibility.

6.10 In addition to the reports required to process disbursements and the annual audits, an itemized financial plan will be requested to track disbursement projections.

G. Execution arrangement

6.11 See paragraph 1.3.

⁷ [See document OP-273-6, Annex I, requirement 4: Financial supervision.](#)

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/17

Argentina. Conditional Credit Line for Investment Projects (CCLIP) AR-O0005
Urban Integration and Social and Educational Inclusion Program
in the Autonomous City of Buenos Aires

The Board of Executive Directors

RESOLVES:

1. To authorize the President of the Bank, or such representative as he shall designate, to enter into such agreement or agreements as may be necessary with the Autonomous City of Buenos Aires to establish the Conditional Credit Line for Investment Projects (CCLIP) AR-O0005, for an amount of up to US\$250,000,000 chargeable to the resources of the Ordinary Capital of the Bank, to cooperate in the execution of the Urban Integration and Social and Educational Inclusion Program in the Autonomous City of Buenos Aires.

2. To determine that the resources allocated to the above-mentioned Conditional Credit Line (CCLIP) AR-O0005 shall be used to finance individual loan operations in accordance with: (a) the objectives and regulations of the Conditional Credit Line for Investment Projects approved by Resolution DE-58/03, as amended by Resolutions DE-10/07, DE-164/07, and DE-86/16; (b) the provisions set forth in documents GN-2246-9 and GN-2564-3; and (c) the terms and conditions included in the Loan Proposal for the corresponding individual operation.

(Adopted on ____ 2017)

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/17

Argentina. Loan ___/OC-AR to the Autonomous City of Buenos Aires. Urban Integration and Social and Educational Inclusion Program in the Autonomous City of Buenos Aires. First Individual Operation under the Conditional Credit Line for Investment Projects (CCLIP) AR-O0005

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 Autonomous City of Buenos Aires, as Borrower, and with the Argentine Republic, as Guarantor, for the purpose of granting the former a financing aimed at cooperating in the execution of the Urban Integration and Social and Educational Inclusion Program in the Autonomous City of Buenos Aires, which constitutes the first individual operation under the Conditional Credit Line for Investment Projects (CCLIP) AR-O0005 approved on ___ 2017 by Resolution DE-___/17. Such financing will be in the amount of up to US\$100,000,000, 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 ___ 2017)