

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

ARGENTINA

URBAN SOCIAL INTEGRATION AND HOUSING IMPROVEMENT PROGRAM

(AR-L1361)

LOAN PROPOSAL

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ABBREVIATIONS

AGN	Auditoría General de la Nación [Office of the Auditor General]
DGPEyCI	Dirección General de Proyectos Especiales y Cooperación Internacional [Office for Special Projects and International Cooperation]
EDGE	Excellence in Design for Greater Efficiencies [certification]
EPH	Encuesta Permanente de Hogares [Permanent Household Survey]
ICAP	Institutional Capacity Assessment Platform
INDEC	Instituto Nacional de Estadística y Censos [National Institute of Statistics and the Census]
LBRs	Loans Based on Results
PEG	Master implementation plan
POT	Infrastructure works plan
RENABAP	Registro Nacional de Barrios Populares [National Registry of Informal Urban Settlements]
SGAS	Sistema de Gestión Ambiental y Social [environmental and social management system]
SISU	Secretaría de Integración Socio Urbana [Secretariat for Social and Urban Integration]
SOFR	Secured Overnight Financing Rate

PROGRAM SUMMARY

ARGENTINA URBAN SOCIAL INTEGRATION AND HOUSING IMPROVEMENT PROGRAM (AR-L1361)

Financial Terms and Conditions				
Borrower:			Flexible Financing Facility ^(a)	
Argentine Republic			Amortization period:	25 years
Executing agency:			Disbursement period:	5 years
The borrower, acting through the Ministry of Social Development			Grace period:	5.5 years ^(b)
Source	Amount (US\$)	%	Interest rate:	SOFR-based
IDB (Ordinary Capital):	150 million	100	Credit fee:	(c)
Total:	150 million	100	Inspection and supervision fee:	(c)
			Weighted average life:	15.25 years
			Approval currency:	U.S. dollar
Program at a Glance				
Program objective/description: The program's general objective is to promote socio-urban integration and help to improve housing conditions for vulnerable households. Its specific objectives are to: (i) strengthen the management capabilities of the executing agency and its technical support units; (ii) improve housing conditions for vulnerable households in informal urban settlements and adjacent formal-sector areas; (iii) improve the habitat and increase the security of land tenure for residents in informal urban settlements; and (iv) promote socioeconomic and community development in informal urban settlements.				
Special contractual conditions precedent to the first disbursement of the loan: The borrower, acting through the executing agency, will provide evidence of: (i) the approval and entry into force of the program Operating Regulations in accordance with terms and conditions previously agreed upon with the Bank, which will include the environmental and social requirements established in the environmental and social management system (SGAS) and the Environmental and Social Action Plan; and (ii) the recruitment of an independent inspector to verify the program outcomes in accordance with terms of reference previously agreed upon with the Bank (paragraph 3.4).				
Special contractual conditions of execution: Before bringing a technical support unit on board, the borrower, acting through the executing agency, will provide evidence that the corresponding framework participation agreement or its equivalent has been signed between the executing agency and the technical support unit and has entered into force in accordance with the terms previously agreed upon with the Bank (paragraph 3.6).				
See Annex B of the environmental and social review summary for the special contractual conditions precedent to the first disbursement and execution.				
Exceptions to Bank policies: None				
Strategic Alignment				
Challenges: ^(d)	SI <input checked="" type="checkbox"/>		PI <input checked="" type="checkbox"/>	EI <input checked="" type="checkbox"/>
Crosscutting themes: ^(e)	GE <input checked="" type="checkbox"/> and DI <input checked="" type="checkbox"/>		CC <input checked="" type="checkbox"/> and ES <input checked="" type="checkbox"/>	IC <input checked="" type="checkbox"/>

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

^(b) Under the flexible repayment options of the Flexible Financing Facility, changes to the grace period are permitted, provided that they do not entail any extension of the original weighted average life of the loan, or the last payment date as documented in the loan contract.

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

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

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

I. DESCRIPTION AND RESULTS MONITORING

A. Background, problem addressed, and rationale

- 1.1 **Background.** Argentina is one of the most urbanized countries in Latin America, with 92% of its inhabitants residing in urban areas.¹ Moreover, much of its population is concentrated in large cities; in fact, out of an estimated total of 45 million people,² 51%³ live in one of 10 major metropolitan areas⁴ with populations of over 500,000.⁵ The pressure on urban land generated by Argentine cities' rapid growth, coupled with difficulties in providing basic services and urban infrastructure, has led more and more people to build their homes in informal urban settlements (barrios populares) where adequate access to urban services is lacking.
- 1.2 In 2016, in an effort to gauge the scale of the country's informal habitats and settlements and to gather more information on them, the government partnered with civil society organizations to conduct a nationwide survey which then served as a basis for the development of the National Registry of Informal Urban Settlements (RENABAP). The registry has since been updated and now includes a total of 5,687 informal urban settlements made up of 1,168,731 households; 52% of these settlements were in existence before 2000, while 28% emerged in the 2000s and 19% between 2010 and 2020.⁶ These settlements typically have limited access to public utilities, are composed of substandard housing, and their inhabitants generally do not have registered title to their land. In addition, community infrastructure (schools, clinics, community centers) and good transportation links to formal-sector areas of the city and public spaces are either entirely absent or of poor quality.
- 1.3 The country is also witnessing a progressive deterioration of its housing stock. As of 2021, the housing deficit was estimated at the equivalent of 38.1% of Argentine households,⁷ having increased from 3.3 million households in 2016 to 3.6 million⁸ by 2021. Of those households, 1 million (10.6%)⁹ were suffering from a quantitative deficit, while the other 2.6 million (27.5%)¹⁰ were experiencing a qualitative one.

¹ National Population Bureau (DNP) (2020).

² Ibid.

³ Population estimate as of May 2020, National Institute of Statistics and the Census (INDEC) (2020).

⁴ Data derived from the 2020 Permanent Household Survey (EPH), INDEC (2020).

⁵ RENABAP, Secretariat for Social and Urban Integration (SISU), 2016.

⁶ SISU. In 2022, the scope of RENABAP was expanded to include informal urban settlements located in towns having populations of over 2,000 inhabitants; in 2016, the threshold had been towns with populations of 10,000 or more. The 2022 update resulted in the inclusion of 1,126 more settlements, 495 of which were informal settlements in towns having between 2,000 and 10,000 inhabitants.

⁷ This estimate refers to the geographic domains used by INDEC for its 2021 Permanent Household Survey, which correspond to 31 urban clusters representing approximately 70% of Argentina's population.

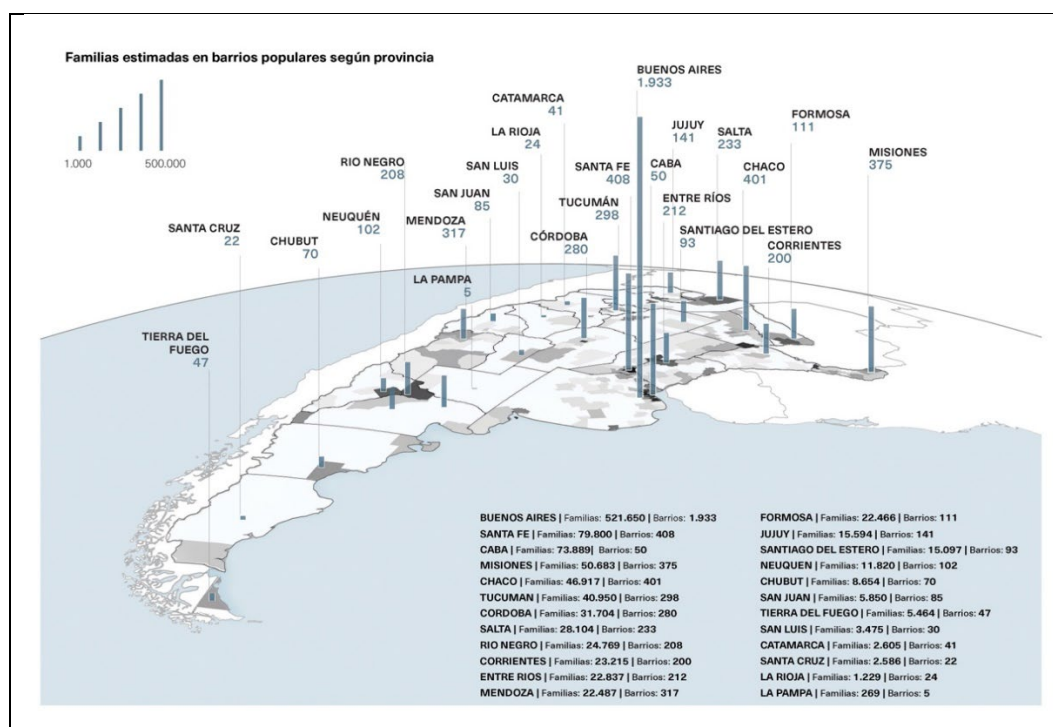
⁸ EPH (2016 and 2021).

⁹ Of this total, 75.6% are classified as unsalvageable dwellings; the other 24.4% correspond to multiple-household living arrangements and severe overcrowding.

¹⁰ The qualitative deficit is composed of 973,475 households (37.8%) whose dwelling units have substandard roofing, 466,498 (18.1%) that have deficient kitchen facilities, 104,215 (4.1%) whose dwellings suffer from other structural defects, 844,508 (32.8%) that lack certain public utilities, and 184,274 (7.2%) that are subject to moderate overcrowding/multiple-household living arrangements.

The number of new urban housing solutions¹¹ provided annually by the formal housing market (177,000, on average) falls short of the demand generated by new household formation (nearly 233,000).

Map 1. Households in informal urban settlements, by province



Source: IDB on the basis of RENABAP data.

- 1.4 Although there are housing deficits in all income quintiles in Argentina, the largest deficits are in the first and second quintiles, where they represent 53% and 45% of all households, respectively (1,823,500 vulnerable households in total).¹² These households exhibit a series of interconnected vulnerabilities, including social vulnerabilities because they are subject to sudden changes in living standards associated with changes in their members' employment situations or income levels¹³ or climate-related vulnerability because they live in substandard housing units located in high-risk zones¹⁴ where they have a greater degree of exposure to

¹¹ The provision of housing solutions entails the use of a series of mechanisms for providing safe and secure housing, including home ownership, multi-household arrangements that do not involve overcrowding, affordable rentals, and others.

¹² EPH (2020).

¹³ Deledicque, M. et al. (2001). "Vulnerabilidad, ¿Antesala de la Pobreza?"

¹⁴ Argentina is highly vulnerable to climate change and natural disasters. The main causal factors are the large size of its territory, the fact that it has ecosystems that are directly exposed to the impacts of global warming, and the fact that a large part of its population is located in flood-prone coastal areas. GermanWatch. 2021. Global Climate Risk Index 2021. "Who Suffers Most from Extreme Weather Events? Weather-related Loss Events in 2019 and 2000 to 2019".

the effects of climate change.¹⁵ This situation has put greater pressure on the existing housing stock in informal urban settlements and nearby degraded areas,^{16,17} where many dwelling units do not meet livability standards (1.54 million households) or lack access to basic services (845,000 households), or where preexisting units are being inhabited by multiple households and are severely overcrowded (241,000 households) or moderately so (184,000 households).¹⁸

- 1.5 **The existing program.** In order to address the housing issues reflected in the RENABAP data, in 2019 the Ministry of Social Development, with IDB support, established the [Social and Urban Integration Program \(4804/OC-AR\)](#) and the Social and Urban Integration Fund. Under this program, the government has developed a successful comprehensive, crosscutting model for helping Argentine cities to integrate informal urban settlements into their formal sectors and to halt the deterioration of their housing stock. This has helped the country's cities to narrow what had been the widening gaps that were hindering the access of more than 375 informal urban settlements to suitable living environments and urban services.¹⁹ This program coordinates the efforts of civil society organizations and program beneficiaries to deploy a wide range of actions on the ground aimed at achieving the urban and socioeconomic integration of target households. It is currently working on more than 20 community initiatives in 6 different settlements along with housing improvements in another 20 settlements designed to provide suitable living conditions for vulnerable households in those locations. The pace of implementation (6.65 years) of the four operations ([940/OC-AR](#), [1842/OC-AR](#), [2662/OC-AR](#), and [3458/OC-AR](#)) conducted under the Neighborhood Improvement Program (PROMEBA), whose execution and interventions are similar to those of this program, have been used as a basis for the design of a comparable timetable. Given the scale of the problem in the country, opportunities have been identified for boosting the efficiency and effectiveness of program interventions and for speeding up execution, thereby strengthening the response capacity of the Ministry of Social Development and enabling it to have a greater impact in a shorter amount of time.

¹⁵ Historically, according to the International Disaster Database (EM-DAT), floods have been the type of natural disaster associated with the most serious impacts in terms of the number of events, persons affected, health impacts, deaths, and property damage. Property damage from floods is estimated at US\$1.4 billion (at 2015 purchasing power parity) annually, which translates to as much as US\$4 billion in welfare losses. Climate-related events account for 98% of the 15 million persons affected by disasters (97% by floods 1% by storms). In provinces whose populations are exposed to both poverty and flooding, major floods wipe out nearly 100% of total social assistance payments (Rozenberg et al. (2021); World Bank (2021b).

¹⁶ Informal urban settlements (*barrios populares*) are defined as vulnerable settlements in which at least eight families are living either together or adjacent to one another and in which more than half of the population lacks land titles and regular access to two or more utilities (running water, metered residential power supply, and/or sewerage connections) (Decree 2670 of 2015).

¹⁷ In the City of Buenos Aires, 42% of the tenant households in informal settlements are composed of young people (between 20 and 30 years of age) who need to move out of their parents' home and establish one of their own but who lack savings capacity, do not qualify for formal rental agreements, and do not have enough money to buy a plot of their own; 67% of these households are headed by women. Rodríguez, M.C. (2017). "Mujeres, Inmigrantes y Jóvenes: Formas de Acceso Informal al Hábitat en la Ciudad". REDALYC.

¹⁸ EPH (2021).

¹⁹ Calculated by the authors based on information available at: <https://datosabiertos.desarrollosocial.gob.ar/dataset/proyectos-de-integracion-socio-urbana/>.

- 1.6 **Opportunities for improvement.** The main recommended improvements are: (i) strengthen the social support process in order to speed up vulnerable households' integration into the formal sector of the city; (ii) develop survey and information management tools that will make it possible to improve diagnostic assessments, works and project planning, management follow-up, and physical/financial traceability; (iii) develop indicators for measuring improvements in living conditions and service access, reductions in the deterioration of housing stock, and improvements in the quality of the goods and services delivered to the households in question; and (iv) put in place strategies for averting the emergence of new informal settlements. In addition, one of the challenges for program management is the limited integration and updating of information across systems/programs that are accessible to other government agencies and the public at large regarding the status of vulnerable households in informal urban settlements.
- 1.7 **Problem addressed.** The continuing deterioration of vulnerable households' living conditions is increasing the barriers to their socio-urban integration. Four main causes of this problem have been identified:
- 1.8 **Cause 1.** Technical/administrative constraints exist at all three levels of government that reduce the efficiency of land management efforts and the government's ability to deliver suitable living conditions quickly enough to keep pace with the evolving housing problem. Because of its federal structure, Argentina has difficulty coordinating interagency efforts to efficiently implement sector policies that influence living conditions, such as those relating to: (i) drinking water; (ii) housing and urban development; (iii) sewerage systems; (iv) transportation; and (v) the environment. This situation is exacerbated by issues relating to information generation, systematization, and transparency, which vary a great deal from one province to the next,²⁰ and the lack of integrated physical/financial monitoring tools and systems. The end result is delays, shortcomings, and inefficiencies in the design, implementation, and monitoring of socio-urban integration projects.
- 1.9 **Cause 2.** The housing stock for vulnerable households has deteriorated, and the production of suitable housing solutions and improvements for vulnerable households in informal urban settlements and nearby degraded areas is slow and of limited scope. On the one hand, the national housing policy is focused primarily on eliminating the quantitative housing deficit, but the tools being used to do so are not achieving the pace of implementation needed to stop that deficit from growing. On the other hand, few resources and instruments are available for mitigating the qualitative deficit in a timely manner.²¹ Furthermore, macroeconomic instability and successive bouts of high inflation hamper the provision of long-term mortgage financing in a country, such as Argentina, that is far from meeting international standards in this regard.²² The housing programs currently being

²⁰ Granero Realini, G. et al. (2018). "La Política Habitacional en Argentina. Una Mirada a Través de los Institutos Provinciales de la Vivienda", CIPPEC.

²¹ Ibid.

²² The number of mortgages issued in Argentina is only 5 for every 1,000 persons, in contrast to the situation in Chile and Colombia, where 85 and 27 credits, respectively, are disbursed for every 1,000 persons. Silva, Julio Miguel (2022). *Informe Sectorial de Vivienda*.

implemented by the executing agency suffer from a number of design and implementation flaws at the various stages of the housing improvement process: targeting and prioritization, program enrollment, and construction/installation. These problems mainly stem from a lack of the necessary tools for preparing diagnostic assessments and for designing and properly managing housing projects.

- 1.10 **Cause 3.** Security of tenure and access to basic urban services and utilities in informal urban settlements are increasingly lacking, and the government is having difficulty resolving these issues efficiently. According to the most recent census data available, 14.4% of urban households in Argentina do not hold title to the land on which their dwelling is located and are occupying their homes under loan or work-related arrangements. On average, 17% of the population resides in housing under some type of irregular agreement or arrangement, but the figure is higher in informal urban settlements, where over 50% of the households do not hold title to the property where they live.²³ Because of the challenges involved in coordinating all the agencies and bureaucratic procedures entailed in improving security of tenure, this process moves more slowly than is needed to actually reduce the percentage of households that lack secure tenure. The lack of secure tenure discourages households from investing in their dwellings, increases their level of uncertainty,²⁴ and makes it difficult for them to gain access to credit.²⁵ In recent years, shortfalls in access to basic services and utilities have also increased.²⁶ Currently, only 14.7% of households in informal urban settlements have sewerage connections, and only 3.3% have authorized hook-ups to the system. Only 1.7% have access to natural gas connections, only 30.8% live adjacent to paved roads, and 51.8% live close to landfills or dumping sites. In addition, 64% of informal urban settlements experience flooding at least once a year, and this figure will surely rise as a consequence of the effects of climate change.²⁷ The executing agency has a great deal of experience in conducting comprehensive improvement projects in informal urban settlements, but the evaluations that have been undertaken have turned up evidence of certain implementation and design flaws (and, hence, shortcomings in budget execution) that have slowed the implementation of comprehensive project works.
- 1.11 **Cause 4.** There are a number of problems involved in reducing the socioeconomic barriers that limit informal settlement dwellers' opportunities for social integration. These settlements have limited access to social services: (i) the coverage of basic health-care services is scanty (only 5.6% of informal urban settlements have clinics, and only 30% of this population group received at least one basic health-care service in the preceding 12 months, compared to 73% of the rest of the population); (ii) there is little access to early child development and stimulation services (80% of children between 0 and 4 years of age in these settlements do

²³ In order for a settlement to be listed in RENABAP, at least 50% of its resident households must have insecure tenure. Disaggregated microdata are unavailable.

²⁴ *What Tenure Security? Land Use Policy*, 27: 449–456 (2010).

²⁵ Rajack, Robin (2022). *Tenurial Security, Property Freedoms, Dwelling Improvements & Squatter Regularisation: A Case Study of Trinidad*.

²⁶ [Sector analysis: housing in Argentina. 2022 update.](#)

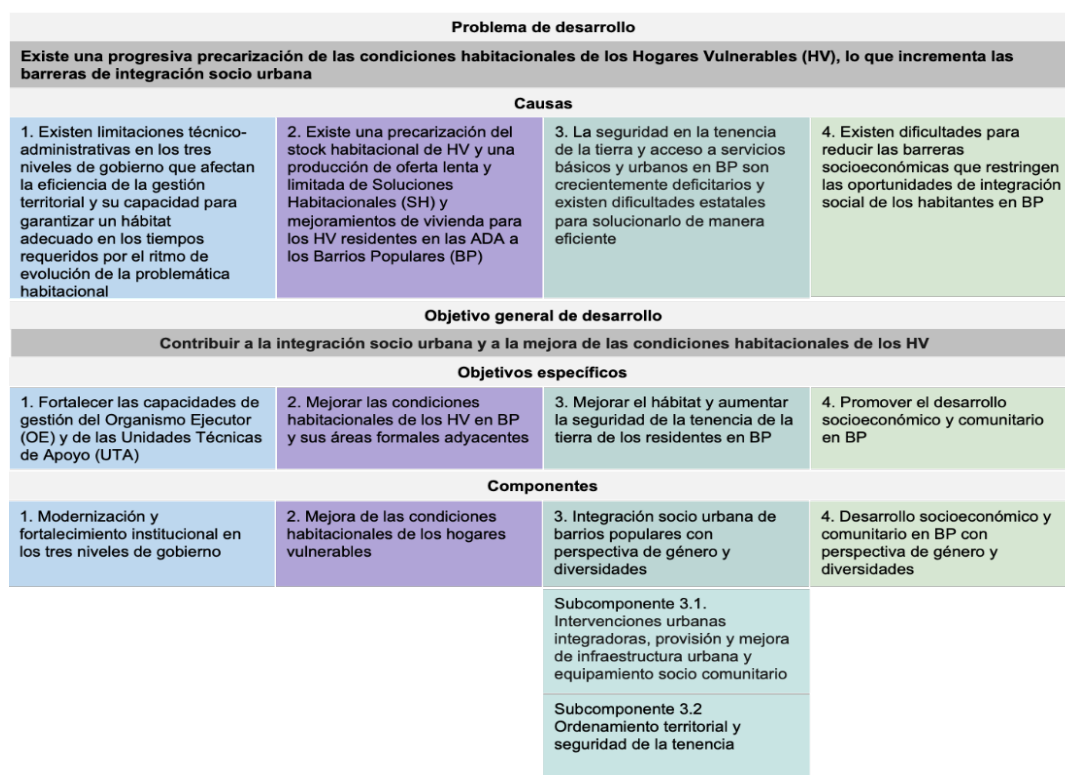
²⁷ Bonfiglio J.I., J. Vera, and A. Salvia (2019), and RENABAP data.

not attend daycare centers, compared to 68% in formal-sector urban areas); and (iii) educational services are lacking (only 3.5% of informal urban settlements have a daycare center, 6.6% have a nursery school, 5.8% have elementary schools, and 4% have secondary schools). Informal urban settlements are also subject to significant developmental gaps: only 15.5% of young people (between 18 and 24 years of age) have an advanced level of schooling, compared to 29.7% at the national level; and only 26% of the heads of household in informal urban settlements (men and women) have completed secondary school, compared to 51% of the residents of neighborhoods located within established urban tracts and/or private housing developments. The employment figures for informal urban settlements are also lower: 44.5% of the adult population is not economically active, 39.4% of adult residents are in a situation of labor vulnerability (22% have jobs that do not offer a pension plan, 9.4% are own-account workers who lack stable incomes, and 8% are unemployed), while only 16.1% have a formal-sector job.²⁸ Civil society organizations play an important role in the socioeconomic organization of informal urban settlements, and many of them work to create jobs in the circular economy. These are typically informal organizations, however, that lack the financial, physical, and technical resources and capacities to carry out their work on an efficient and sustainable basis. The executing agency has proven experience in carrying out comprehensive initiatives and promoting social and community development in informal urban settlements. However, implementation and design flaws have been identified in its current projects that have led to long delays in their design and execution which have hampered them from achieving the desired results.

- 1.12 **Theory of change.** The Bank will take advantage of the existing opportunities for making improvements by focusing its support on: (i) strengthening the management capabilities of the executing agency and its technical support units; (ii) improving housing conditions for vulnerable households in informal urban settlements and nearby degraded areas; (iii) improving the habitat and increasing the security of land tenure for residents in informal urban settlements; and (iv) promoting socioeconomic and community development in these settlements. The following figure outlines this operation's vertical logic and theory of change.

²⁸ RENABAP, National Survey of Social Structure (ENES) (2019), and SISU (2019).

Figure 1. Theory of change



1.13 Component I will focus on boosting efficiency in order to expedite the diagnostic assessment, design, and implementation of program components and the achievement of results, as detailed in the following table.²⁹

Table 1. Current and expected time frames for program stages

Stage	Current average time frame	Expected average time frame
Time frame for enrollment in the housing improvement program (starting from the time of beneficiary prioritization)	1.5 to 2.5 years	Less than 1 year
Time frame for completion of the works (from the time of enrollment)	3 years	Less than 2 years
Development and approval of the master implementation plan (PEG) or the infrastructure works plan (POT)	2 to 3 years	Less than 2 years
Design and preparation of socioeconomic and/or community development project budgets (following a proposal's approval by the executing agency)	1 to 2 years	Less than 1 year
Achievement of social and community development project targets	60%	75%

²⁹ For further details, see [optional link 7](#).

- 1.14 **Gender considerations.** According to RENABAP data, 63.7% of the households in informal urban settlements are headed by women.³⁰ As a majority of the activities engaged in by women have to do with their household and community, a lack of access to basic services is a significant hurdle. The data indicate that 88.7% of these households do not have proper access to running water, 97.85% do not have proper access to a sewerage connection, 63.8% lack proper access to the power grid, and 98.9% lack proper access to the natural gas distribution network.³¹ In addition, 60% of households headed by women have incomes that are less than the equivalent of two minimum wages and thus tend to be more vulnerable than households headed by men.³² The housing deficit affecting 38% of households headed by women³³ includes qualitative shortcomings, with substandard flooring, roofing, kitchen facilities, bathrooms, and/or utility access existing in 70.4% of the households and 30% lacking access to services. Another 29.6% are subject to a quantitative housing deficit, with nearly 80% of those households residing in units that are classified as unsalvageable. With respect to income levels and employability, women's economic activity rate is 20 percentage points lower than that of men (49.4% and 69.4% respectively), and women's employment rate reflects a similar situation (the employment rate for women is 44.7% while the corresponding rate for men is 63.6%).³⁴ In all, 12% of women work in informal jobs and 26% are unemployed, while women perform more unpaid work and undertake more domestic tasks than men (91.7% versus 75.1%³⁵ and 89.9% versus 68.3%,³⁶ respectively) ([optional link 2](#)).
- 1.15 **Diversity considerations.** In Argentina, 10.3% of the population has some type of disability³⁷ that requires accessibility arrangements or accommodations in their homes, public spaces, and greater inclusion in the workforce. In terms of the qualitative housing deficit, 26.5% of households that include a person with disabilities report that some type of accommodation or adaptation is needed in their dwelling. Two out of every three persons with disabilities are unemployed (INDEC, 2021), and the economic activity rate for persons with disabilities is 35.9%, which means that only approximately one third of this population group is economically active. The economic activity rate for women is nearly 15 percentage points lower than it is for their male counterparts. The same type of differential exists between their employment rates as well (40.3% for men versus 25.8% for women). The economic inactivity rate for persons with disabilities aged 14 and over is 64.1%. Official data at the national level on the economic and housing status of LGBTQ+ persons is unavailable but, according to a study conducted by INDEC in the municipality of La Matanza in 2012, 80% of the persons in this group stated that their gender identity made it difficult for them to find work in the formal

³⁰ Observatorio de Géneros y Políticas Públicas (2020). "Desigualdad Social y Desigualdad de Género: Radiografía de los barrios populares en la Argentina actual".

³¹ Ibid.

³² Permanent Household Survey (2021).

³³ Ibid.

³⁴ INDEC (2021).

³⁵ National time use survey (2021).

³⁶ Ibid.

³⁷ Estudio Nacional sobre el Perfil de las Personas con Discapacidad (2018).

sector. The data also indicated that half of the persons who were surveyed lived in substandard dwellings, with even higher percentages being recorded for those lacking waste disposal services, paved roads, and public lighting; 75% did not have Internet access and 66% lacked cooling/heating systems. For the migrant population, employment in the informal sector of the economy, insufficient economic resources, and a lack of access to mortgages, local co-signers for formal rental agreements, and public housing policies for this population group all make it difficult for them to access suitable housing ([optional link 2](#)).

- 1.16 **Climate change considerations.** Argentina is highly vulnerable to the effects of climate change and natural disasters. In 2020 and 2021 alone, more than 4,000 people were displaced by weather-related events and disasters.³⁸ This is mainly attributable to the size of the country's territory, the existence of ecosystems that are directly exposed to the impacts of global warming, and the fact that a considerable portion of the population lives in flood-prone areas.³⁹
- 1.17 Vulnerable households are more heavily impacted by the effects of climate change because of the poor quality and location of their dwellings.⁴⁰ The country's most recent permanent household survey⁴¹ indicates that 27.7% of Argentine households (in which 36.5% of its population resides) are below the poverty line and that 6.8% of those households are below the extreme poverty line. The construction materials used in the dwellings of 12.2% of poor households are rated as deficient and those of another 19.4% of the dwellings are classified as partially deficient. For households below the extreme poverty line, the corresponding figures are 24.5% and 27.9%, respectively;⁴² 10% of poor households are located in flood-prone areas and 6.7% near landfills, with these figures rising to 17.9% and 13.2%, respectively, for extremely poor households.⁴³ Vulnerable households are also more exposed to storms and heat waves, which have become considerably more frequent in Argentina. (The number of such events in the city of Buenos Aires doubled between 1960 and 2010.)⁴⁴ Between 1970 and 2015, there were 604 floods in that city and 588 storms; these events have taken their toll in vulnerable neighborhoods and have often made it necessary for residents to evacuate.⁴⁵ Heat waves are also becoming more common, with 80 days of such events being recorded in the past decade, and increasingly severe in terms of both their duration and intensity.⁴⁶ In the city of Buenos Aires, annual high temperatures are on the rise, climbing from 21.5°C to 23°C between 1910 and 2019.⁴⁷ The impacts and

³⁸ [Internal Displacement Monitoring Centre \(IDMC\). \(2022\).](#)

³⁹ GermanWatch. (2021). Global climate risk index 2021. Who Suffers Most from Extreme Weather Events, 2000-2019.

⁴⁰ Felipe Vera and Jeannette Sordi (2021). [Diseño Ecológico. Estrategias para la ciudad vulnerable](#), Inter-American Development Bank, pp. 58-59.

⁴¹ EPH, January–June 2022, INDEC.

⁴² EPH, July–December 2021, INDEC.

⁴³ Ibid.

⁴⁴ Tercera Comunicación Nacional, 2015.

⁴⁵ IDOM. "Plan de Acción Climática Ciudad Autónoma de Buenos Aires. Análisis de riesgos climáticos. 2020".

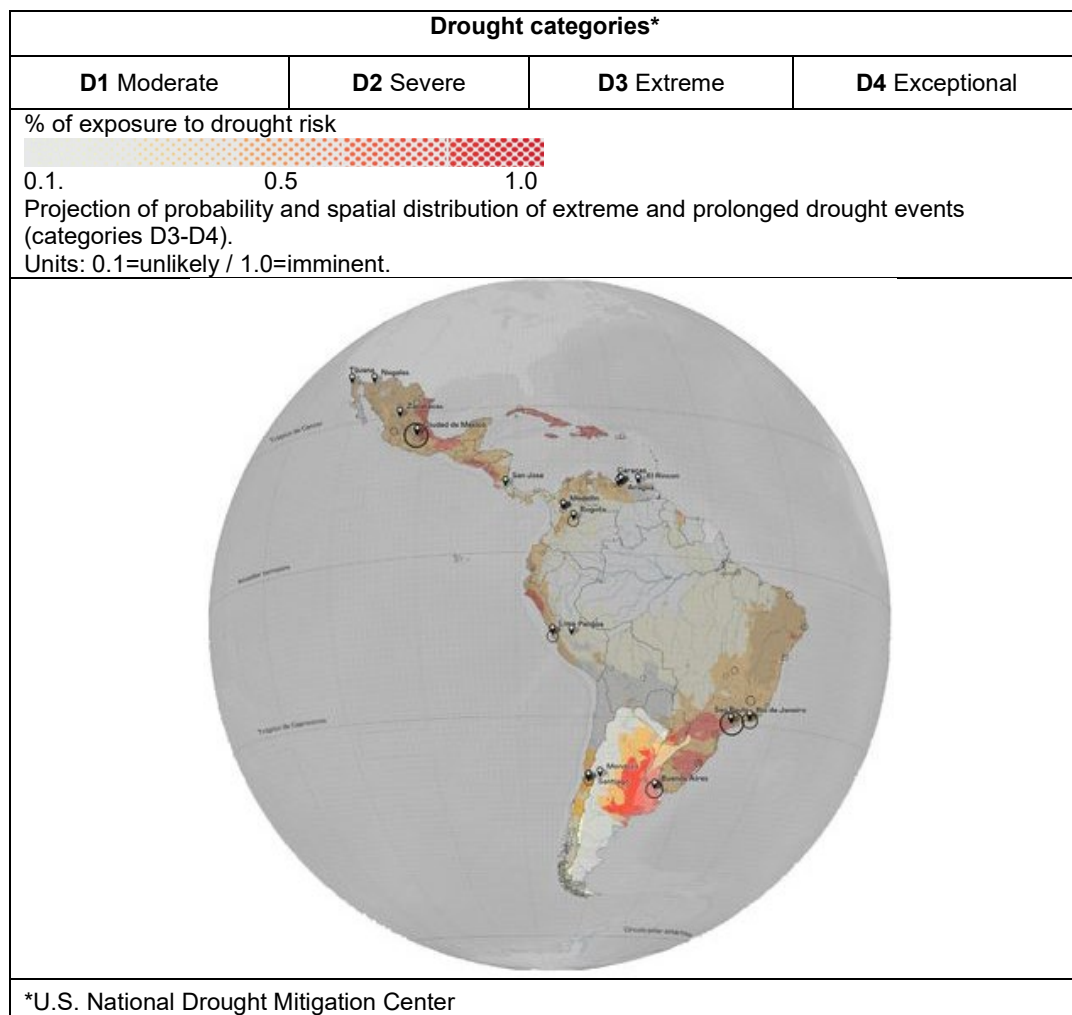
⁴⁶ Ibid.

⁴⁷ Ministry of Defense, Secretariat of Planning, Meteorological Information Center of the National Meteorological Service. Central Buenos Aires Observatory, 1910–2019.

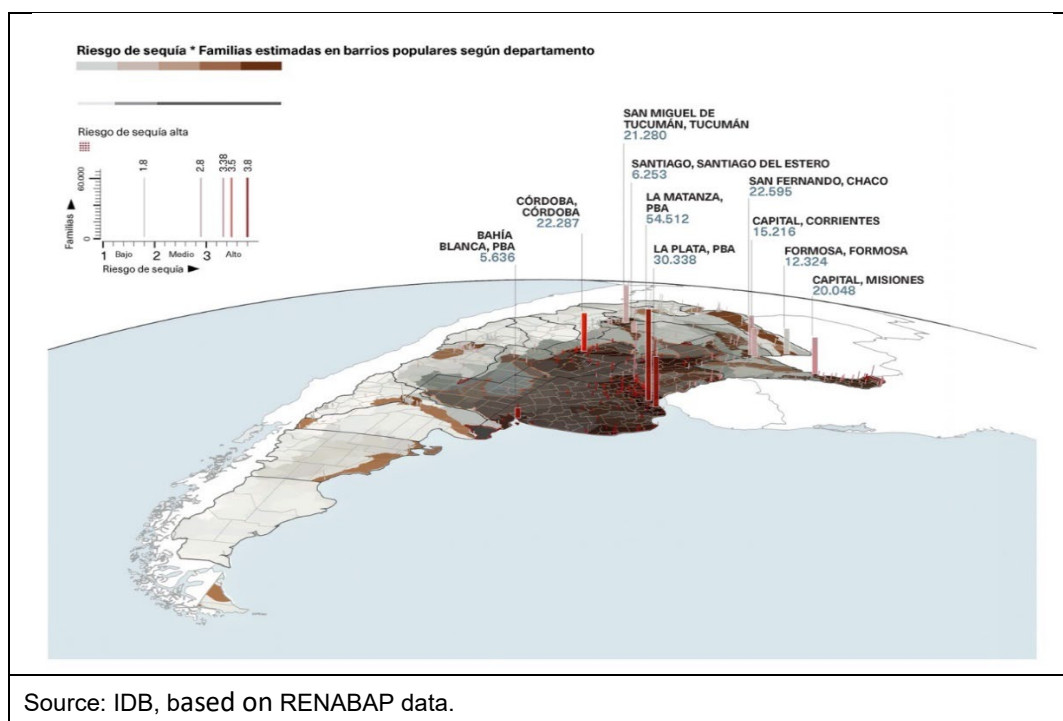
risks associated with these events are not evenly distributed among the urban population either. Vulnerable households are more likely to sustain damage during natural disasters, and it is more difficult for them to recover from disasters because of the location and poor quality of their dwellings and the vulnerability of household members.

- 1.18 Residents of informal urban settlements tend to lack access to parks, air-conditioning, and health-care services and, consequently, feel the effects of the climate crisis more intensely. For example, in Buenos Aires alone, 483,000 households are at risk of drought. Since they are not included in urban planning processes, informal urban settlements are not equipped with adaptive measures to help them cope with the impacts of climate change and are subject to significant environmental risks owing to their location on cropland, which is more prone to erosion and pollution. It is estimated that 45% of informal urban settlements are located in areas that are subject to environmental risks and the effects of climate change, and approximately 50% of these settlements are in flood-prone areas.

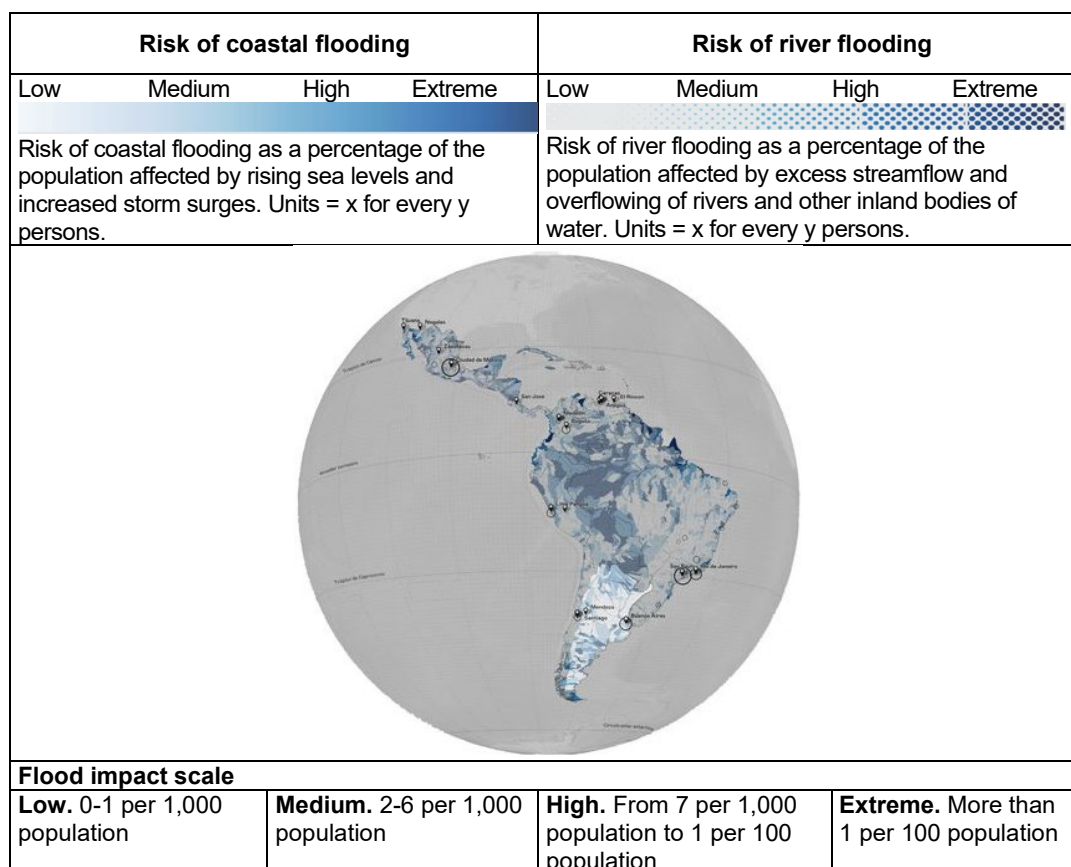
Map 2. Extreme and prolonged drought risk



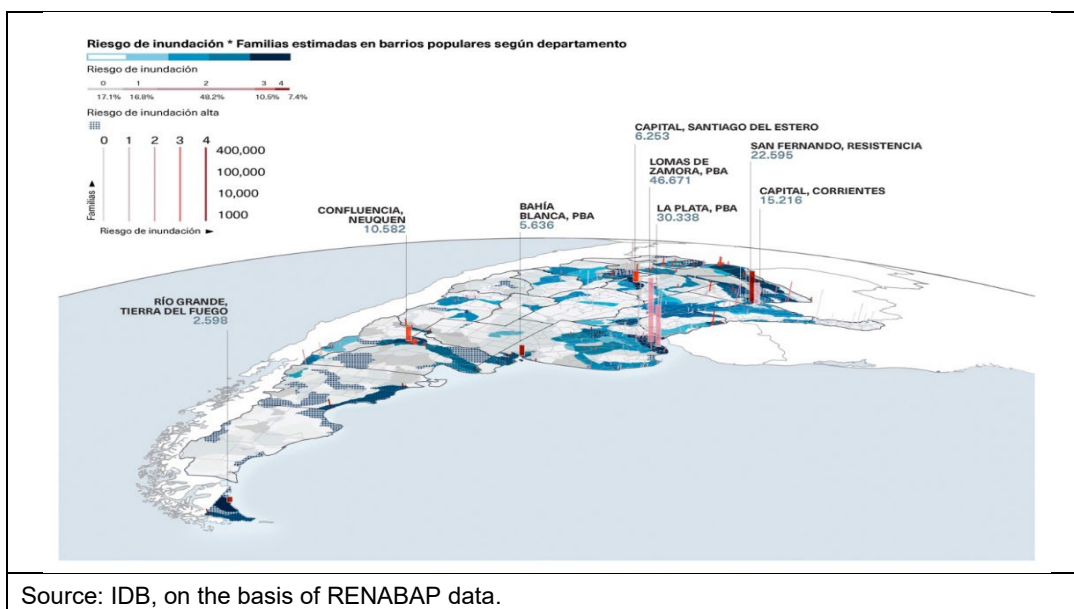
Map 3. Vulnerable households in informal urban settlements exposed to drought



Map 4. Vulnerable households in informal urban settlements exposed to flooding



Map 5. Vulnerable households in informal urban settlements exposed to flooding, by department



Source: IDB, on the basis of RENABAP data.

- 1.19 In addition to these aggravating factors, there are other barriers to vulnerable households' socio-urban inclusion⁴⁸ that further increase the likelihood of such households being located in substandard housing or of migrating to informal urban settlements and that may also pose a threat to the sustainability of recently improved and formalized urban settlements. The absence of mechanisms for producing new housing solutions of acceptable quality, increasing the carrying capacity of existing units, and halting their progressive deterioration compounds the problem posed by the informality and declining quality of the country's housing stock.
- 1.20 **The Bank's experience.** The IDB has a great deal of experience with initiatives focusing on informal urban settlements. These programs have progressed along a learning curve that started with an emphasis on basic infrastructure but has now advanced to approaches that complement that focus with social action. Its experience in this area includes: the Urban Integration and Social and Educational Inclusion Program in the Autonomous City of Buenos Aires ([AR-O0005](#)), the Neighborhoods Improvement Program II (PROMEBA II) ([AR-X1004](#)), the Social and Urban Integration Program in Greater Buenos Aires ([4823/OC-AR](#)), the previously mentioned Social and Urban Integration Program ([4804/OC-AR](#)); the Irregular Settlements Program ([UR-X1003](#)) in Uruguay; the Urban Resilience and Revitalization Program in Socially and Environmentally Vulnerable Areas (ProMorar Recife) ([5732/OC-BR](#)); the Program for Integrated Urban Development of the Municipality of Campo Grande ([3630/OC-BR](#)), and the Rio de Janeiro Low-income Neighborhood Urban Development Program III ([2482/OC-BR](#)) in Brazil; the Multiphase Neighborhood Improvement Program ([2082/BL-BO](#)) in Bolivia; the Housing and Habitat Improvement Program ([3538/OC-PR](#)) and the Rehabilitation and Housing Program for Bañado Sur in Asunción (Barrio – Tucumbú) ([4700/OC-PR](#)) in Paraguay.
- 1.21 Argentina also has experience executing Loans Based on Results (LBRs), which substantiates the country's capacity to use this instrument. Previously, it executed the Program for the Development of a Satellite System and Applications Based on Earth Observation (PROSAT) ([1777/OC-AR](#)) and the Technological Innovation Program V ([AR-X1015](#)), and, recently, it executed the Program for Strengthening and Integrating Health Networks in the Province of Buenos Aires ([AR-O0013](#)). All of these operations have achieved excellent results with respect to efficacy and efficiency.⁴⁹ Additionally, the IDB's Housing and Urban Development Division has concrete experience with the LBR instrument in the context of informal settlements. In Chile, the Program for the Urban Integration of Informal Settlements ([5313/OC-CH](#)), which is currently in execution, has demonstrated significant advances in achieving results related to preventing the emergence of informal settlements and improving spending quality.

⁴⁸ Vulnerable households in low-income neighborhoods are subject to other poverty traps, such as those associated with the distance between their places of work and their homes, a greater prevalence of disease, and other factors that act as barriers to their integration into the country's productive fabric.

⁴⁹ The amounts and results of these loan operations are available in the respective project termination reports: [AR-X1004](#), [2482/OC-BR](#), [1777/OC-AR](#), [AR-X1015](#), and [AR-O0013](#).

- 1.22 The proposed operation draws on lessons learned in earlier tranches of the PROMEBA program,⁵⁰ particularly with regard to: (i) the inclusion of an integrated, multidimensional approach to habitat issues and the need to attain greater efficiency and effectiveness in the design and execution stages in order to enhance the speed and scope of the State's response to the challenge of integrating vulnerable areas; (ii) the importance of strengthening management partnerships and community participation as essential factors for ensuring the sustainability of these types of processes and related technical capabilities; and (iii) the need to build technical capacity for housing improvements in order to ensure the scalability of program interventions and to improve spending quality.
- 1.23 **Strategic institutional alignment.** The program is consistent with the second Update to the Institutional Strategy (document AB-3190-2) and the IDB Group Corporate Results Framework 2020-2023 (document GN-2727-12), as it is aligned with the development challenges of: (i) social inclusion and equality, since it will help to reduce poverty and promote equity by reducing deficits in basic infrastructure and access to social services for population groups with unmet basic needs; (ii) productivity and innovation, since it provides for activities focusing on job creation and improvements in the provision of green, resilient housing; and (iii) economic integration, as it will promote the socioeconomic development of vulnerable population groups. It is also aligned with the crosscutting themes of: (i) gender equality and diversity, as it will promote: (a) land titling for women, (b) the prioritization of the participation of women, persons with disabilities, and LGBTQ+ persons in community initiatives, and (c) the incorporation of universal design criteria that will improve conditions for a diverse range of population groups; (ii) climate change and environmental sustainability, since it will incorporate green housing construction criteria, climate solutions in public spaces, more accessible public transportation and soft mobility options, LED lighting, recycling infrastructure, and other solutions. In line with the [joint methodology of the multilateral development banks for tracking climate change adaptation finance](#), IDB will provide 53.37% of the resources for this operation in connection with climate change mitigation and adaptation measures. These resources will contribute to the achievement of the Bank's climate finance target (30% of annual approvals); and (iii) institutional capacity and the rule of law, as it will provide training in topics relating to efficiency in project management and execution and in the development and use of digital process optimization systems and tools.
- 1.24 **Alignment with the Bank's country strategy with Argentina.** This operation is consistent with the strategic objective of the Bank's country strategy with Argentina 2021-2023 (document GN-3051) of improving the population's habitat and mobility conditions. It is also consistent with the Bank's sector frameworks documents in the following areas: (i) housing and urban development (document GN-2732-11), as it will promote structural social inclusion by improving underserved and informal neighborhoods and promoting access to adequate housing; (ii) climate change (document GN-2835-10), as it will use planning and design processes to implement specific mitigation and adaptation measures; and (iii) gender and diversity (document GN-2800-10), as it will provide better economic opportunities

⁵⁰ See [optional link 9](#).

- for women, persons with disabilities, and LGBTQ+ persons. This operation is also aligned with the IDB Group Gender and Diversity Action Plan 2022-2025 (document GN-3116-1), as it will promote the social and economic integration of women, persons with disabilities, and LGBTQ+ persons, and with the Employment Action Framework with a Gender Perspective, as it will strengthen the employability and/or production capacity of women and LGBTQ+ persons.
- 1.25 **Institutional capacity.** In line with the LBR policy tool (document GN-2869-10), the institutional, financial, and procurement capacities and the integrity of the Ministry of Social Development were analyzed using the Institutional Capacity Assessment Platform (ICAP). Its procurement system was also evaluated using the simplified version of the Methodology for the Assessment of Procurement Systems (MAPS) of the Organisation for Economic Co-operation and Development.
- 1.26 **Evaluation of institutional capacity.** The Bank shared the ICAP results and the findings of its evaluation of the procurement system and, after analyzing the responses provided by the Ministry of Social Development to specific questionnaires and its responses regarding program indicators, made a series of recommendations for building the Ministry's capacity for executing this program. These assessments confirmed that the Ministry has sufficient institutional capacity but also indicated that it could become more effective in resolving development issues by strengthening implementation-related processes that would allow it to attain time efficiencies and gain in effectiveness.
- 1.27 The main recommendations are: (i) agree upon a program performance tracking and monitoring methodology with the Secretariat for Social and Urban Integration (SISU) and the Office for Special Projects and International Cooperation (DGPEyCI), with emphasis on the work undertaken on the ground by the technical support units; (ii) update the established methodology for analyzing the implementation capacity of local teams based on the technical activities to be carried out; (iii) analyze existing needs for strengthening human resource capabilities, particularly in the areas of technical management and of procurement and recruitment; (iv) update and apply the DGPEyCI administrative procedures manual; (v) incorporate an institutional flowchart into the program Operating Regulations that defines the procedures for coordination across government ministries, with other agencies at the national and subnational levels, and with technical support units; (vi) incorporate a description into the program Operating Regulations of the responsibilities of each actor in crosscutting processes such as strategic and operational planning, the execution of program components, procurement and recruitment, the preparation and submission of financial reports, achievement of indicators, tracking and monitoring, supervision, verification of observance of integrity standards and avoidance of prohibited practices, conflicts of interest, and dealings with firms on the Bank's sanctions list, etc.; and (vii) devise an action plan for managing environmental and social impacts and acting upon recommendations made pursuant to the analysis of existing gaps.
- 1.28 **Financial and institutional viability.** The analysis carried out by the Bank's fiduciary area indicates that the DGPEyCI does not have any significant institutional, technical, or financial weaknesses and that its human resources are

well qualified and have the necessary experience to administer this operation with the technical support units that will be involved.⁵¹

- 1.29 **Beneficiaries.** The beneficiaries of this operation will be 8,350 vulnerable households included on the RENABAP registry, are located in informal urban settlements and nearby degraded areas, and are affected by the country's housing deficit. Priority will be placed on households headed by women, LGBTQ+ persons, older adults, migrants, and/or functionally diverse persons that are located in areas vulnerable to the effects of climate change in which mitigation measures can be applied.
- 1.30 **Eligibility criteria.** Vulnerable households listed on the RENABAP registry that are residing in informal urban settlements or nearby degraded areas that are affected by the housing deficit.
- 1.31 **Vulnerable household prioritization criteria.** For the prioritization of households for housing improvements, the criteria are: (i) households located in informal urban settlements or nearby degraded areas that have previously benefited from neighborhood improvement activities or that are being considered as possible beneficiaries of such activities; (ii) households located in areas where qualitative housing deficits are the greatest; (iii) households headed by women and/or LGBTQ+ persons; (iv) households subject to serious overcrowding; (v) migrant households; and (vi) households located in areas prone to flooding and landslides. The Bank will verify the fulfillment of eligibility and prioritization criteria. These criteria are set out in detail in the program Operating Regulations. Population groups exhibiting other types of vulnerability will be served by the preexisting program.

B. Objectives, components, and cost

- 1.32 The program's general objective is to promote socio-urban integration and help to improve housing conditions for vulnerable households. Its specific objectives are to: (i) strengthen the management capabilities of the executing agency and its technical support units; (ii) improve housing conditions for vulnerable households in informal urban settlements and adjacent formal-sector areas; (iii) improve the habitat and increase the security of land tenure for residents in informal urban settlements; and (iv) promote socioeconomic and community development in informal urban settlements. This operation has been structured into the components outlined below.
- 1.33 **Component I. Modernization and institution-strengthening at all three levels of government (IDB: US\$6,000,000).** The objective of this component is to strengthen the management capabilities of the executing agency and its technical support units. This will be accomplished by: (i) providing technical assistance to strengthen the fiduciary, procurement, and assessment processes of the executing agency and its technical support units through the introduction of coordination mechanisms and management and technical tools for boosting the efficiency of program execution activities; (ii) providing training to strengthen the technical, fiduciary, and procurement capacities of the executing agency, its technical

⁵¹ In order to set up a technical support unit for the program, a province or municipio must have neighborhoods that are listed on RENABAP and have the necessary institutional capacity to enter into agreements with the executing agency.

support units, and their teams in the field with a view to building management capacity, improving intersectoral and multilevel coordination, and promoting the acquisition of technical and social skills required for program implementation; (iii) recruiting support teams and acquiring equipment; (iv) conducting studies as a basis for the design of intervention strategies and monitoring tools for averting the emergence of new settlements and/or the expansion of existing ones; (v) acquiring, developing, upgrading, installing, and using tools, services, and technological and/or computer aids and hardware to improve program management by means of diagnostic assessments, the reduction of execution times, and monitoring and improving the quality of expenditure; (vi) developing systems for processing and managing information on climate-related vulnerability in tandem with existing systems; (vii) using new technologies to update RENABAP; and (viii) developing strategies and training plans that incorporate climate and social risk criteria for advance interventions in informal urban settlements.

- 1.34 **Component II. Improvement of housing conditions for vulnerable households (IDB: US\$58,500,000).** The objective of this component is to improve housing conditions for vulnerable households in informal urban settlements and adjacent formal-sector areas. The expected outcomes will be achieved by: (i) using management tools developed by the program to undertake housing improvements incorporating resilience and energy and water efficiency criteria; (ii) providing technical and social assistance that incorporates intersectoral and multilevel coordination mechanisms developed by the program; (iii) preparing project implementation plans that incorporate climate change and environmental sustainability considerations with the help of efficiency-boosting processes and mechanisms; (iv) implementing housing solutions that will incorporate gender- and diversity-based perspectives,⁵² along with resilience and energy- and water-efficiency criteria, using management tools embedded in physical and financial traceability systems developed in the course of the program; (v) providing goods and services to support the incorporation of green and resilient mixed-use housing designs; and (vi) providing public utility connections. The projects and works carried out under this component will be implemented using management, physical and financial traceability, and assessment tools developed within the framework of this operation.
- 1.35 **Component III. Socio-urban integration of informal urban settlements based on a gender and diversity perspective (IDB: US\$72,000,000).** The objective of this component is to improve the habitat of residents of informal urban settlements and increase their security of land tenure. The projects and works to be carried out under this component will be designed and executed based on a gender and diversity perspective, through the implementation of the following subcomponents:
- a. **Subcomponent III.1. Integrative urban interventions and the provision and improvement of urban infrastructure and social and community facilities.** The outcomes pursued under this subcomponent will be achieved by means of the following: (i) the preparation of a baseline diagnostic assessment using program-generated information platforms; (ii) the

⁵² Priority will be placed on having women take part in designing the housing improvements to be implemented so that those improvements will address their particular needs. The designs will also afford universal accessibility for households whose members include persons with disabilities.

preparation of implementation plans and the associated preliminary studies; (iii) the construction of drinking water distribution networks, sewerage systems, stormwater drains, natural gas distribution systems, electrical power systems, public LED lighting, and telecommunications services; (iv) the construction of utility hookups in housing units; (v) the installation of mobility infrastructure (including mass transportation and soft mobility systems); (vi) the construction of safe public spaces and green areas whose designs incorporate digital and mapping technologies; (vii) the establishment of smart and sustainable urban facilities; (viii) the establishment of community facilities meeting the minimum standards for green EDGE certification; (ix) construction and provision of goods and services for solid urban waste treatment and management; (x) strategic works for integrating informal urban settlements into formal-sector areas of cities; and (xi) advance works that can be fast-tracked in order to lay the groundwork for the implementation of projects. The projects and works to be carried out under this subcomponent will be conducted using management, physical/financial traceability, and assessment tools developed over the course of the program.

- b. **Subcomponent III.2. Land management and security of tenure.** The outcomes sought under this component will be achieved by means of the following: (i) technical and legal studies; (ii) proposals for the modification of urban regulatory codes; (iii) expenditures relating to community participation, with special emphasis on gender considerations;⁵³ (iv) survey plats; (v) marking of property lines; (vi) addition of new parcels to the land register; (vii) legal registration of plots so that title to them can then be transferred; (viii) expenditures relating to subdivisions and housing; and (ix) expenditures relating to the regularization of public utilities. New technologies, such as the use of blockchain systems for some of the steps to be taken in preparation for the issuance of land titles, may be introduced under this subcomponent. Management, physical/financial traceability, and assessment tools developed as part of this operation will be used to carry out the projects and works to be implemented under this subcomponent.

- 1.36 **Component IV. Socioeconomic and community development in informal urban settlements based on a gender and diversity perspective (IDB: US\$8,250,000).** The objective of this component is to promote socioeconomic and community development in informal urban settlements. These outcomes will be achieved by means of: (i) diagnostic social and environmental studies and studies on gaps in the provision of social services will be conducted using survey tools developed over the course of this operation; (ii) measures for expanding social program coverage and participation using multilevel information gathering and coordination mechanisms; (iii) the design and implementation of economic development plans that will promote a circular economy and the incorporation of adaptation and mitigation measures in informal urban settlements; (iv) the design and implementation of measures focusing on health, habitat, education, gender and diversity, the environment, and other areas; (v) the enhancement and expansion of community spaces; (vi) tutorials and other types

⁵³ Participation by women at the program intake stage and thereafter will be supported by the provision of childcare services in order to lower the access barriers to community participation related to caregiving responsibilities.

of training in the development of mechanisms for dealing with emerging land-related issues, increasing the effectiveness of program interventions, and expediting the delivery of social services; (vii) the provision of goods and services to support social, community, and productive development; (viii) technical and/or financial assistance for new production units and for strengthening existing ones, with a focus on practices that reduce emissions and increase resilience; (ix) training for women and LGBTQ+ persons designed to increase their employability and/or production capacity; (x) the upgrading and expansion of economic infrastructure within the neighborhood and/or infrastructure to support local and regional development; and (xi) the provision of goods and services related to integrated urban solid waste management.

- 1.37 **Administration, oversight, evaluations, and audits (IDB: US\$5,250,000).** This item includes operating expenses, supplies, and management expenses of the executing agency, the cost of corporate or individual consulting services in connection with evaluations, external audits, the independent verification of results, and program administration and supervisory activities.

C. Key results indicators

- 1.38 This program will benefit at least 8,350 vulnerable households located in informal urban settlements and/or adjacent formal-sector areas. The following impact indicators will be used to evaluate socio-urban integration and improvements in housing conditions: (i) the percentage of households benefiting from housing improvements that report feeling that their level of well-being in their home has increased; (ii) the percentage of households in informal urban settlements that report being more satisfied with their neighborhood. The following outcomes are expected: (i) more efficient management of socio-urban integration programs; (ii) more effective prioritization processes and more efficient enrollment procedures and monitoring of housing improvement projects; (iii) improved housing conditions for vulnerable households; (iv) a reduction in the critical overcrowding rate; (v) a reduction in the amount of time required for the design and execution of master implementation plans, infrastructure works plans, and related infrastructure projects; (vi) increased coverage of basic utilities in informal urban settlements; (vii) greater security of tenure in informal urban settlements; (viii) greater integration of informal urban settlements into the surrounding city; (ix) a reduction in the amount of time required to design and implement social and community projects in informal urban settlements; (x) an increase in the employability and production capacities of the economically active population in informal urban settlements; and (xi) an increase in the production capacities of civil society organizations and economic units that are contributing to community development in informal urban settlements. The indicators to be used to measure the results of this intervention are outlined in the results matrix (see Annex II).

1.39 The disbursement indicators for each component are outlined in Table 2.

Table 2. Disbursement indicators

Indicators	Unit of measurement	Target					Total
		Year 1	Year 2	Year 3	Year 4	Year 5	
Component I. Modernization and institution-strengthening at all three levels of government							
Indicator 1.1 Beneficiary informal urban settlements that have made use of the management system developed with program support	# of informal urban settlements	0	1	3	3	0	7
Indicator 1.2 Management tools designed within the planned time frame that have been used for program design or for environmental, social, physical, and/or financial monitoring	# of tools	2	3	0	0	0	5
Component II. Improvement of housing conditions for vulnerable households							
Indicator 2.1. Households that have been prioritized for receipt of housing improvements because they are headed by women, older adults, LGBTIQ+ persons, migrants, and/or persons with disabilities and on the basis of energy and water use inefficiencies within two months following the completion of the diagnostic social and housing assessment	# of vulnerable households	1,250	2,000	2,250	0	0	5,500
Indicator 2.2 Vulnerable households that have joined the housing improvement program within one year of having been assigned priority as beneficiaries	# of vulnerable households	1,125	1,800	2,075	0	0	5,000
Indicator 2.3 Vulnerable households that have benefited from housing improvements meeting minimum efficiency standards for energy and water use which have been completed within two years of the approval of the participation agreement	# of vulnerable households	0	500	1,000	1,200	1,300	4,000
Component III. Socio-urban integration of informal urban settlements based on a gender and diversity perspective							
Indicator 3.1 Prioritized informal urban settlements with master implementation plans (PEGs) or infrastructure works plans (POTs) that include climate change mitigation and adaptation measures and plans for reducing social vulnerability gaps and that have been approved within two years since the start of the operation	# of informal urban settlements	3	4	0	0	0	7
Indicator 3.2 Vulnerable households in informal urban settlements for which basic utilities coverage has increased thanks to program support	# of vulnerable households	0	2,400	1,600	0	0	4,000

Indicators	Unit of measurement	Target					Total
		Year 1	Year 2	Year 3	Year 4	Year 5	
Indicator 3.3 Vulnerable households in informal urban settlements in which security of tenure and access to the basic formal-sector utilities network have increased thanks to program support	# of vulnerable households	0	0	1,200	1,700	1,100	4,000
Component IV. Socioeconomic and community development in informal urban settlements based on a gender and diversity perspective							
Indicator 4.1 Socioeconomic and/or community development projects designed and budgeted within one year of the executing agency's approval of the project proposal	# of projects	22	51	65	61	44	243
Indicator 4.2 Socioeconomic and/or community development projects that have reached at least 75% of their targets	# of projects	18	40	52	48	35	193

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 **Rationale of the LBR instrument.** This operation will provide US\$150 million in financing from the Bank's Ordinary Capital over a five-year disbursement period.⁵⁴ This will be an LBR loan for two reasons. First, it meets the requirements set out in document GN-2869-10 and its Guidelines (document GN-2869-3), since: (i) it will provide financing to support the deliverables of an existing government program and the outputs necessary to achieve them;⁵⁵ and (ii) it will improve habitat and urban integration programs by concentrating the Bank's technical support efforts on strengthening the executing agency's capabilities in the areas of monitoring, targeting, support, and evaluation for results-based management. Second, it is the most suitable instrument for addressing the existing program's efficiency challenges, as the Bank's value added can best be brought to bear by providing the executing agency with a targeted tool for introducing: (i) effective institutional and coordination arrangements; and (ii) technical mechanisms and tools for expediting and boosting the effectiveness of program interventions. The efficiency of the existing program can thus be improved at a low transaction cost by improving the quality of program expenditures.

⁵⁴ The disbursement period has been determined on the basis of a plan that details the program outputs and outcomes. A detailed indicative planning analysis of the specific costs of the outputs required to produce the desired outcomes is provided in [optional link 12](#).

⁵⁵ [Optional link 12](#) shows how to plan expenditures associated with the outputs and intermediate results that make it possible to achieve the final outcomes.

Table 3. Estimated program costs (U.S. dollars)⁵⁶

Components	IDB	Total	%
Component I. Modernization and institution-strengthening at all three levels of government	6,000,000	6,000,000	4.00
Component II. Improvement of housing conditions for vulnerable households	58,500,000	58,500,000	39.00
Housing improvements in informal urban settlements	43,688,826	43,688,826	29.13
Housing improvements in adjacent formal-sector areas	14,811,174	14,811,174	9.87
Component III. Socio-urban integration of informal urban settlements based on a gender and diversity perspective	72,000,000	72,000,000	48.00
Subcomponent III.1. Integrative urban interventions and the provision and improvement of urban infrastructure and social and community facilities	70,040,000	70,040,000	46.69
Subcomponent III.2. Land management and security of tenure	1,960,000	1,960,000	1.31
Component IV. Socioeconomic and community development in informal urban settlements based on a gender and diversity perspective	8,250,000	8,250,000	5.50
Administration, oversight, evaluations, and audits	5,250,000	5,250,000	3.50
Total	150,000,000	150,000,000	100.00

Table 4. Program disbursement schedule and disbursement-linked indicator (DLI) tranches (U.S. dollars)

Disbursement-linked indicators	Year 1	Year 2	Year 3	Year 4	Year 5	Cumulative or at end of program
DLI 1.1	0	170,374	511,121	511,121	0	1,192,617
DLI 1.2	2,010,000	3,015,000	0	0	0	5,025,000
Component 1						
Total	2,010,000	3,185,374	511,121	511,121	0	6,217,617
DLI 2.1	1,244,318	1,990,909	2,239,773	0	0	5,475,000
DLI 2.2	3,722,406	5,955,850	6,865,772	0	0	16,544,028
DLI 2.3	0	4,825,342	9,650,683	11,580,820	12,545,888	38,602,733
Component 2						
Total	4,966,725	12,772,101	18,756,228	11,580,820	12,545,888	60,621,762
DLI 3.1	4,796,447	6,395,263	0	0	0	11,191,710
DLI 3.2	0	15,668,394	10,445,596	0	0	26,113,990
DLI 3.3	0	0	11,191,710	15,854,922	10,259,067	37,305,699
Component 3						
Total	4,796,447	22,063,657	21,637,306	15,854,922	10,259,067	74,611,399
DLI 4.1	193,501	448,570	571,707	536,525	387,002	2,137,306
DLI 4.2	598,003	1,328,895	1,727,563	1,594,674	1,162,783	6,411,917
Component 4						
Total	791,504	1,777,465	2,299,270	2,131,199	1,549,785	8,549,223
Disbursements by year	12,564,675	39,798,596	43,203,925	30,078,063	24,354,740	150,000,000

⁵⁶ See [optional link 12](#). The indicative output cost analysis was carried out and the disbursement indicators were defined in the course of the preparations for this program for the sole purpose of determining the appropriate disbursements for each indicator. This does not mean that the executing agency must maintain this cost structure.

B. Social and environmental risks

- 2.2 In line with the Bank's Environmental and Social Policy Framework and based on the available information, this program is classified as a Category "B" operation because its activities will have moderate, localized, short-term environmental and social impacts. The evaluation of the Environmental and Social Management System (SGAS) of the Ministry of Social Development was conducted in accordance with the Framework and covered the system's structure, procedures, resources, and distribution of responsibilities for the management of the existing program's social and environmental components. Based on an analysis of the environmental and social impacts of these types of works, areas in which the SGAS did not meet the applicable environmental and social regulatory standards were identified and an environmental and social action plan was agreed upon. The disbursement verification protocols include the following environmental and social performance parameters: (i) a semiannual report on the environmental and social performance indicators agreed upon by the Bank and the executing agency, to be included in the semiannual progress report; and (ii) the determination of corrective plans in the event that targets are missed. Stakeholder participation and the dissemination of information about the program began in January 2023 when the findings of the SGAS evaluation were made known to the key actors identified on a preliminary basis in order to obtain their feedback. The final version of the SGAS evaluation was issued before the meeting of Management's Operations Policy Committee, and the report on outreach efforts will be issued before it is distributed to the Board of Executive Directors.⁵⁷ The following types of projects and activities will not be permitted: (i) Category "A" projects; (ii) activities that would have adverse impacts on indigenous peoples and/or critical habitats; (iii) projects assigned a high risk rating with respect to natural disasters or climate change; and (iv) projects assigned a high environmental or social risk rating.

C. Fiduciary risks

- 2.3 During the preparatory phase, it was determined that the program entails a medium-high level of fiduciary risk inasmuch as a failure to establish a sufficient credit allocation could impact the scope of program outcomes by occasioning delays in its execution. If this were to occur, it could become necessary to extend the execution period or to cancel the disbursement of resources. This risk will be mitigated through the appropriate planning of the activities and of the resources required to carry them out so that sufficient budget allocations can be made on a timely basis.

D. Other key issues and risks

- 2.4 **Program risks.** The following risks have been identified: (i) a failure to sign the loan contract or to meet eligibility requirements before the end of the current administration's term could occasion additional delays in the execution of this operation; and (ii) a failure to devise a suitable communication and community

⁵⁷ The Bank's Environmental and Social Policy Framework includes specific requirements for LBRs, which were addressed in the preparation stage. The public consultation on the environmental and social studies of each of the works will be held during program execution, in accordance with the requirements of Environmental and Social Performance Standard 10 and the SGAS.

participation strategy could lead people to reject the program, which would impact execution costs and times and the sustainability of the interventions. To mitigate these risks, the plans for the program have been worked out in detail with the executing agency. As part of these plans, regular meetings will be held to monitor progress and avoid delays in the preparation of this loan operation. Working meetings will also be held to delineate community outreach approaches.

- 2.5 **Other challenges.** This program entails management and scalability challenges, chiefly because of technical/administrative limitations existing at all three levels of government in the country.
- 2.6 **Innovation and climate change.** In order to address the above challenges, support will be provided to the Ministry of Social Development to assist it in developing a management model in which data digitization and centralization will make real-time monitoring of this operation possible. Improved metrics and closer monitoring of program results will increase the chances of achieving the operation's development objectives, while the strengthening and application of the executing agency's fiduciary systems and safeguards will help to cut transaction and implementation costs. In addition, support will be provided for improvements in the systematization, transparency, and accessibility of RENABAP data. Assistance will also be provided for the incorporation of cost-efficient climate change adaptation and mitigation measures into the works carried out under this program. An effort will be made to meet building standards similar to those of the Excellence in Design for Greater Efficiencies (EDGE).
- 2.7 **Economic evaluation.** In order to establish the program's economic viability, a cost-effectiveness analysis was carried out to determine how much it will cost to produce the effects that the program is designed to have. A determination of economic feasibility is arrived at by comparing the cost-effectiveness ratio with those of similar programs or projects. This methodology is designed to show how much the desired program effects will cost, while the comparison with similar projects makes it possible to see whether or not the cost of producing those effects is reasonable. This study covered Components II and III. The cost-effectiveness ratio of Component II was higher than those of similar programs. In the case of Component II, the cost-effectiveness ratios for interventions focusing on street lighting, roads, drainage, community facilities/infrastructure, and security of tenure were lower than those of the comparator. Program activities dealing with the water and electricity supplies and with pedestrian networks are between 40% and 50% more expensive than those of the comparator. The other cost-effectiveness ratios are higher than those of the projects used for the comparator.
- 2.8 **Sustainability.** The program will support the sustainability of the planned interventions by means of the following measures: (i) sharing the relevant methodology and building capacity for meeting the challenge of reducing the qualitative housing deficit (this can later be replicated at the provincial and municipal levels to benefit other informal settlements); (ii) strengthening community organizations in areas served by the program to promote linkages with other social service agencies; (iii) ensuring that neighborhood residents take part in defining and implementing the projects to be undertaken; and (iv) building the executing agency's capacity to ensure that habitat programs in Argentina are both efficient and effective.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 The Ministry of Social Development will be the executing agency, acting through the Secretariat for Social and Urban Integration (SISU), which will bear primary responsibility for the program, and the Office for Special Projects and International Cooperation (DGPEyCI), an agency of the Administrative Management Secretariat, which will be responsible for the program's fiduciary and administrative areas. In the event of changes in the organizational structure of the executing agency, it may act through areas or departments with similar attributes and competencies that will be replacing them in the future, with prior consent from the Bank for the purposes of this program. Program execution will be supported in the provinces and municipios, which will serve as technical support units for the program and will be coordinated by the SISU. Provinces and municipios can be included as technical support units for the program, provided they have informal urban settlements listed on the RENABAP registry and have capacity to offer technical and social collaboration on the ground, according to the institutional capacity assessment of the executing agency. The functions of the technical support units include supporting the executing agency in the preparation of diagnostic assessments and designing strategies with specific knowledge of the beneficiary informal urban settlements.
- 3.2 **Disbursements.** Conditions relating to the operation's financial management have been agreed upon. Disbursements will be processed as follows: (i) the executing agency will prepare a program status report and the results indicators to be used for the disbursements. That report will be submitted for use by the independent inspector responsible for verifying program results based on the protocols detailed in the program Operating Regulations; (ii) independent outside evaluators will verify fulfillment of the disbursement indicators; and (iii) once the fulfillment of those indicators has been verified, the executing agency will forward the appropriate disbursement request and, pursuant to the usual procedures and time frames, the Bank will proceed to deposit the disbursement into the account designated by the borrower. The Bank will deposit the sum corresponding to each indicator into a special dollar-denominated account opened by the Ministry of Social Development for that purpose if, and only if, the external verification exercise indicates that the value of the indicator in question is equal to or greater than the established target. If it is below that benchmark, the sum to be disbursed will be proportional to the extent of progress made toward the target in question. If, after the loan eligibility period has closed, the executing agency achieves independently verified results in excess of the benchmark during the disbursement period for a disbursement indicator pertaining to any part of the loan, that independently verified result may be taken into consideration for the purposes of determining the fulfillment of that same indicator for subsequent portions of the loan. The Bank will disburse the corresponding funds as an LBR reimbursement. However, upon its fulfillment of the conditions precedent to the first disbursement, the borrower may request an initial disbursement in accordance with the provisions set out in document GN-2869-10.

- 3.3 **Requirements for the independent verification consultant.** The firm or individual engaged to provide independent verification of the results must have experience in project evaluation and monitoring, the application of results indicators, and the evaluation of the reliability of information sources and the methods used to develop the indicators in question. The terms of reference for the consultancy contract will be previously agreed upon with the Bank. The cost of these services will be covered by funds set aside for the supervision of this operation.
- 3.4 **Special contractual conditions precedent to the first disbursement.** The borrower, acting through the executing agency, will provide evidence of: (i) the approval and entry into force of the [program Operating Regulations](#),⁵⁸ in accordance with the terms and conditions previously agreed upon with the Bank, which will include the environmental and social requirements established in the environmental and social management system and the environmental and social action plan; and (ii) the recruitment of an independent inspector to verify the program outcomes in accordance with the terms of reference previously agreed upon with the Bank. The first condition cited above is necessary in order to ensure that the executing agency has detailed regulations in place that establish the necessary guidelines and responsibilities of each party involved in program execution. The second condition cited above is necessary in order to ensure that program results are verified in accordance with the proposal for the introduction of an instrument for sovereign-guaranteed loans based on results (document GN-2869-10).
- 3.5 Provinces and municipios will be able to field technical support units for the program as long as they have informal urban settlements that are listed in the RENABAP and the executing agency determines that they have the necessary capacity to provide technical and social support for program implementation on the ground. Technical support units will draw on their local knowledge to assist the executing agency to conduct diagnostic assessments and design strategies.
- 3.6 **Special contractual conditions of execution:** Before bringing a technical support unit on board, the borrower, acting through the executing agency, will provide evidence that the corresponding framework participation agreement or its equivalent has been signed between the executing agency and the technical support unit and has entered into force in accordance with the terms previously agreed upon with the Bank. This condition will ensure proper program execution and coordination; stipulations regarding the roles and responsibilities of the technical support unit will also be covered.
- 3.7 **Program Operating Regulations.** Program execution will be governed by the loan contract and the [program Operating Regulations](#), which will include, at minimum: (i) a results and outputs matrix; (ii) a disbursement indicators matrix; (iii) the terms of reference for the engagement of an independent inspector to verify program results and for a financial audit of the program's organizational arrangements; (iv) a flowchart for coordination among the various parties involved

⁵⁸ While the program Operating Regulations are in an advanced stage of development, specific procedures need to be defined for central-level coordination with the technical support units for the design and execution of the housing improvements.

- in carrying out the program, including technical support units; and (v) an outline of the responsibilities of each party to the program, including technical support units, in connection with crosscutting processes.
- 3.8 The Bank will make disbursements in the form of LBR reimbursements. The borrower will, however, have the option to request an initial disbursement as specified in paragraph 3.11 upon fulfillment of the conditions precedent to the first disbursement.
- 3.9 **Procurement.** Based on the LBR evaluation, the executing agency's procurement system will be used for this operation. The Bank's evaluation of the executing agency's procurement system ([optional link 14](#)) indicates that its procurement methods are in line with internationally accepted principles, practices, and standards for all procurement methods and can accommodate bidders from all member countries. This system will thus be used for the procurement of goods, consulting services (both from firms and individual consultants), works, and nonconsulting services. The independent inspector will be engaged in accordance with the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-15).
- 3.10 **Financial audits.** The executing agency will submit annual financial audits during program execution in accordance with Bank policies. These audited financial reports will be submitted within 120 days following the end of each fiscal year. The auditing reports upon program closure will be submitted within 120 days after the last disbursement. In accordance with the terms of reference agreed upon with the Bank, these audits may be carried out by an independent auditing firm deemed to be eligible by the Bank or by the Office of the Auditor General of Argentina. Each year and at the end of the disbursement period, as part of its financial reports, the executing agency will inform the Bank of any differential between the total expenditures made in pursuit of program results and the total disbursements issued by the Bank.
- 3.11 **Retroactive financing for previous results and the initial disbursement.** The program will provide up to US\$15,000,000 (10% of the loan) in retroactive financing, to be drawn from the loan funds, for results achieved before the determination of eligibility subject to an evaluation by an independent external inspector. This retroactive financing will apply to results achieved between the project profile approval date (9 December 2022) and the date the loan is declared eligible. In addition, an initial disbursement of up to US\$30,000,000 (20% of the loan) can be made to cover the cost of specific short-term outputs once the program is eligible to receive disbursements. This initial disbursement will be deducted, as the case may be, from the fourth and fifth disbursements of the loan.
- 3.12 The combined amount of the initial disbursement and retroactive financing will not exceed 30% of the total loan in accordance with paragraph 5.25 of the LBR policy (document GN-2869-10). The US\$15,000,000 (10% of the loan) for results achieved before the determination of eligibility and the initial disbursement of US\$30,000,000 (20% of the loan) will be linked to disbursement indicators 1.1, 1.2, 2.1, 2.2, 2.3, 3.1, 3.3, 4.1, and 4.2, and will be used primarily to finance the following outputs: (i) management tools for environmental, social, physical, and financial diagnostic assessments and monitoring; (ii) housing improvement plans; (iii) housing in informal urban settlements and adjacent formal-sector areas served

by the program; (iv) improved public spaces; (v) the construction and/or improvement of community facilities in informal urban settlements and tools for providing increased land tenure security; (vi) projects for strengthening social integration in connection with health, education, and consumption issues; and (vii) circular economy projects and climate change adaptation and mitigation measures. For further information, see [optional link 12](#).

B. Summary of arrangements for monitoring results

- 3.13 **Status reports.** The system for monitoring the program's progress will be composed of the results matrix, progress monitoring reports, and the disbursement indicator information and monitoring system. These mechanisms will be supplemented by regular updates of the risk mitigation matrix. The executing agency and the Bank have agreed on a definition and verification protocol for each disbursement indicator (see Annex II). The executing agency will submit a monitoring report to the IDB within 60 days of the end of each six-month calendar period.
- 3.14 **External verification of results.** The loan proceeds will be used to contract a specialized consulting firm or individual consultant to serve as an external inspector for the Bank and the executing agency to verify the fulfillment of disbursement indicator targets.
- 3.15 **Project completion reports.** The final evaluation is an important milestone in the monitoring process. It will cover: (i) the financial execution results; (ii) the achievement of targets for outputs and outcomes; (iii) the extent to which environmental standards and standards pertaining to the operation and maintenance of program works have been met; (iv) the extent to which contractual commitments have been fulfilled; (v) a summary of the findings of the audits conducted during program execution; (vi) the verification of compliance with investment limits; and (vii) a summary of lessons learned.
- 3.16 The final evaluation will include an ex post economic assessment prepared using the same methodology as was used for the ex ante evaluation. The evaluation of the results indicators will be based on a careful review of ex post surveys concerning housing improvements, impact surveys, verification measures set out in the monitoring reports, and administrative data. Upon acceptance by the Bank, these reports will be made publicly available on its website.
- 3.17 An ex post assessment of program results will be undertaken using tried and true methodologies. Impact indicators will be measured using two beneficiary satisfaction surveys. One will be used to canvas all the households that have received housing improvements between three and six months after the completion of the works in question. The other will be distributed to a representative sample of the households in all the settlements covered by this operation during the closing months of the loan's execution. The arrangements and methodology used to design and prepare these evaluations will require the no objection of the Bank.

Development Effectiveness Matrix		
Summary		AR-L1361
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Issues	<div>-Social Inclusion and Equality</div> <div>-Productivity and Innovation</div> <div>-Economic Integration</div> <div>-Gender Equality and Diversity</div> <div>-Climate Change</div> <div>-Institutional Capacity and the Rule of Law</div>	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	<div>-Beneficiaries of employment support initiatives (#)</div> <div>-Micro / small / medium enterprises financed (#)</div> <div>-Enterprises provided with technical assistance (#)</div> <div>-Women beneficiaries of economic empowerment initiatives (#)</div> <div>-Emissions avoided (annual tons CO2 equivalent)</div> <div>-Beneficiaries of enhanced disaster and climate change resilience (#)</div>	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-3051	1.1 Poverty reduction, 2.3 Reduce infrastructure gaps, 2.5 Move toward environmental sustainability, 4.1 Increase digital inclusion
Country Program Results Matrix		
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution		7.6
3.1 Program Diagnosis		2.5
3.2 Proposed Interventions or Solutions		1.6
3.3 Results Matrix Quality		3.5
4. Ex ante Economic Analysis		8.0
4.1 Program has an ERR/NPV, or key outcomes identified for CEA		2.0
4.2 Identified and Quantified Benefits and Costs		3.0
4.3 Reasonable Assumptions		2.0
4.4 Sensitivity Analysis		0.0
4.5 Consistency with results matrix		1.0
5. Monitoring and Evaluation		9.5
5.1 Monitoring Mechanisms		4.0
5.2 Evaluation Plan		5.5
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood		Medium High
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: Budget, Treasury, Accounting and Reporting, External Control, Internal Audit. Procurement: Information System, Price Comparison, Contracting Individual Consultant, National Public Bidding.
Non-Fiduciary	Yes	Strategic Planning National System, Monitoring and Evaluation National System, Statistics National System, Environmental Assessment National System.
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
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	Yes	AR-T1264; AR-T1320

The general objective of the program is to contribute to the socio-urban integration and to the improvement of the housing conditions of vulnerable households (HV). The specific objectives are: (i) to strengthen the management capacities of the Executing Agency and the Technical Support Units; (ii) improve the housing conditions of the HV residing in Barrios Populares (BP) and their adjacent formal areas; (iii) improve habitat and increase land tenure for BP residents; and (iv) promote socioeconomic and community development in BP.

The project presents a complete diagnosis and the indicators associated with the specific objectives included in the results matrix have means of verification. The program has 10 disbursement linked indicators, which includes an institutional strengthening output.

The economic analysis of the project was carried out through a cost-efficiency analysis (CEA) for each of the interventions included in components 2 and 3. The analysis concludes that the budgeted costs for the interventions related to home improvements are higher than similar programs. Regarding the improvement in the habitat, the budgeted costs for the following interventions are below those of the selected comparators: lighting, road network, pluvial network, community equipment and land tenure. The other cost-effectiveness coefficients yield higher results than the projects used as a reference. The ACE has reasonable assumptions.

The project includes a monitoring and evaluation plan that is in line with the Bank's standards. The effectiveness of the proposed intervention will be measured using a before and after methodology. The monitoring mechanisms for the disbursement linked indicators have a defined verification protocol and sources.

RESULTS MATRIX

PROGRAM OBJECTIVES:	The specific objectives of this operation are to: (i) strengthen the management capabilities of the executing agency and its technical support units; (ii) improve housing conditions for vulnerable households in informal urban settlements and adjacent formal-sector areas; (iii) improve the habitat and increase the security of land tenure for residents in informal urban settlements; and (iv) promote socioeconomic and community development in informal urban settlements. Achieving these objectives will contribute to the general objective of promoting socio-urban integration and improving housing conditions for vulnerable households.
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GENERAL DEVELOPMENT OBJECTIVE

Indicators	Unit of measurement	Baseline	Baseline year	Expected year of achievement	Target	Means of verification	Comments
General development objective: Promote socio-urban integration and help to improve housing conditions for vulnerable households							
1. Households benefiting from housing improvements that report feeling that their level of well-being in their home has increased	% of households	0	2023	2027	65%	Final impact survey	See required link 1
2. Households in informal urban settlements that report being more satisfied with the various characteristics of their neighborhood	% of households	0	2023	2027	55%	Final impact survey	See required link 1

SPECIFIC DEVELOPMENT OBJECTIVES

Indicators	Unit of measurement	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of program	Means of verification	Disbursement indicator Yes/No	Comments
Specific development objective 1: Strengthen the management capacities of the executing agency and its technical support units												
Indicator 1.1. Beneficiary informal urban settlements that have made use of the management system developed with program support	# of informal urban settlements	0	2023	0	1	3	3	0	7	Management system reports	Yes	See required link 1
Indicator 1.2. Employees and officials who have used newly developed and/or improved management tools for program planning, monitoring, and/or implementation	# of employees and officials who are active users / # of employees and officials making up the executing agency and technical support unit teams working to implement the operation	0	2023	10%	15%	20%	30%	40%	40%	Management systems (survey of active users)	No	See required link 1
Indicator 1.3. Prioritized vulnerable households incorporated into the management systems developed and/or improved with program support	# of vulnerable households	0	2023	0	1,000	2,000	2,000	0	5,000	Management systems	No	See required link 1
Indicator 1.4 Tools used to update the National Registry of Informal Urban Settlements (RENABAP), make RENABAP information more readily available, or introduce technological innovations in it	# of tools	0	2023	0	0	1	0	0	1	Status and final reports on services	No	See required link 1
Specific development objective 2: Improve housing conditions for vulnerable households in informal urban settlements and adjacent formal-sector areas												
Indicator 2.1. Households that have been prioritized for housing improvements because they are headed by women, older adults, LGBTIQ+ persons, migrants, and/or persons with disabilities and on the basis of energy and water use inefficiencies within two months following the completion of the diagnostic social and housing assessment	# of vulnerable households	0	2023	1,250	2,000	2,250	0	0	5,500	Technical report prepared by technicians and validated by the SISU secretariat or secretary	Yes	See required link 1

Indicators	Unit of measurement	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of program	Means of verification	Disbursement indicator Yes/No	Comments
Indicator 2.2. Vulnerable households that have joined the housing improvement program within one year of having been assigned priority as beneficiaries	# of vulnerable households	0	2023	1,125	1,800	2,075	0	0	5,000	Resolution with attached framework participation agreement for vulnerable households participating in the program	Yes	See required link 1
Indicator 2.3. Vulnerable households that have benefited from housing improvements meeting minimum efficiency standards for energy and water use which have been completed within two years of the approval of the participation agreement	# of vulnerable households	0	2023	0	500	1,000	1,200	1,300	4,000	Works certificates, acceptance and closure document, or provisional delivery certificate	Yes	See required link 1
Indicator 2.4. Dwellings in informal urban settlements and adjacent formal-sector areas that are no longer classified as deficient thanks to program support	# of dwellings	0	2023	0	200*	700	800	1,300	3,000	Baseline technical data sheet and post-works survey	No	See required link 1
Indicator 2.5. Vulnerable households that are no longer critically overcrowded thanks to improvements made with program support	# of vulnerable households that are no longer overcrowded / # of vulnerable households that were listed on the technical improvement or housing data sheet as being overcrowded prior to the program intervention	0	2023	0%	5%	5%	5%	0%	15%	Executing agency monitoring report based on baseline technical data sheets and post-works survey	No	See required link 1

Indicators	Unit of measurement	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of program	Means of verification	Disbursement indicator Yes/No	Comments
Specific development objective 3: Improve the habitat and increase the security of land tenure for residents in informal urban settlements												
Indicator 3.1. Informal urban settlements with master implementation plans (PEGs) or infrastructure works plans (POTs) that include climate change mitigation and adaptation measures and plans for reducing social vulnerability gaps and that have been approved within two years since the start of the operation	# of informal urban settlements	0	2023	3	4	0	0	0	7	Reports approving the executing agency's PEG or POT	Yes	See required link 1
Indicator 3.2. Vulnerable households in informal urban settlements for which basic utilities coverage has increased thanks to program support	# of vulnerable households	0	2023	0	2,400	1,600	0	0	4,000	Before the existence of the management system (a) ¹ and after its introduction (b) ²	Yes	See required link 1
Indicator 3.3. Vulnerable households in informal urban settlements in which security of tenure and access to the formal-sector basic utility network have increased thanks to program support	# of vulnerable households	0	2023	0	0	1,200	1,700	1,100	4,000	Before the existence of the management system (a) and after its introduction (b)	Yes	See required link 1
Indicator 3.4 Vulnerable households in informal urban settlements which are more integrated into the surrounding city	# of vulnerable households	0	2023	0	0	0	0	4,000	4,000	Evaluation report comparing the initial situational analysis with results	No	See required link 1
Indicator 3.5. Households in informal urban settlements with increased security of tenure that were assigned priority because they are headed by women	# of households assigned priority because they are headed by women / # of households that enjoy increased	0	2023	0%	0%	35%	55%	70%	70%	Executing agency monitoring reports	No	See required link 1

¹ (a) Monitoring reports prepared by subject specialists and validated by the Secretariat for Social and Urban Integration (SISU).

² (b) Reports generated by the management system developed or improved with program support.

Indicators	Unit of measurement	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of program	Means of verification	Disbursement indicator Yes/No	Comments
	security of tenure thanks to program support											
Indicator 3.6. Households in informal urban settlements with increased security of tenure that were assigned priority because they are headed by persons belonging to diverse groups (persons with disabilities and LGBTQ+ persons)	# of households assigned priority because they are headed by persons belonging to diverse groups (persons with disabilities and LGBTQ+ persons) / # of households that enjoy increased security of tenure thanks to program support	0	2023	0%	0%	5%	5%	5%	5%	Executing agency monitoring reports	No	See required link 1
Specific development objective 4: Promote socioeconomic and community development in informal urban settlements												
Indicator 4.1. Completed socioeconomic and/or community development projects that have reached at least 75% of their targets	# of projects	0	2023	18	40	52	48	35	193	Project completion sheet (prepared by subject specialists and validated by SISU) and an attached project design document outlining the baseline situation and targets	Yes	See required link 1
Indicator 4.2. Completed projects aimed at closing socioeconomic gaps affecting women that have reached at least 75% of their targets	# of completed projects addressing issues affecting women that have reached at least 75% of their targets / # of completed projects that have reached at least 75% of their targets	0	2023	0%	5%	10%	15%	30%	30%	Executing agency monitoring reports	No	See required link 1

Indicators	Unit of measurement	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of program	Means of verification	Disbursement indicator Yes/No	Comments
Indicator 4.3. Completed circular economy projects aimed at increasing the value added of a given product that have reached at least 75% of their targets	# of circular economy projects that have reached at least 75% of their targets / # of completed projects that have reached at least 75% of their targets	0	2023	0%	2%	3%	5%	10%	10%	Executing agency monitoring reports	No	See required link 1
Indicator 4.4. Persons who have become more employable and/or have an increased production capacity thanks to program support	# of persons	0	2023	0	171	257	300	128	856	Certificate of training or workshop completion	No	See required link 1
Indicator 4.5. Women who have become more employable and/or have an increased production capacity thanks to program support	# of women	0	2023	0	69	103	120	52	344	Certificate of training or workshop completion	No	See required link 1
Indicator 4.6. LGBTQ+ persons who have become more employable and/or have an increased production capacity thanks to program support	# of LGBTQ+ persons	0	2023	0	9	13	15	7	44	Certificate of training or workshop completion	No	See required link 1
Indicator 4.7. Civil society organizations whose production capacity within the framework of the circular economy has increased by at least 20% thanks to program support	# of civil society organizations	0	2023	0	0	12	12	8	32	Monitoring report	No	See required link 1

DISBURSEMENT INDICATORS MATRIX

		Year 1		Year 2		Year 3		Year 4		Year 5		End of program	
	Baseline	Target	Associated amount	Target	Associated amount	Target	Associated amount	Target	Associated amount	Target	Associated amount	Target	Associated amount
Disbursement indicator 1.1. Beneficiary informal urban settlements that have made use of the management system developed with program support	0	0	\$0	1	\$170,374	3	\$511,121	3	\$511,121	0	\$0	7	\$1,192,616
Disbursement indicator 1.2. Management tools designed within the planned time frame that have been used for environmental, social, physical, and/or financial monitoring tasks (indicator of institution-strengthening output)	0	2	\$2,010,000	3	\$3,015,000	0	\$0	0	\$0	0	\$0	5	\$5,025,000
Disbursement indicator 2.1. Households that have been prioritized for receipt of housing improvements because they are headed by women, older adults, LGBTIQ+ persons, migrants, and/or persons with disabilities and on the basis of energy and water use inefficiencies within two months following the completion of the diagnostic social and housing assessment	0	1,250	\$1,244,318	2,000	\$1,990,909	2,250	\$2,239,773	0	\$0	0	\$0	5,500	\$5,475,000
Disbursement indicator 2.2. Vulnerable households that have joined the housing improvement program within one year of having been assigned priority as beneficiaries	0	1,125	\$3,722,406	1,800	\$5,955,850	2,075	\$6,865,772	0	\$	0	\$	5,000	\$16,544,028

		Year 1		Year 2		Year 3		Year 4		Year 5		End of program	
Disbursement indicator 2.3. Vulnerable households that have benefited from housing improvements meeting minimum efficiency standards for energy and water use which have been completed within two years of the approval of the participation agreement	0	0	\$0	500	\$4,825,342	1,000	\$9,650,683	1,200	\$11,580,820	1,300	\$12,545,888	4,000	\$38,602,733
Disbursement indicator 3.1. Informal urban settlements with PEGs or POTs that include climate change mitigation and adaptation measures and plans for reducing social vulnerability gaps and that have been approved within two years since the start of the operation	0	3	\$4,796,447	4	\$6,395,263	0	\$0	0	\$0	0	\$0	7	\$11,191,710
Disbursement indicator 3.2. Vulnerable households in informal urban settlements for which basic utilities coverage has increased thanks to program support	0	0	\$0	2,400	\$15,668,394	1,600	\$10,445,596	0	\$0	0	\$0	4,000	\$26,113,990

		Year 1		Year 2		Year 3		Year 4		Year 5		End of program	
Disbursement indicator 3.3. Vulnerable households in informal urban settlements in which security of tenure and access to the basic formal-sector utility network have increased thanks to program support	0	0	\$0	0	\$0	1,200	\$11,191,710	1,700	\$15,854,922	1,100	\$10,259,067	4,000	\$37,305,699
Disbursement indicator 4.1. Socioeconomic and/or community development projects designed and budgeted within one year of the executing agency's approval of the proposal	0	22	\$193,501	51	\$448,570	65	\$571,707	61	\$536,526	44	\$387,002	243	\$2,137,306
Disbursement indicator 4.2. Completed socioeconomic and/or community development projects that have reached at least 75% of their targets	0	18	\$598,003	40	\$1,328,895	52	\$1,727,563	48	\$1,594,674	35	\$1,162,783	193	\$6,411,918

DISBURSEMENT INDICATORS VERIFICATION PROTOCOL

Indicator	Definition / estimation methodology	Verification agent	Verification protocol
Disbursement indicator 1.1. Beneficiary informal urban settlements that have made use of the management system developed with program support	An informal urban settlement is considered to be a program beneficiary if it has an infrastructure works plan (POT) and/or a master implementation plan (PEG) and has works or other interventions that have been financed with the loan proceeds. An informal urban settlement is considered to be making use of the management system developed with program support if this system is being used for data collection and/or for monitoring integrated program management. This system will incorporate data on climate-related vulnerabilities. <u>Calculation formula:</u> the total number of informal urban settlements incorporated into the management system developed with program support.	Consulting firm or individual consultant performs external verification of results	See required link 1
Disbursement indicator 1.2 Management tools designed within the planned time frame that have been used for environmental, social, physical, and/or financial monitoring tasks (indicator of institution-strengthening output)	A management tool is defined as a one that can be used to perform social, physical, environmental, and/or financial monitoring tasks that has been designed within the time frame established in the relevant bidding documents. Environmental and social monitoring includes, at minimum, supervision of compliance with environmental and social safeguards, achievement of the various indicators for climate-related vulnerabilities, and the way in which the program addresses the challenges that have been identified (e.g. areas requiring environmental remediation, and housing in flood-prone areas that need to be relocated). <u>Calculation formula:</u> the total number of management tools that can be used for social, physical, environmental, and/or financial monitoring that have been designed as part of this operation.	Consulting firm or individual consultant performs external verification of results	See required link 1
Disbursement indicator 2.1. Households that have been prioritized for housing improvements because they are headed by women, older adults, LGBTIQ+ persons, migrants, and/or persons with disabilities and on the basis of energy and water use inefficiencies within two months following the completion of the diagnostic social and housing assessment	Vulnerable households are considered to have been prioritized for housing improvements because they are headed by women, older adults, LGBTIQ+ persons, migrants, and/or persons with disabilities and on the basis of energy and water use inefficiencies if they have been selected on the basis of the eligibility and prioritization criteria established in the program Operating Regulations. <u>Calculation formula:</u> the total number of vulnerable households prioritized for housing improvements on the basis of gender- and/or diversity-related considerations or vulnerabilities associated with the effects of climate change within two months following the completion of the diagnostic social and housing assessment.	Consulting firm or individual consultant performs external verification of results	See required link 1
Disbursement indicator 2.2. Vulnerable households that have joined the housing improvement program within one year of having been assigned priority as beneficiaries	A vulnerable household is considered to have joined the program when a household member has signed the participation agreement. A vulnerable household is considered to have been assigned priority if it has been selected on the basis of the eligibility and prioritization criteria established in the program Operating Regulations. <u>Calculation formula:</u> the total number of vulnerable households that have joined the housing improvements program within one year of having been assigned priority as beneficiaries.	Consulting firm or individual consultant performs external verification of results	See required link 1
Disbursement indicator 2.3. Vulnerable households that have benefited from housing improvements meeting minimum efficiency standards for energy and water use which have been completed within two years of the approval of the participation agreement	The works in question are considered to have been completed when the beneficiary signs an acceptance and completion certificate (if the works have been owner-managed) or a works completion certificate (if the works have been carried out by a cooperative or company). In order to qualify, they must meet the minimum energy and water use efficiency standards established in the program Operating Regulations. <u>Calculation formula:</u> vulnerable households that have completed housing improvements within two years of the approval of the participation agreement which meet energy and water use efficiency standards.	Consulting firm or individual consultant performs external verification of results	See required link 1

Indicator	Definition / estimation methodology	Verification agent	Verification protocol
Disbursement indicator 3.1. Informal urban settlements with PEGs or POTs that include climate change mitigation and adaptation measures and plans for reducing social vulnerability gaps and that have been approved within two years since the start of the operation	PEGs and/or POTs are documents that outline projects for promoting the socio-urban integration of an informal urban settlement. A POT provides for advance works that can be fast-tracked prior to the start-up of the PEGs. PEGs and POTs are considered to include climate change mitigation and adaptation measures when they provide for integrated climate-related solutions such as those involving nature-based solutions, the use of recyclable materials and/or renewable energy sources, energy efficiency and water conservation considerations, and access to urban mass transit services or soft mobility solutions. PEGs and POTs are considered to include measures for reducing social vulnerability gaps if their designs incorporate measures oriented toward integral human development with a focus on women, older adults, LGBTIQ+ persons, migrants, and/or persons with disabilities. Each informal urban settlement has a unique identifier, and once a PEG or POT has been submitted for a given settlement, it is not counted again. <u>Calculation formula:</u> the total number of prioritized informal urban settlements with a PEG or a POT that includes climate change mitigation and adaptation measures and plans for reducing social vulnerability gaps.	Consulting firm or individual consultant performs external verification of results	See required link 1
Disbursement indicator 3.2. Vulnerable households in informal urban settlements for which basic utilities coverage has increased thanks to program support	Essential services are defined as running water, sanitation, and electricity supplies. Households in the areas served by this operation will be counted. A vulnerable household is considered to have experienced an increase in basic utilities coverage if it is located within the service area of at least one additional basic utility thanks to program support. <u>Calculation formula:</u> the total number of vulnerable households in informal urban settlements for which basic utilities coverage has increased thanks to program support.	Consulting firm or individual consultant performs external verification of results	See required link 1
Disbursement indicator 3.3. Vulnerable households in informal urban settlements in which security of tenure and access to the basic formal-sector utilities network have increased thanks to program support	Households in the areas served by this operation will be counted. A household's security of tenure is considered to have increased if it has advanced to a further stage in the following processing sequence: 1. receipt of a residential housing certificate (<i>Certificado de Vivienda Familiar</i>); 2. identification of the dwelling's location on a land registry map; 3. preparation of the property plot layout; 4. preparation of site plans; 5. bill of sale; 6. title deed. A household is considered to have access to the basic formal-sector utilities network when it is located within the service area of the formal distribution network for water, sanitation, and electricity services. <u>Calculation formula:</u> the total number of vulnerable households in informal urban settlements in which security of tenure and access to the basic formal-sector utilities network have increased thanks to program support.	Consulting firm or individual consultant performs external verification of results	See required link 1
Disbursement indicator 4.1 Socioeconomic and/or community development projects designed and budgeted within one year of the executing agency's approval of the project proposal	Socioeconomic and/or community development projects are initiatives designed to improve existing socioeconomic and community capacities while also promoting community participation. <u>Calculation formula:</u> the total number of socioeconomic and/or community development projects designed and budgeted within one year of the executing agency's approval of the project proposal.	Consulting firm or individual consultant performs external verification of results	See required link 1
Disbursement indicator 4.2. Completed socioeconomic and/or community development projects that have reached at least 75% of their targets	Socioeconomic and/or community development projects are initiatives designed to improve existing socioeconomic and community capacities while also promoting community participation. Targets will be specific to each project and should be clearly specified in the project design document submitted to the executing agency for its approval. <u>Calculation formula:</u> the total number of completed socioeconomic and/or community development projects that have reached at least 75% of their targets.	Consulting firm or individual consultant performs external verification of results	See required link 1

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Country: Argentina **Division:** HUD **Project number:** AR-L1361 **Year:** 2023

Executing agency: The executing agency (the Argentine Republic) will act through the Ministry of Social Development.

Name: Urban Social Integration and Housing Improvement Program

I. FIDUCIARY CONTEXT OF THE EXECUTING AGENCY

1. Use of country systems in the operation

<input checked="" type="checkbox"/> Budget	<input checked="" type="checkbox"/> Reports	<input checked="" type="checkbox"/> Information system	<input checked="" type="checkbox"/> National competitive bidding
<input checked="" type="checkbox"/> Cash flow	<input type="checkbox"/> Internal control	<input checked="" type="checkbox"/> Shopping	<input type="checkbox"/> Other
<input checked="" type="checkbox"/> Accounting	<input checked="" type="checkbox"/> External auditing	<input checked="" type="checkbox"/> Individual consultants	<input type="checkbox"/> Other

2. Fiduciary execution mechanism

<input checked="" type="checkbox"/>	Special features of the operation's fiduciary execution	<p>This operation is an individual loan based on results (LBR) for which the executing agency's own procurement systems will be used. The loan proceeds will be disbursed once the program has produced verified results (intermediate outputs and outcomes) specified in the results matrix.</p> <p>The Ministry of Social Development will be the executing agency, acting through the Secretariat for Social and Urban Integration (SISU), which will bear primary responsibility for the program, and the Office for Special Projects and International Cooperation (DGPEyCI), an agency of the Administrative Management Secretariat, which will be responsible for the program's fiduciary and administrative areas. In the event of changes in the organizational structure of the executing agency, it may act through areas or departments with similar attributes and competencies that will be replacing them in the future, with prior consent from the Bank for the purposes of this program. Program execution will be supported in the provinces and municipios, which will serve as technical support units for the program and will be coordinated by the SISU. Importantly, the provinces and municipios can be included as technical support units for the program, provided they have informal urban settlements listed on the National Registry of Informal Urban Settlements (RENABAP) and have capacity to offer technical and social collaboration on the ground, according to the institutional capacity assessment of the executing agency. The functions of the technical support units include supporting the executing agency in the preparation of diagnostic assessments and</p>
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		designing strategies with specific knowledge of the beneficiary informal urban settlements.
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3. Fiduciary capacity

Fiduciary capacity of the executing agency	In line with the loans based on results (LBR) policy tool (GN-2869-10), the Bank used the Institutional Capacity Assessment Platform to analyze the national procurement system based on the Methodology for the Assessment of Procurement Systems (MAPS) of the Organisation for Economic Co-operation and Development. The various evaluations that were undertaken indicate that the Ministry of Social Development has sufficient fiduciary systems to ensure program execution and the achievement of the expected results. The level of fiduciary risk is therefore low. Nevertheless, it is recommended that the executing agency define actions that will enable it to ensure the proper execution, supervision, and oversight of program results (see paragraph 1.26 of the loan proposal document for the recommendations).
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4. Fiduciary risks and mitigation actions

Risk taxonomy	Risk	Risk rating	Mitigation action
Execution environment	A failure to establish a sufficient credit allocation during the life of the program could occasion delays in project execution which could make it necessary to extend the execution period or to cancel the disbursement of program resources.	Medium-high	Appropriate planning of activities and the resources required to carry them out so that sufficient budget allocations can be made on a timely basis

5. Applicable policies and guidelines: The program's financial management will be based on the Financial Management Guidelines for IDB-financed Projects (document GN-2811-10 and document OP-273-12). As this is an LBR operation, Argentina's procurement systems will be used.

II. CONSIDERATIONS FOR THE SPECIAL CONDITIONS OF THE LOAN CONTRACT

Special contractual conditions precedent to the first disbursement of the loan (N/A)	
<p>Exchange rate. For the purposes of Article 4.10 of the General Conditions, the parties agree that the applicable exchange rate for local expenditures will be the one indicated in subparagraph (b)(ii) of that article. For that purpose, the agreed exchange rate will be the exchange rate in force on the first working day of the month in which the borrower, executing agency, or any other natural or legal person to which authority to make payments has been delegated makes payment to a contractor, supplier, or beneficiary. In the case of expenditures of funds from the first disbursement of the loan, the applicable exchange rate will be the one indicated in subparagraph (b)(i) of Article 4.09 of the General Conditions, which is the effective exchange rate on the date of conversion of the approval currency or disbursement currency into the local currency of the borrowing member country.</p>	
<p>Audited financial reports. Audited annual financial reports for the program are to be submitted to the Bank no later than 120 days of the close of the executing agency's fiscal years. These reports are to be duly certified by an independent auditing firm acceptable to the Bank or by the Office of the Auditor General of Argentina. Final audited financial reports are to be submitted within 120 days of the date of the last disbursement made under this program.</p>	

III. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

<input checked="" type="checkbox"/>	Use of national systems	As this is an LBR operation, the procurements systems of the executing agency (the Ministry of Social Development) will be used.
<input checked="" type="checkbox"/>	Retroactive financing	It is expected that the program will provide up to US\$15,000,000 (10% of the loan) in retroactive financing charged against loan proceeds for results achieved prior to the determination of eligibility, subject to an independent external evaluation. Retroactive financing will apply to results obtained between the project profile approval date (9 December 2022) and date the loan is declared eligible.
<input checked="" type="checkbox"/>	Records and files	The executing agency will be responsible for keeping the original files on procurements and financial management pertaining to program execution.

IV. FINANCIAL MANAGEMENT AGREEMENTS AND REQUIREMENTS

<input checked="" type="checkbox"/>	Programming and budget	The executing agency is responsible for preparing and programming the annual budget and for carrying out all consolidation procedures required to secure its approval. The executing agency's budget includes programmatic categories and other classifications for budget items, such as expenditures on personnel, consumer goods, nonpersonnel services, fixed assets, transfers, debt service, reductions in other liabilities, other expenses, and intangible expenses. As the need for an increase or reallocation of budget
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		items arises, the execution unit requests the corresponding modifications and makes the necessary arrangements for their approval. Budget allocations will need to be made in advance in order to ensure that the operation is executed within the established time frame.
<input checked="" type="checkbox"/>	Cash flow and disbursement management	Bank accounts. The executing agency will advise the Bank of the dollar-denominated account in which program disbursements are to be deposited. Payments will be made in local funds through the DGPEyCI, after which disbursements will be arranged for as results are achieved. The executing agency may also open a dollar-denominated account for the exclusive use of the program in the event that the initial disbursement is requested in accordance with the applicable policy provisions (document GN-2869-10).
		Financial plan. A financial plan for disbursement management under this program is not required except for the initial disbursement request. (Disbursements will be issued in accordance with the results matrix based on the disbursement indicators agreed upon with the Bank.) If such a request is made, a financial plan covering the specific financing required to obtain given outputs will need to be submitted. Disbursement methods. Because this is an LBR operation, the Bank will issue disbursements in the form of repayments, provided that an independent firm, agency, or individual specialist has independently verified the corresponding results. The advance of funds method may, however, be used for the initial disbursement provided for in the loan contract. The executing agency will use the online disbursement platform for Bank disbursements.
<input checked="" type="checkbox"/>	Accounting, information systems, and reporting	National accounting systems must be such as to permit program receipts and expenditures to be tracked. The executing agency may use the Financial Accounting System for Externally Funded Projects (UEPEX) module for financial management purposes. This system permits the identification of program funds and sources of financing. It also identifies program investments by cost component according to the Bank-approved chart of accounts. Cash basis accounting methods will be used, and the International Financial Reporting Standards will be followed where applicable, in accordance with national guidelines.
<input checked="" type="checkbox"/>	External controls and financial reports	External control will be exercised by the Office of the Auditor General of Argentina (AGN). The AGN, which advises and reports to the Argentine Congress, is the lead agency for external oversight of public sector accounts. Its establishment and operations are governed by Title VII, Chapter I, of the Financial Management and External Control Systems Act 24.156. The program's annual financial reports, based on the terms of reference previously agreed upon with the Bank, are to be audited by an independent auditor acceptable to the Bank, which may be the AGN or an independent auditing firm. As part of the financial reports it will submit annually and at the conclusion of the disbursement

		period, the executing agency will inform the Bank of the differential between the total expenditures incurred in the course of the achievement of program results and the total disbursements made by the Bank.
<input checked="" type="checkbox"/>	Financial supervision	The financial supervision plan will be based on the evaluations of the executing agency's risk exposure and fiduciary capacity and will include in situ supervisory inspections, desk reviews, and the monitoring of the findings and recommendations included in the auditors' reports on the program's annual financial reports.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/23

Argentina. Loan ____/OC-AR to the Argentine Republic. Urban
Social Integration and Housing Improvement Program

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Argentine Republic, as borrower, for the purpose of granting it a financing aimed at cooperating in the execution of the Urban Social Integration and Housing Improvement Program. Such financing will be for the amount of up to US\$150,000,000, 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 __ _____ 2023)