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ARGENTINA

PROGRAM TO STRENGTHEN EDUCATIONAL TRAJECTORIES IN THE PROVINCE OF BUENOS AIRES

(AR-L1367)

LOAN PROPOSAL

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CONTENTS

PROGRAM SUMMARY

I.	DESCRIPTION AND RESULTS MONITORING.....	1
A.	Background, problem addressed, and rationale.....	1
B.	Objectives, components, and cost.....	10
C.	Key results indicators	12
II.	FINANCING STRUCTURE AND MAIN RISKS	13
A.	Financing instrument	13
B.	Environmental and social risks	15
C.	Fiduciary risks	15
D.	Other key issues and risks.....	15
III.	IMPLEMENTATION AND MANAGEMENT PLAN	16
A.	Summary of implementation arrangements	16
B.	Summary of arrangements for monitoring results	18

ANNEXES	
Annex I	Summary Development Effectiveness Matrix
Annex II	Results Matrix
Annex III	Fiduciary Agreements and Requirements

REQUIRED LINKS	
1.	Multiyear execution plan/Annual work plan
2.	Monitoring and evaluation plan

OPTIONAL LINKS	
1.	Program economic analysis
2.	Gender and diversity strategy
3.	Vertical logic
4.	Infrastructure and climate change
5.	Eligibility criteria for civil society organizations to serve as Socioeducational and Community Centers
6.	References
7.	Program Operating Regulations
8.	Indicative cost analysis of outputs and selection disbursement-linked indicators
9.	Safeguard policy filter and safeguard screening form

ABBREVIATIONS	
ATR	Programa de Acompañamiento a las Trayectorias y Revinculación [Educational Trajectories and School Reentry Support Program]
AUH	Asignación Universal por Hijo [Universal Child Allowance for Social Protection]
CECBs	Mesas de Coordinación Educativas Comunitarias [Community Education Coordination Boards]
CGPBA	Contaduría General de la Provincia de Buenos Aires [General Accounting Office of the Province of Buenos Aires]
DLIs	Disbursement-linked indicators
DNyCA	Dirección de Nutrición y Calidad de los Alimentos [Office of Nutrition and Food Quality]
DPOMyFB	Dirección Provincial de Organismos Multilaterales y Financiamiento Bilateral [Provincial Directorate of Multilateral Agencies and Bilateral Financing]
DTE	Dirección de Tecnología Educativa [Office of Educational Technology]
EDGE	Excellence in Design for Greater Efficiencies [certification]
IRR	Internal rate of return
LBR	Loan Based on Results
MAPS	Methodology for Assessing Procurement Systems
NNHS	Encuesta Nacional de Nutrición y Salud [National Nutrition and Health Survey]
NPV	Net present value
PBA	Province of Buenos Aires
PROMEDU	Programa de Apoyo a la Política de Mejoramiento de la Equidad Educativa [Program to Support the Policy of Improving Equity in Education]
RENABAP	Registro Nacional de Barrios Populares [National Registry of Informal Urban Settlements]
RITE	Registro Institucional de Trayectorias Educativas [Institutional Registry of Educational Trajectories]
SAE	Servicio de Alimentación Escolar [School Feeding Service]
SCCs	Centros Socioeducativos y Comunitarios [Socioeducational and Community Centers]
SOFR	Secured Overnight Financing Rate
NPV	Net present value

PROGRAM SUMMARY

ARGENTINA

PROGRAM TO STRENGTHEN EDUCATIONAL TRAJECTORIES IN THE PROVINCE OF BUENOS AIRES (AR-L1367)

Financial Terms and Conditions				
Borrower:			Flexible Financing Facility ^(a)	
Province of Buenos Aires			Amortization period:	25 years
Guarantor:				
Argentine Republic			Disbursement period:	3 years
Executing agency:				
The borrower, acting through the Ministry of Finance			Grace period:	5.5 years ^(b)
Source	Amount (US\$)	%	Interest rate:	SOFR-based
IDB (Ordinary Capital):	150 million	100	Credit fee:	(c)
			Inspection and supervision fee:	(c)
Total:	150 million	100	Average weighted life:	15.25 years
			Approval currency:	U.S. dollar
Program at a Glance				
Program objective/description: The program's general objective is to help strengthen the educational trajectories of girls, boys, adolescents, and young people in the Province of Buenos Aires. Its specific objectives are to: (i) increase access to educational opportunities for girls, boys, adolescents, and young people in vulnerable circumstances; (ii) expand access to healthy food for students enrolled in compulsory education at State-run schools; and (iii) improve the digital inclusion of secondary education students at State-run schools.				
Special contractual conditions precedent to the first disbursement of the loan: Prior to the first disbursement of the loan proceeds, the borrower will present evidence that: (i) the program Operating Regulations have been approved and entered into effect, in accordance with the terms previously agreed upon with the Bank; and (ii) an independent verification consultant or firm has been engaged for the external verification of the results corresponding to the disbursement-linked indicators, in accordance with the terms of reference previously agreed upon with the Bank (paragraph 3.4).				
Exceptions to Bank policies: None.				
Strategic Alignment				
Challenges: ^(d)		SI <input checked="" type="checkbox"/>	PI <input checked="" type="checkbox"/>	EI <input type="checkbox"/>
Crosscutting themes: ^(e)		GE <input checked="" type="checkbox"/> and DI <input type="checkbox"/>	CC <input checked="" type="checkbox"/> and ES <input type="checkbox"/>	IC <input 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 Ensuring continuous and complete educational trajectories for girls, boys, adolescents, and young people remains one of the main social challenges in Latin America and the Caribbean, since those living in poverty continue to complete fewer years of schooling. Argentina, like the region, has made great strides in guaranteeing access to education. For the population between 6 and 11 years of age, the school attendance rate is 97% in all of Argentina's urban agglomerations, while access of school-age children to the secondary education system is 92%.¹ Nevertheless, disparities persist in terms of school retention, educational achievement, and graduation rates of the most socially vulnerable population. For example, for young people aged 20 to 24 in the top quintile of per capita family income, the secondary education completion rate was 90%, compared to 72% for the bottom quintile.² The evidence shows that students who complete more years of schooling go on to have better health and income indicators as adults and, by extension, educational exclusion results in high economic and social costs in the future [1]. Therefore, the pending challenges will need to be addressed from an economic, equity, and rights perspective to ensure that educational inclusion fosters the advancement of trajectories that facilitate the retention and graduation of all students. To that end, investments targeting areas with greater social vulnerability will be key.
- 1.2 The Province of Buenos Aires (PBA), which accounts for roughly 38% of Argentina's compulsory school enrollment (4.1 million students in both private and State-run schools), is the country's largest education system. Specifically, a high percentage of students in vulnerable circumstances attend State-run schools, 68% (1.6 million) of whom are girls, boys, and adolescents aged 4 to 17 years who attend initial, primary, or secondary school. These students are from households in the bottom quintile of total per capita income (average monthly income equivalent to US\$0.92 per day)³. For schools located in "*barrios populares*"⁴ or their area of influence, the families of 63.8% of primary and secondary education students receive the Universal Child Allowance for Social Protection (AUH),⁵ compared with 6.8% of students who attend schools located outside such settlements.
- 1.3 While there are many reasons some students drop out of school, the evidence shows that one of the main structural drivers of risk for the educational trajectories of the most vulnerable girls, boys, adolescents, and young people are economic

¹ Authors' calculation based on the Permanent Household Survey (2022 Q2).

² Idem.

³ Idem.

⁴ "Barrios populares" are informal towns, settlements, and urbanizations with varying degrees of precariousness (minimum of eight families living in a group or adjacent to one another, for which half lack title to their property and formal access to two basic services such as electricity, water, and sewerage (National Registry of Informal Urban Settlements – RENABAP).

⁵ The AUH is a monthly payment for each child under the age of 18 conditioned on health and school attendance controls (years of schooling), whose parents are either unemployed, informal economy workers, or domestic workers. It is an indicator of the socioeconomic vulnerability of households with girls, boys, and adolescents (Decree 1,602/2009).

and social considerations associated with students' living conditions. These impact their physical, socioemotional, and cognitive development, and can have an impact on their ability to attend school regularly,⁶ on their learning conditions, and on their level of educational achievement. Moreover, if an educational system's pedagogical model that does not take the interests and realities of some students into account, especially in secondary education, it can hinder their ability to build a sense of relevance and increases their likelihood of dropping out of school [3].

- 1.4 In response to these problems, the PBA has been working to implement a series of national and jurisdictional actions, some of them longtime initiatives and others more recent, including: (i) increasing the number of extended-day and all-day schools;⁷ (ii) introducing new school formats, such as the “*Escuelas de Reingreso*” (reentry schools), the “*Promoción Acompañada*,” and the “*Acompañamiento a las Trayectorias y Revinculación*” (Educational Trajectories and Reentry Support – ATR) programs,⁸ which offer alternatives to the traditional school pedagogical and institutional models (e.g. curricular approaches, support for students, and learning recovery), and/or strategies that provide flexible educational offerings, adapting them to the reality of students in situations of greater social vulnerability [4]; (iii) formulating policies aimed at incorporating new technologies into the classroom, such as the “*Programa de Alfabetización Digital*” (digital literacy program) of PBA, and the distribution of netbooks and Internet access points through the “*Conectar Igualdad*” (connecting equality) and “*Conectividad Escolar*” (school connectivity/virtual classroom) national programs; and (iv) introducing the [National Program of Comprehensive Sex Education](#),⁹ which conducts activities with an integrated gender perspective with the aim of promoting dialogue with the community, families, and schools. These actions for transforming the pedagogical model are complemented with others for mitigating socioeconomic vulnerabilities,

⁶ In Latin America and the Caribbean, the main causes of educational exclusion can be grouped as follows: work and financial problems (51%); household chores, pregnancy, and other family matters (21%); and a lack of interest in school due to its low relevance and lackluster methods of stimulation (20%) [2].

⁷ As of 2020, 550 (13.3%) of the 4,188 State-run primary schools in PBA were operating on an extended- or all-day schedule with extended-day or all-day programs (Annual Survey of Secondary Education 2020). In the final quarter of 2022, the Bureau of Culture and Education (DGCyE) authorized 284 primary schools to transition from half days (*jornada simple*) to full days, and authorization of another 201 primary schools to full days is expected at the beginning of 2023.

⁸ The ATR program seeks to establish a sustained pedagogical linkage with students who have either dropped out of school or have very low-intensity, intermittent contact with school by engaging student teachers to support educational trajectories.

⁹ The [National Program of Comprehensive Sex Education](#) was created by [Law 26,150](#) with the aim of safeguarding the right to receive comprehensive sex education in all of Argentina's educational establishments (whether State-run or private), and all levels and modalities. The PBA ratified its adhesion to the program through the [Provincial Program of Comprehensive Sex Education](#), created by [Law 14,744](#), and the recent creation of the Office of Comprehensive Sex Education, an agency of the Office of the Undersecretary of Provincial Education.

including: (i) the [Universal Child Allowance for Social Protection](#);¹⁰ and (ii) the School Feeding Service (SAE)¹¹.

- 1.5 **Vulnerable educational trajectories.** The inability to physically attend school due to the COVID-19 pandemic has exacerbated structural problems that affect educational trajectories, hinder their continuity, and debilitate the link between teachers and students, with the corresponding impacts on learning. Accordingly, the decrease in scholastic achievement has been especially observed among students at the lowest socioeconomic levels,¹² whose educational trajectories are also the most incomplete or have been discontinued. An analysis of trajectories conducted by the Bureau of Culture and Education (DGCyE) in early 2022, identified approximately 280,000 primary and secondary education students in the PBA who will require some type of support for their educational trajectories:¹³ (a) students with vulnerable educational trajectories; (b) those who stopped coming to school during the pandemic; (c) those who did not graduate upon finishing the 2020 and 2021 academic years; and (d) those with low rates of school attendance or who underperformed in their studies at the start of the 2022 academic year.¹⁴ The analysis also warned that students in schools located in or near informal urban settlements were three times more likely to have problems with their educational trajectories and learning than students in schools that were not located in these settlements (37.1% versus 12.2%).¹⁵

¹⁰ See footnote 5.

¹¹ The SAE began operations in 2000 with the goal of ensuring nutritional coverage and improving the aptitude for learning and health conditions of students in socially vulnerable circumstances at State-run provincial schools (Center for Childhood Nutrition Studies (CESNI), 2019). The SAE is attached to the Ministry of Community Development, in coordination with the Bureau of Culture and Education. It is implemented through school councils or agreements with municipal governments. The Ministry of Community Development is tasked with managing the Service, preparing its nutritional guidelines, training the staff, and funding its line items, whereas the Bureau of Culture and Education provides the Service with human resources and maintains school infrastructure.

¹² The 2021 *Aprender* evaluation, administered to sixth graders in the country's primary schools, found that 55% of students at State-run schools performed at either a basic level or below in math and 54% in language. The socioeconomic gaps reached 49 percentage points in math and 54 percentage points in language among the most disadvantaged students.

¹³ According to the Institutional Registry of Educational Trajectories (RITE), 0.8% of these cases involved students who had not enrolled in 2022, while another 1.4% had enrolled but presented very high vulnerability in mid-2022 and ultimately dropped out of school. The total for both categories amounts 2.2% of students. This percentage is higher among secondary school students (4.1%) than those in primary school (0.3%), equivalent to 76,000 students. Considering those with high vulnerability (3.4%) or medium-high vulnerability (2.3%), the figure amounts to 8% of total enrollment (5.5% for primary school students and nearly double that figure (10.4%) for secondary school students. In absolute terms, the figure stands at 280,000 students.

¹⁴ These data are from the Institutional Registry of Educational Trajectories (2020), Educational Planning Division, Bureau of Culture and Education.

¹⁵ The degree of proximity of State-run schools to informal urban settlements defines the level of socioeducational vulnerability of their students and is correlated with the behavior of their educational trajectories. It has been confirmed that 30% of schools located in informal urban settlements have high rates of over-age students, compared to 11% at schools not located in such settlements; 27% of schools in informal urban settlements have a high level of vulnerable educational trajectories, which is more than twice as high than for schools located outside informal urban settlements (12%); 31% of schools in informal urban settlements are among those with the poorest results on the most recent *Aprender* evaluation, compared to only 13% for schools outside such settlements (government profile, PBA).

- 1.6 The specific causes associated with vulnerable educational trajectories can be grouped into the following categories: (i) limited access to educational opportunities (e.g. teaching time and extracurricular activities); (ii) difficulties associated with the conditions for learning (e.g. regular attendance and adequate food); and (iii) barriers in access to digital inclusion that would enable students to interact in the social context in which they live and prepare themselves for life as adults in a highly-digitalized society.
- 1.7 **Limited access to educational opportunities.** Having more time in school to learn enables at-risk students to connect with additional opportunities for support [5], or alternatively, participate in extracurricular activities they enjoy, which cuts down on the time they spend outside school. A survey conducted as part of the 2019 and 2021 *Aprender* evaluations found that only 17% of students at State-run primary schools took advantage of educational offerings that complement the core curriculum, both in terms of foreign language learning and participation in art workshops outside of school hours, compared to 31% of students at private primary schools. The corresponding figures at State-run and private secondary schools is 24% and 32%, respectively. Furthermore, only 27% of students at State-run secondary schools access academic support classes if they experience difficulties with a particular subject. In part, this inequitable access to educational opportunities is due to the very early stage in the expansion of extended-day and all-day schools model (only 7.5% of students at State-run primary schools have access to the educational offerings of all-day or extended-day schools, compared with 9.1% of students at privately-managed schools),¹⁶ and the limited number of socioeducational activities and free extracurricular academic support offerings, which hamper access for girls, boys, adolescents, and young people from low-income families. With regard to comprehensive sex education, challenges persist in both teacher training and the institutional management of proposals that promote the protection of the rights of girls, boys, and adolescents [6].
- 1.8 **Problems affecting children's ability to learn.** Various studies [7] have evidenced the strong link between students' socioeconomic level and academic performance—and their ability to complete their education within the expected time frames. From this perspective, educational trajectories can be associated with students' economic, social, and demographic conditions, and their community of origin, which impact their ability to attend and learn at school [8]. According to the evidence, in contexts of socioeconomic vulnerability, school feeding programs are among the most effective interventions in terms of promoting equity and educational inclusion. In fact, each dollar invested in school feeding programs yields an economic return of up to US\$20 associated with better health, education, and productivity conditions [9]. The social vulnerability affecting most girls, boys, and adolescents who attend State-run schools in the PBA takes into account the importance of meals provided at school as a means of mitigating nutritional deficits and deficiencies. However, the most recent (2019) National Nutrition and Health Survey (NNHS) identified deficiencies in the nutritional quality of school feeding programs and a higher incidence of unhealthy eating habits among the low-income population, which not only reflects the need to ensure the continuity of these

¹⁶ Annual Survey 2020. Federal Network of Educational Information (RedFIE).

programs but also improve their quality, with a view to helping students in vulnerable circumstances remain in school.

- 1.9 **Barriers to digital inclusion.** In a constantly changing world, in addition to core competencies such as math and language, others should also be taught (e.g. digital, socioemotional, and civic engagement), to prepare students for success in the 21st century [\[10\]](#). To that end, the incorporation of classroom technology has been proven to help students make better sense of their lessons, increase motivation, and improve academic performance through the design of learning proposals that are more attuned to students' interests and needs, which will help strengthen their educational trajectories. However, if these effects are to benefit all students, ensuring equitable access to equipment and connectivity is essential, as is strengthening teachers' ability to effectively incorporate technology into their lesson plans.¹⁷ On the one hand, barriers to digital inclusion can be attributed to the low level of student and teacher access to netbooks for educational use, and, on the other, to the scant use of technology mediated teaching strategies. This situation was evidenced from the data collected in the 2019 *Aprender* evaluation, in which only 33% of students at State-run secondary schools reported working with a netbook in the classroom (compared with 47% of students at private secondary schools who reported using laptops),¹⁸ while a smaller percentage (8%) reported working "frequently" with a netbook in the classroom. Students residing in informal urban settlements were especially affected by the virtual education strategies adopted in response to COVID-19. According to a 2020 survey by the Bureau of Culture and Education, 66.5% of students at State-run primary schools and 59.9% of students at State-run secondary schools in the province lacked access to a computer and Internet service to continue their educational trajectories, which highlights the persistent challenges involved in access to educational technology.
- 1.10 **Strengthening educational trajectories.** The current consensus as to the complexity and many reasons students drop out of school has prompted educational systems to implement different policies to support educational trajectories, such as programs that foster school attendance and/or promote the reentry of students who have left the educational system [\[11\]](#), underscoring the need for early alert systems to ensure timely interventions [\[12\]](#).¹⁹ A number of interventions have shown potential for addressing the risk of dropping out of school [\[13\]](#), these include tutoring, mentoring, socioemotional learning, and extending the school day. Evaluations of the latter intervention at secondary schools in Argentina, Chile, and Colombia have had positive impacts on educational and

¹⁷ Article 88 of the National Education Act (Law 26,206/2006) establishes that "Access to and mastery of information and communication technologies will form part of curricular contents that are indispensable for the inclusion of knowledge in society." To that end, as of 2010, the State implemented the Connecting Equality program to narrow digital, social, and educational gaps by providing computers, teacher training, digital content development, and teaching proposals.

¹⁸ The "one laptop per child" model was not adopted by privately-run schools in Argentina, which are generally equipped with computer labs. For this reason, notebooks/netbooks are used in State-run schools and personal computers in private schools.

¹⁹ The approach to protecting educational trajectories acknowledges the need for anticipating students at risk for dropping out of school with early alert systems that warn of barriers in access, recurring absences, poor academic performance, and fragile enrollment, which are more frequent among vulnerable groups.

social results, such as lower grade repetition and dropout rates, better grades in math and language, and lower crime and teen pregnancy rates [\[14\]](#).

- 1.11 **Strengthening educational opportunities: Socioeducational and Community Centers.** To address the needs of groups of students in more disadvantaged socioeconomic contexts, the PBA designed a government program with input from civil society organizations that establishes socioeducational and community centers (SCCs) in informal urban settlements prioritized according to the number of students with vulnerable educational trajectories. The SCCs will seek to engage girls, boys, adolescents, and young people from ages 4 to 21 who have either dropped out of the formal education system or are still in school but have vulnerable educational trajectories. For the most part, the SCCs will be set up in the offices of civil society organizations and will be equipped with human resources (teachers and workshop facilitators) and material resources (teaching equipment and classroom materials) from the PBA. As part of the educational system, the SCCs will implement comprehensive sex education actions for the purpose of training their human resources, aligning proposals for pedagogical interventions, and identifying any rights violations. With the aim of aligning efforts to support the strengthening of educational trajectories, the SCCs will work closely with nearby schools through Community Education Coordination Boards (CECBs), which include the participation of school management teams, SCC coordinators, and other stakeholders that form part of the integrated rights promotion and protection system for girls, boys, and adolescents. The SCCs' hours of operation will complement those of the mandatory school day and will focus on girls, boys, adolescents, and young people who lack the resources necessary to access offerings of this type from the private sector. Accordingly, the SCCs offer support for initial literacy and tutoring in curriculum contents, as well as artistic, technological, sports, and recreational activities, including comprehensive sex education and environmental education. The SCCs are currently in the initial stages of implementation. Civil society organizations were invited to present a "comprehensive proposal for the SCCs," in accordance with Annex II, Resolution 1,743/22 on the creation of Program to Promote and Strengthen SCCs in Informal Urban Settlements. These proposals are currently being studied by the Bureau of Culture and Education for approval.
- 1.12 **Strengthening of healthy school feeding.** The School Feeding Service (SAE) currently covers 2.1 million students with breakfast or a snack (75% of all students who attend compulsory education at State-run schools in the province) and 750,000 students with lunch. Each year, the Office of Nutrition and Food Quality (DNyCA), an agency of the Ministry of Community Development, establishes the nutritional guidelines for each meal (breakfast, snack, and lunch). These guidelines are based on national and international recommendations, the eating habits of the population, and the operational circumstances of the municipios (i.e. available infrastructure, equipment, and staff). Their aim is to ensure healthy food and beverage options that include food of good nutritional quality, such as fruit, vegetables, grains, legumes, dairy products, meat, eggs, oils, and seeds, while excluding ultra-processed foods. The main challenges facing the SAE are to: (i) address the necessary expansion of school cafeterias, due to the growing number of extended-day and all-day schools and the prioritization of schools with vulnerable populations; and (ii) improve nutritional quality, inasmuch as the

Nutritional Quality Index (NQI) has made it possible to identify nutritional deficiencies in 50% of the province's school districts.²⁰ This situation is partially due to the low participation of nutritionists on the district teams that manage the School Feeding Service. In fact, only 20 of the province's 135 school districts have nutritionists. Consequently, school counselors assume responsibility for this service in the remaining school districts. With the aim of strengthening support for the educational trajectories of students with greater socioeducational vulnerability, the PBA has been making headway on the expansion of school cafeteria service, as it expects an increase of 200,000 school lunches, 37,500 of which will be needed to provide universal coverage at the new all-day schools. Strengthening of the core team at the SAE has also been proposed, which would entail hiring nutritionists to underpin training and advisory services for the school counselors and municipios responsible for school feeding.

- 1.13 **Strengthening of digital inclusion.** The ability to generate educational proposals that help students develop the skills and competencies they need for digital inclusion—especially those from more vulnerable population segments—will require access to equipment, Internet connectivity, educational content, and training that enable teachers and students to incorporate these skills into the teaching and learning processes. In Argentina, personal computers are provided to students enrolled in State-run secondary schools through a process of coordinated efforts at the national and provincial levels. As a national policy, Connecting Equality has prioritized the distribution of netbooks to students enrolled in the first two years of secondary education (*ciclo básico*) at State-run secondary schools of the province, leaving students in the last three years of secondary education (*ciclo orientado*)—i.e. some 200,000 students enrolled in 6,700 sections—without that coverage. In terms of connectivity, according to the Office of Educational Technology (DTE), school technology infrastructure (*pisos tecnológicos*) has yet to be installed in 25% of provincial schools. To promote the use of educational technology, the PBA has regional teams that work in the school districts, providing guidance and advisory services to school stakeholders. Nonetheless, it has been determined that some 19,200 teachers need training to implement teaching strategies for developing students' digital skills.²¹ In this context, the main challenges are: (i) guaranteeing that students in the last three years of secondary education have access to netbooks; and (ii) establishing the conditions necessary for teachers to take ownership of these tools and develop the technological skills, capabilities, and competencies necessary to incorporate them into teaching and learning processes. This will require the design of training proposals that provide teachers with more and better teaching tools.
- 1.14 **Gender and diversity perspective.** Among the obstacles identified to educational trajectories are gender-related rights violations, such as domestic violence,

²⁰ This information is consistent with the NNHS. Among primary school students in the PBA who receive school feeding services, 17% of those in quintile 1 always receive sandwiches, compared with 4% in quintile 5, whereas the provision of safe water (without added juice) during lunch has been verified among 52% of students in quintile 1 and 83% in quintile 5. Among secondary school students who receive school feeding services, 32% of students in quintile 1 always receive sandwiches compared to 18% in quintile 5, whereas the figures for the availability of safe water during meals are inverted (50% versus 74%, respectively (authors' calculations based on NNHS 2019 data, Ministry of Health and Social Development)).

²¹ Information included in the government profile of the PBA.

mistreatment, sexual abuse, unplanned teen pregnancy, caregiver burden, and school violence, which require sustained support strategies by the adults in question. In that vein, the comprehensive sex education framework makes it possible to identify and address problematic situations using coordination strategies with institutional and community stakeholders who must be able to identify these situations and take timely action. In order to provide adequate responses to situations like these, the challenges involved in implementing comprehensive sex education must be acknowledged, both in formal and informal education, associated with teacher training, institutional management, and ideological resistance from school institutional stakeholders themselves [\[6\]](#).

- 1.15 **Gender and diversity actions.** Under the program, coordinators and socio-community teams at the SCCs are expected to complete comprehensive sex education training, the key priorities of which are: hygiene and health; gender equality; the promotion of rights; respect for diversity; and appreciation of affectivity. This line includes: (i) theoretical and regulatory considerations that underpin comprehensive sex education and frame the task; (ii) taking a longer look at the pedagogical approach to comprehensive sex education in socioeducational and community spaces; and (iii) knowledge and use of existing protocols to address situations involving rights violations, as necessary. In this way, the responsible adults at SCCs will have more and better tools to help girls, boys, adolescents, and young people with their needs. For example, in the case of pregnant teens and teen mothers, if public service offerings are available locally, SCC staff will match them with caregiving services for newborns age 45 days and older. In the case of adolescent girls and young women who have the responsibility of caring for their children or siblings age 4 years or older, the SCCs plan to offer specific activities. Additionally, and emphasizing the program's inclusive nature, the Community Education Coordination Boards (CECBs) will promote the inclusion of girls, boys, adolescents, and young people with disabilities. To that end, CECBs will hire special education teachers and coordinate with other specialized agencies. In this sense, the inclusion of diversity becomes a crosscutting strategy for SCC actions ([optional link 2](#)).
- 1.16 **Theory of change.** The general problem identified, namely, the vulnerability of educational trajectories of students who attend State-run schools in the PBA, is determined by factors associated with the students' socioeconomic conditions, which provide limited access to socioeducational opportunities that can supplement formal and inclusive education with basic conditions for learning, such as healthy school feeding that promotes school attendance and helps students remain in school. Another determining factor, i.e. barriers in access to digital inclusion, may have to do with a lackluster educational proposal that is not particularly relevant to students' possibilities of becoming fully integrated into the world of work and the information and communication society. The program will support the PBA in strengthening the educational trajectories of girls, boys, adolescents, and young people, based on three interventions that are expected to help improve school attendance among primary education students, the retention of students who are at risk of dropping out of school, and grade promotion among secondary school students. Accordingly, the program will: (i) offer artistic, sports, technological, and learning support activities outside of the school day and in alternative spaces, in coordination with nearby schools, with the aim of expanding

access to socioeducational opportunities; (ii) expand coverage and improve the nutritional quality of SAE meals served at State-run schools, helping to facilitate the necessary conditions for learning among students with higher levels of social vulnerability; and (iii) provide netbooks to students in the final three years (*ciclo orientado*) of secondary education, thus expanding opportunities for incorporating technological resources into learning processes through teach training ([optional link 3](#)).

- 1.17 **Lessons learned.** This design of this operation draws on lessons learned from Bank operations in Argentina and the region. The main ones are: (i) the need to strengthen student participation in community spaces through flexible pedagogical proposals that are aligned with students' interests and expand their educational opportunities, as evidenced in the evaluation of Youth Activity Centers (YACs) included in the Program to Support the Policy of Improving Equity in Education II (PROMEDU II) ([1991/OC-AR](#)) and in the *Sacúdete* [get moving] program ([ATN/JF-17533-RG](#); [5187/OC-CO](#)). This lesson will be incorporated into Component 1 through work coordinated by the CECBs to facilitate the reentry of girls, boys, adolescents, and young people in the formal education system; (ii) the importance of providing high-quality and nutritious school meals ([5068/GR-HA](#), [5288/GR-HA](#)) and including a robust monitoring system ([5279/GR-HA](#)). These lessons were incorporated into the design of Component 2 with the help of nutritionists who promote making improvements to the nutritional quality of the menus presented by the executing entities of the School Feeding Service (SAE); and (iii) the contribution of the Priority Learning Cores for Digital Education in Argentina ([ATN/OC-17542-AR](#)), with a view to guiding teaching proposals for digital education, programming, and robotics. This is reflected in the training of teachers and provincial teams in digital skills under Component 3. Lastly, lessons learned will be incorporated from loans based on results (LBRs) in both Argentina (4821/OC-AR) and education in Chile (CH-L1081) regarding selection criteria for disbursement-linked indicators (DLIs), since they: (i) consider entities that collect simple information; (ii) are reliable, based on the use of already available information systems; and (iii) do not entail a high cost to the executing agency. These lessons were taken into account in selecting the DLIs for the program's three components.
- 1.18 **Strategic alignment.** The loan is consistent with the second Update to the Institutional Strategy (document AB-3190-2) through the following development challenges: (i) productivity and innovation, as it will utilize information and digital technology; and (ii) social inclusion and equality, as it will improve the efficiency and quality of educational services, reaching students in vulnerable circumstances. The program is aligned with the crosscutting areas of: (i) gender equality, as it will include a comprehensive sex education work strategy within the SCCs; and (ii) climate change, as it will finance portable classrooms that incorporate sustainability criteria equivalent to EDGE certification, with savings of at least 20% in energy consumption, 20% in water consumption, and 20% energy savings built into the materials, and by financing the procurement of netbooks with the Energy Star or an equivalent label (highest energy efficiency rating). Based on the [joint methodology of the multilateral development banks for tracking climate change adaptation finance](#), it is estimated that 66.45% of this operation's resources will be used for climate change mitigation activities ([optional link 4](#)).

In addition, it will contribute to the IDB Group Corporate Results Framework 2020-2023 (document GN-2727-12) through the number of students benefited by education projects.

1.19 The program is aligned with the objectives of the IDB Group Country Strategy with Argentina 2021-2023 (document GN-3051), specifically its objective of mov[ing] forward on greater inclusion, quality, and retention in the education system. For the reasons mentioned in paragraphs 1.14, 1.15, and 1.18, the program is consistent with the Gender and Diversity Sector Framework Document (document GN-2800-13) and with the Climate Change Sector Framework Document (document GN-2835-10), respectively. It is also consistent with the Skills Development Sector Framework Document (document GN-3012-3) as it: (i) promotes more opportunities for developing basic cognitive and socioemotional skills that help girls, boys, adolescents, and young people continue learning; and (ii) encourages the use of technology to enhance equitable access to opportunities for skills development. It is also aligned with the Sustainable Infrastructure for Competitiveness and Inclusive Growth (document GN-2710-5), as it helps maintain socially and environmentally sustainable infrastructure in the design of portable classrooms. Lastly, it is aligned with the Employment Action Framework with a Gender Perspective (document GN-3057) since Components 1 and 3 of the operation consider analysis, interventions, and indicators in the talent pillar by strengthening vulnerable educational trajectories with gender-sensitive model of attention; such as digital skills development for secondary education teachers and students.

1.20 **Rationale for using the LBR instrument.** This operation will utilize the loan based on results (LBR) as an investment loan instrument. Its use is justified as a mechanism to help improve the efficacy of educational services, targeting socioeducational offerings to more vulnerable contexts. This instrument will also improve efficiency in the delivery of school feeding services and in the provision of netbooks through institutional arrangements and coordination at the subnational level. Moreover, by promoting more efficient and timely management of SCC services, the LBR is expected to help improve the attendance of more girls, boys, adolescents, and young people at SCCs located in informal urban settlements. In turn, this will promote more opportunities for students to reenter the education system. Lastly, the LBR will help to achieve the program's results involving SCCs located in informal urban settlements through a technical cooperation project that will support the development of an automated solution for the registration and monitoring of the program's implementation, thus contributing to the development of technical capacity for results-based management. Information regarding the justification and advisability of using this instrument is provided in paragraph 2.3.

B. Objectives, components, and cost

1.21 **Objectives.** The program's general objective is to help strengthen the educational trajectories of girls, boys, adolescents, and young people in the Province of Buenos Aires. Its specific objectives are to: (i) increase access to educational opportunities for girls, boys, adolescents, and young people in vulnerable circumstances; (ii) expand access to healthy food for students enrolled in compulsory education at State-run schools; and (iii) improve the digital inclusion of secondary education students at State-run schools. The description of the costs

associated with the results of the program, by component, can be consulted in [optional link 8](#).

- 1.22 **Component 1. Access to educational opportunities for girls, boys, adolescents, and young people in vulnerable circumstances (IDB US\$14,085,000).** This component will be executed primarily by the Bureau of Culture and Education (a subexecuting agency tasked with the component's execution). Its expected outcome is to improve access to educational activities for girls, boys, adolescents, and young people in vulnerable socioeducational contexts. To that end, the component is expected to support the operationalization of the SCCs, which will in turn support girls, boys, adolescents, and young people ages 4 to 21 from informal urban settlements with either vulnerable educational trajectories or who have dropped out of the education system. The SCCs will form Community Education Coordination Boards (CECBs) that will coordinate—with the schools and social services of each informal urban settlement—support for the prioritized situations of students. All personnel involved in operating the SCCs will be trained in comprehensive sex education and the promotion of the gender perspective in all actions. The component may finance, *inter alia*:²² (i) school kits for students that may include a backpack, school supplies, books, and games; (ii) pedagogical and information technology equipment for SCCs (netbooks,²³ tablets, and kits containing art and school supplies, sports, leisure, and science equipment, and musical instruments, among others); (iii) portable classrooms that will make it possible to strengthen pedagogical infrastructure in informal urban settlements and, potentially, permanent classrooms for such settlements where civil society organizations are either absent or lack adequate building infrastructure to house SCCs, and classrooms for temporary use associated with specific educational activities, e.g. artistic, scientific, and recording (The portable classrooms to be financed by the program will comply with sustainability criteria equivalent to EDGE certification.); (iv) vans to transport technical personnel (e.g. those tasked with the installation, maintenance, and operation of the classrooms) and/or teacher and SCC management teams of the program; and (v) consultants and/or consulting services to support the development of the SCC monitoring system. The monitoring system to be developed will provide the information necessary to adequately monitor the results indicators, and will facilitate the identification and monitoring of situations involving rights violations based on gender and/or disabilities. The verification of progress made toward meeting the objective will be associated with the program results (see Annex II).
- 1.23 **Component 2. Access to healthy food offerings at school for students enrolled in compulsory State education (IDB US\$45,200,000).** This component will be executed primarily by the Ministry of Community Development (a subexecuting agency tasked with the component's execution). The expected outcome of this component is improved access to healthy food offerings for students enrolled in compulsory State education. To that end, strengthening of the School Feeding Service (SAE) is planned, which may entail financing to, *inter alia*: (i) increase the number of school lunches served, with the aim of universalizing

²² The estimated amounts per each program output are provided in required link 2 and optional link 8.

²³ The netbooks must have an Energy Star or equivalent label, indicating that they have the highest energy efficiency rating.

coverage at new extended-day and all-day schools (estimated increase in school lunches per day for students, some of which would be served at extended-day and all-day schools); and (ii) hire nutritionists who would support the executing agencies in creating school menus for each school district. The verification of progress made toward meeting the objective will be associated with the program results (see Annex II).

- 1.24 **Component 3. Digital inclusion of secondary school students (IDB US\$90,715,000).** This component will be executed primarily by the Cabinet Office (a subexecuting agency tasked with the component's execution), in coordination with the Bureau of Culture and Education. The expected outcome of this component is improved digital inclusion of secondary education students at State-run schools. To that end, this component provides for the distribution of netbooks for personal use and the strengthening of teacher training for the pedagogical use of technology, and may finance, *inter alia*: (i) procurement of personal-use digital devices (preferable netbooks) for students in the last cycle of State-run secondary schools and for the courses in which the beneficiary students are enrolled (netbooks for students and courses);²⁴ and (ii) training activities designed to strengthen the digital skills of teachers. The verification of progress made toward meeting the objective will be associated with the program results (see Annex II).
- 1.25 **Program administration, monitoring, and evaluation costs.** The program will cover the costs of external verification of disbursement milestones, evaluations, and administration expenses. The budget allocated is provided within each component ([required link 1](#)). In the event that the financial audit is conducted by the Audit Office of the PBA, it will be financed with that institutions' own resources.
- 1.26 **Beneficiaries.** The program's direct beneficiaries will be students at State-run schools enrolled in the compulsory levels of education (i.e. initial, primary, and secondary). Component 1 will benefit girls, boys, adolescents, and young people ages 4 to 21 residing in prioritized informal urban settlements where the SCCs will be established. These students are more likely to have vulnerable educational trajectories or have dropped out of the educational system. Component 2 will make it possible to increase the number of students who receive nutritionally-improved SAE lunches daily throughout the academic year. Priority will be given to students attending State-run schools located in socioeconomically vulnerable contexts, and those attending primary schools slated to become all-day schools. The nutritional improvements will indirectly benefit all students (more than 2 million) attending SAE beneficiary public schools. Component 3 will contribute to the digital inclusion of the students in the last three years of secondary school, and will give priority to students enrolled in their final years of study and their teachers to foster digital skills development.

C. Key results indicators

- 1.27 The program's disbursement-linked indicators (DLIs) are: (i) for specific objective 1: (1.1) Girls, boys, adolescents, and young people ages 4 through 21

²⁴ The netbooks must have an Energy Star or equivalent label, indicating that they have the highest energy efficiency rating.

enrolled in an SCC; (ii) for specific objective 2: (2.1) Students who have received SAE lunches in cafeterias of State-run schools; and for specific objective 3: (3.1) Students in the last three years of secondary education (*ciclo orientado*) at State-run schools who have access to digital devices for personal use. The impact indicators for the program's general objective are: (i) Gap between the attendance rate at beneficiary primary schools and those located outside informal urban settlements; (ii) Gap between the annual retention rate at beneficiary secondary schools and those located outside informal urban settlements; and (iii) Gap between the annual promotion rate at beneficiary secondary schools and those located outside informal urban settlements.

- 1.28 **Economic analysis.** Based on the cost-benefit analysis of the planned investments in all components ([optional link 1](#)), the program is financially viable, with a positive net present value (NPV) and an internal rate of return (IRR) above the discount rate used to discount the flow of net benefits, considering the base case scenario evaluated. Specifically, the results obtained are equivalent to an IIR of 14.4% and an NPV of US\$39,915,416. The sensitivity analysis by scenario found that the results are positive for each of the scenarios evaluated, resulting in an IIR range of between 13% and 15.9%. The NPV is positive in all scenarios. Moreover, upon conducting the sensitivity analysis based on possible values of the key parameter used (i.e. estimated salary differentials and gains in years of schooling for the three types of beneficiaries) the results were positive in economic terms for all scenarios. Thus, based on these findings, it can be confirmed that the program has positive results in terms of its social returns.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instrument

- 2.1 This operation will be financed as an LBR for up to US\$150 million from the Bank's Ordinary Capital through the Flexible Financing Facility, and will not include local counterpart resources. The program disbursement period will be 36 months (Table 2). This period correlates to the characteristics of the operation's activities, cost ([optional link 8](#)), and anticipated pace of implementation ([required link 1](#)) needed to achieve the expected results (Annex II), as well as the executing agency's solid project management capacity.
- 2.2 The urgency and magnitude of the problem for the PBA will require the implementation of actions within a reasonable period of time. The lines of work are considered a high strategic priority and include technical agreements that express the PBA's commitment to begin them in the short term.²⁵ Lastly, the province has

²⁵ With respect to the SCCs (Component 1), the PBA approved an official resolution that attests to their creation, designated a technical unit and technical management team, and has already made progress in terms of signing agreements with the nongovernmental organization that will manage the SCCs. Regarding the School Feeding Service (Component 2), new demand from educational establishments that will become all-day schools beginning this year has already been identified. Lastly, with respect to digital inclusion (Component 3), the "Conectar Igualdad Bonaerense" program has been implemented and is preparing the digital inclusion index planned as part of the evaluation actions.

previous experience (loans 4821-OC/AR and 5430/OC-AR)²⁶ and the necessary institutional capacity to improve and scale up each of the planned actions.²⁷

Table 1. Estimated program costs (US\$)

Components	IDB	Total	%
1. Access to educational opportunities for girls, boys, adolescents, and young people in vulnerable circumstances	14,085,000	14,085,000	9.39
2. Access to healthy food offerings at school for students enrolled in compulsory State education	45,200,000	45,200,000	30.13
3. Digital inclusion of secondary school students	90,715,000	90,715,000	60.48
Total	150,000,000	150,000,000	100.00

*Information on the reference costs for each component are reported in [optional link 8](#).

Note: The costs per activity for each component are indicative. Program administration, monitoring, and evaluation costs are distributed among each disbursement-linked indicator.

Table 2. Projected disbursements (US\$)

Source of financing	Year 1*	Year 2	Year 3	Total
IDB	41,955,000	52,040,000	56,005,000	150,000,000
%	28	34.7	37.3	100%

*By way of reference, Year 1 runs from 2023 to 2024.

Note: Paragraphs 3.7 and 3.8 provide more information about the processing of disbursements, as well as the retroactive financing of outcomes and the initial disbursement.

2.3 Eligibility criteria for use of the LBR as the program's lending instrument. This operation meets the eligibility requirements for an LBR established in the Proposal to Establish the Bank's Sovereign Guaranteed Loan Based on Results (document GN-2869-3) and its guidelines (document GN-2869-10), as it: (i) supports existing government programs through financing of their expenditure frameworks;²⁸ (ii) contributes to enhancing these programs' performance with technical support focusing on the results-based management of the executing agency, helping to strengthen its targeting, monitoring, and implementation capabilities; and (iii) the institutional analysis of the executing agency shows that

²⁶ Loan [4821-OC/AR](#) for US\$150 million (three-year execution period) and loan [5430/OC-AR](#) for US\$300 million (four-year execution period).

²⁷ The planned US\$150 million in financing represents 16% of estimated public expenditure of the PBA for school meals, educational technology, and socioeducational activities contemplated in the program over three years.

²⁸ The financing will support the following existing government programs: (i) the national Connecting Equality program (partially financed with loan 3455/OC-AR), with a results-based perspective focusing on the use of teaching equipment to foster improved learning (enriched in Component 3); and (ii) provincial program "School Feeding Service" (strengthened in Component 2). Moreover, a new government program will be supported based on existing civil society initiatives, through forming SCCs (Component 1). Lastly, the Bank has extensive experience in Argentina (PROMEDU II) and in other countries working with other extracurricular learning projects (such as those of Component 1).

its management systems guarantee proper technical (monitoring) and fiduciary (procurement and financial) execution of the program.

B. Environmental and social risks

- 2.4 In accordance with the Environmental and Social Policy Framework (ESPF), the program was classified as Category “C” because only minimal or no negative environmental or social effects are to be expected.

C. Fiduciary risks

- 2.5 In compliance with policy GN-2869-10, the Bank applied its Institutional Capacity Analysis Platform and the Methodology for Assessing Procurement Systems (MAPS) of the Organisation for Economic Co-operation and Development (OECD), obtaining satisfactory results. The executing agency and subexecuting agencies were confirmed to have a satisfactory level of institutional capacity for program execution. The results of these assessments show that the executing agency and subexecuting agencies have adequate and sufficiently developed fiduciary systems to manage execution and achieve the expected results. The fiduciary risk is therefore low. Nevertheless, the program Operation Regulations will define the necessary actions to be undertaken by the executing agency and subexecuting agencies to ensure proper internal control of the program.

D. Other key issues and risks

- 2.6 Two medium-high level risks were identified: (i) **Technical design.** Delays in implementing the monitoring and management mechanisms of the SCCs could hinder access to the information needed to verify the corresponding results, prompting deviations in the execution and disbursement schedules; and (ii) **Governance system.** If the CECBs were to have difficulties coordinating responses to problems arising at the SCCs, the educational trajectories of some students who are reentering the education system could be affected. The mitigation actions identified are: (i) awareness-raising at and capacity-building of SCCs to record information; and (ii) strengthening of subnational meeting venues and the incorporation of complementary professionals based on needs and the activation of response protocols.
- 2.7 **Sustainability.** In the PBA, both the SAE—which has been operating since 2000 with the aim of ensuring nutritional coverage and improving health and learning conditions for students in vulnerable social circumstances who attend State-run schools in the province—and the Digital Literacy Program (PAD)—which has been operating since 2015 with the aim of narrowing digital, social, and educational gaps by providing computers, teacher training, and the development of digital content—are policies that have already been consolidated and have budget allocations that ensure the sustainability of the improvements supported by the program. The Digital Literacy Program is also supported by Law 26,206/2006, the National Education Act (see footnote 18). The Program to Promote and Strengthen Socioeducational and Community Centers in Informal Urban Settlements, under which the SCCs will be created, while innovative and recently created, is supported by an August 2022 Bureau of Culture and Education resolution (RESOC-2022-1743-GDEBADGCYE). This resolution provides that program with the legal character necessary to maintain the human resources needed to operate

the SCCs and the mechanisms to coordinate with civil society organizations, generating excellent conditions for the sustainability of investments. A technical cooperation project is also anticipated that would support the design of an automated system to manage the activities of the SCCs and generate data, making it possible to evidence the program's scope and contribute to its consolidation. This technical cooperation project is currently in preparation and provides for a temporary registry system to facilitate the subsequent migration of the data.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 **Borrower, guarantor, and executing agency.** The borrower will be the PBA, and the Argentine Republic will be the guarantor of the borrower's financial obligations, in accordance with the policy on guarantees required from borrowers (document GP-104-2) for loans to subnational entities. The program executing agency will be the Ministry of Finance, which will be responsible for ensuring that the program indicators are fulfilled with the Bank and program financial management, in coordination with the following subexecuting agencies of the components: the Bureau of Culture and Education for Component 1, the Ministry of Community Development for Component 2, and the Cabinet Office and Bureau of Culture and Education for Component 3. The executing agency and subexecuting agencies will be responsible for procurement and implementation of the technical actions associated with the indicators for which they are responsible. The executing agency, through the Provincial Office of Multilateral Organizations and Bilateral Financing (DPOMyFB), an agency of the Office of the Undersecretary of Finance, will be responsible for the program's general coordination. Its functions will include ensuring compliance with the provisions of the loan contract, managing the program's financial resources, and acting as the direct counterpart with the Bank, coordinating with the various actors.
- 3.2 **Execution mechanism, coordination, and program administration.** Program activities at the provincial level will be planned using a multiyear execution plan shared between the executing agency and subexecuting agencies, under the existing coordination arrangements. Follow-up and monitoring of program execution will be coordinated between the subexecuting agencies at monthly meetings, which will in turn provide the executing agency with the information necessary to track progress, produce execution reports, and request disbursements from the Bank. Detailed information on each agency's roles and responsibilities and the documentation circuit for reporting results will be included in the program Operating Regulations, which will apply to all subexecuting agencies and will include a mechanism to ensure that these regulations are applied by each of them.
- 3.3 **External verification of results associated with the DLIs.** This verification will be performed by a specialized firm or an individual consultant acting as an external evaluator independent of both the executing agency and the Bank (independent verifier), in accordance with the verification protocols included in the monitoring and evaluation plan and the program Operating Regulations. This firm or individual will submit an outcome verification report prior to each disbursement request. The verifying firm or consultant will be hired pursuant to the terms of reference

previously agreed with the Bank and in accordance with the Bank's policies for the selection and contracting of consultants (document GN-2350-15).

- 3.4 **Special contractual conditions precedent to the first disbursement of the financing.** Prior to the first disbursement of the loan proceeds, the borrower will present evidence that: (i) the program Operating Regulations have been approved and entered into effect, in accordance with the terms previously agreed upon with the Bank; and (ii) an independent verification consultant or firm has been engaged for the external verification of the results corresponding to the disbursement-linked indicators, in accordance with the terms of reference previously agreed upon with the Bank. Condition (i) 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 to ensure the program's successful execution. Condition (ii) is necessary in order to ensure that the outcomes associated with the DLIs 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 **Fiduciary agreements and requirements.** Annex III sets out the financial management and procurement execution guidelines that will be applicable to the program. The executing agency's procurement systems will be used for program execution, in accordance with the requirements established for an LBR (document GN-2869-10). Procurement will be carried out directly by the PBA and will be governed by the executing agency's policies and systems, and validated by the Bank. The hiring of the entity (firm, organization, or individual expert) responsible for verifying the results will be conducted in accordance with the provisions set out in paragraphs 1.5 and 2.14 of document GN-2869-3, and pursuant to the procedures established in the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-15).
- 3.6 **Disbursements.** Disbursements will be processed according to the following procedure: (i) the DPOMyFB will produce a progress report on program execution and on the results indicators to be used for disbursements, as mentioned in paragraph 1.27, and will submit this report for external verification of the outcomes, which will analyze their achievement based on the protocols established in the program Operating Regulations ([optional link 7](#)); (ii) independent external evaluators will verify whether the DLIs have been achieved in accordance with the objectives stated in the previous paragraph and within the time frames set out in the terms of reference; and (iii) once this verification is complete, the DPOMyFB will submit the corresponding disbursement request and the Bank will, following the standard procedures and times, disburse into the account specified by the borrower the amount corresponding to each indicator, if and only if the external verification determines that the value of the indicator in question is equal to or greater than the established target. If that indicator is lower, the disbursement will be proportional to the target reached. Unused balances can be reprogrammed to subsequent disbursements. If, after the loan eligibility period has closed, the executing agency achieves independently verified outcomes 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.

- 3.7 **Retroactive financing for previous results and the initial disbursement.** The program will provide up to US\$22,500,000 (15% of the loan amount) in retroactive financing, to be drawn from the loan proceeds, for outcomes achieved before the determination of eligibility and after preparation of the loan has begun, which will be subject to an independent external evaluation by the independent evaluator (corresponding to the first disbursement). This retroactive financing will apply to outcomes achieved between the project profile approval date (21 December 2022) and the date the loan is declared eligible. In addition, an initial disbursement of up to US\$ US\$22,500,000 (15% of the loan amount) can be made to cover financing needs for achieving more immediate specific development outcomes, once the loan has been declared eligible for disbursements. This initial disbursement will be deducted from the final disbursement of the loan.
- 3.8 The combined amount of the initial disbursement and retroactive financing will not exceed 30% of the total loan amount, in accordance with paragraph 5.25 of the LBR policy (document GN-2869-10). The amount to be disbursed for outcomes achieved before the determination of eligibility and initial disbursement will be linked to DLIs 1.1, 2.1, y 3.1, and will be used to finance the outputs described in [optional link 8](#).
- 3.9 **Financial audits.** The borrower will submit annual audited financial reports for the program to the Bank no more than 120 days after the close of the executing agency's fiscal year. Final audited financial reports are to be submitted within 120 days after the date of the last program disbursement and will include an analysis of any differences between actual program costs and the amounts disbursed. The external program audit will be performed by an independent auditing firm eligible to audit Bank-financed operations, selected and contracted pursuant to the terms of reference and model contract previously agreed on with the Bank, or by the General Accounting Office of the Province of Buenos Aires, also contracted under terms of reference previously agreed on with the Bank.
- 3.10 **Program Operating Regulations.** The program Operating Regulations ([optional link 7](#)) will detail the execution strategy for the operation, including: (i) the program's organizational structure; (ii) the technical, operational, and fiduciary arrangements for its execution; (iii) the outcome programming, monitoring, and evaluation mechanism; (iv) results and products matrix; (v) matrix of DLIs; (vi) criteria for external verification of program outcomes associated with the DLIs; and (vii) terms of reference for contracting the independent verifier and the financial audit. These regulations will also include the coordination mechanisms between the executing agency and the subexecuting agencies, and the commitments of the latter related to the provision of information for monitoring, evaluation, and verification of outcomes, and the availability of the program files in the event of audits.

B. Summary of arrangements for monitoring results

- 3.11 **Monitoring.** The program will adopt the Bank's supervision mechanisms. The program monitoring plan will include: (i) at least two meetings per year for the technical and operational review of program progress (including a risk analysis update); (ii) semiannual reports on program performance, according to the agreed results matrix (Annex II); and (iii) the use of management tools referred to in the

monitoring and evaluation plan ([required link 2](#)) and agreed on at the kickoff and planning workshop ([optional link 7](#)).

- 3.12 **Evaluation.** The program provides for a midterm and final evaluation, and a project completion report, which includes technical, administrative, and financial aspects of the program, as well as an ex post cost-benefit analysis. The midterm evaluation will be conducted once 18 months have lapsed since the loan contract entered into effect. The main objectives of this evaluation will be to review the progress of the activities programmed as of that time, any deviations that have taken place, their causes, and to propose corrective measures; as well as to verify the midterm outputs generated, the occurrence of the risks foreseen in the corresponding matrix, and the application of measure to mitigate them. The final evaluation will be conducted when 90% of the loan proceeds have been disbursed and its objective will be to verify the progress made toward meeting the expected targets and the generation of outputs by component. The Bank will prepare a project completion report. This report will be approved within 180 days after the close of program operations, and will be based on the executing agency's semiannual progress reports, progress monitoring reports, and the results matrix (Annex II). In addition, exploratory studies will be carried out using descriptive methodologies to shed light on other potential results of the program ([required link 2](#)).
- 3.13 **Impact evaluation.** An impact evaluation based on the differences-in-differences methodology will be conducted to determine the causal effects of the intervention. To that end, an evaluation of the combined effect of students' access to computers for personal use and digital skills training for teachers is proposed, with respect to the digital inclusion of the students. This evaluation is expected to yield evidence for public policy recommendations to improve the decision-making process and to make any adjustments to the implementation of digital skills training ([required link 2](#)).

Development Effectiveness Matrix		
Summary		AR-L1367
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Issues	-Social Inclusion and Equality -Productivity and Innovation -Gender Equality and Diversity -Climate Change	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	-Students benefited by education projects (#)	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-3051	1.4 Move forward on greater inclusion, quality, and retention in the education system
Country Program Results Matrix	GN-3154-1	The Operation is included in 2023 Operational Program
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		10.0
3.1 Program Diagnosis		2.5
3.2 Proposed Interventions or Solutions		3.5
3.3 Results Matrix Quality		4.0
4. Ex ante Economic Analysis		7.5
4.1 Program has an ERR/NPV, or key outcomes identified for CEA		1.5
4.2 Identified and Quantified Benefits and Costs		3.0
4.3 Reasonable Assumptions		0.0
4.4 Sensitivity Analysis		2.0
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 Low
Environmental & social risk classification		C
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.
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		

Evaluability Assessment Note:

The general objective is to contribute to strengthening the educational trajectories of boys, girls, teenagers and young adults (up to 21 years old) in the province of Buenos Aires. The specific objectives are: (i) improve the access to educational opportunities for students in vulnerable contexts; (ii) improve the access to healthy school meals for students in state-run Mandatory Education; and (iii) improve the digital inclusion of secondary level students in state-run educational institutions. The operation is structured into three components, one for each SO.

The diagnosis is adequate, with a well-identified problem and clear determinants. The results matrix exhibits a vertical logic with clear specific objectives, and SMART indicators that allow monitoring and evaluating the objectives. The economic analysis of the program is based in a Cost-Benefit Analysis (CBA) that measured 3 types of benefits: (i) earnings derived from reinsertion and/or retention in the educational system, (ii) earnings derived from delivering notebooks to secondary students, and (iii) earnings from teacher training. The estimated IRR is between 13.4%-16.3% and the NPV is US\$54.03 million under the baseline scenario.

The program has a Monitoring and Evaluation Plan that specifies: (i) the evaluation questions; (ii) the methodologies for measuring the indicators, including the LBR disbursement indicators; and (iii) the data sources and verification protocols, as well as the M&E budget. The Evaluation Plan proposes a quasi-experimental evaluation to measure the causal effect of the operation on the digital inclusion indicator through a differences-in-differences identification strategy, building a control group with the cohort of students who will not receive notebooks and collecting information in three points of time for both the treatment and control groups to validate the assumption of parallel trends and include additional baseline controls. The Evaluation Plan also proposes a Before and After methodology to measure the theoretical contribution of the operation to the results achieved at closure.

RESULTS MATRIX

PROGRAM OBJECTIVE:	The program's general objective is to help strengthen the educational trajectories of girls, boys, adolescents, and young people in the Province of Buenos Aires (PBA). Its specific objectives are to: (i) increase access to educational opportunities for girls, boys, adolescents, and young people in vulnerable circumstances; (ii) expand access to healthy food for students enrolled in compulsory education at State-run schools; and (iii) improve the digital inclusion of secondary education students at State-run schools.
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GENERAL DEVELOPMENT OBJECTIVE

Indicator	Unit of measure	Baseline	Expected year achieved	Target	Means of verification	Comments
GENERAL DEVELOPMENT OBJECTIVE: Help strengthen the educational trajectories of girls, boys, adolescents, and young people in the PBA						
Gap between the attendance rate at beneficiary primary schools and those located outside informal urban settlements	Percentage points (pp)	3 pp *	2025	0.50 pp (1/6 of the baseline)	Program monitoring report, based on the digital attendance registry	The calculation of the indicators is based on PBA administrative data. The 2025 values will be processed with the databases as of 31 March 2026.
Gap between the annual retention rate at beneficiary secondary schools and those located outside informal urban settlements	Percentage points	0.48 pp *	2025	0.24 pp (50% of the baseline)	Program monitoring report, based on the Digital Bulletin System	
Gap between the annual promotion rate at beneficiary secondary schools and those located outside informal urban settlements	Percentage points	3.30 pp *	2025	2.30 pp (70% of the baseline)	Program monitoring report, based on the Digital Bulletin System	

* Baseline values are estimated and will be updated at program startup. See the monitoring and evaluation plan for more information.

SPECIFIC DEVELOPMENT OBJECTIVES

Indicator	Unit of measure	Baseline	Year 1	Year 2	Year 3	End of program ¹	Means of verification	Disbursement indicator (yes/no)	Comments
SPECIFIC DEVELOPMENT INDICATOR 1: Increase access to educational opportunities for girls, boys, adolescents, and young people in vulnerable contexts									
(R1.1) Girls, boys, adolescents, and young people ages 4 through 21 enrolled in an Socioeducational and Community Center (SCC)	Number de Girls, boys, adolescents, and young people	0	9,750	16,250	0	16,250	Independent verification of results report	Yes	Enrollment is verified against the SCC monitoring system report at the close of the quarter immediately prior to verification. See monitoring and evaluation plan.
(R1.2) Girls, boys, adolescents, and young people ages 4 through 21 receiving sustained support from an SCC	Number de Girls, boys, adolescents, and young people	0	4,800	10,500	0	10,500	Program monitoring report	No	Verification of sustained support is based on the existence of, at minimum, bimonthly records in the monitoring system. See monitoring and evaluation plan.
(R1.3) Community Education Coordination Boards (CECBs) up and running.	Number de CECBs	0	150	250	0	250	Program monitoring report	No	CECBs are considered to be up and running based on meeting minutes of, at minimum, bimonthly meetings between the institutional team of an SCC and the management teams of the member schools. See monitoring and evaluation plan.
(R1.4) Persons working at SCCs trained in comprehensive sex education (CSE).	Percentage of persons	0	50%	60%	70%	70%	Program monitoring report	No	The term trained refers to people who have attended at least 80% of the training modules of comprehensive sex education, ² which specifically prioritize gender considerations.

¹ Targets refer to the minimum expected values, rather than the maximum expected values.

² The training itinerary is in preparation and is expected to be structured into three core areas: (i) conceptual and regulatory framework of comprehensive sex education, (ii) pedagogical approach to comprehensive sex education in educational spaces and in the classroom; and (iii) identification of and attention to risk situations and/or rights violations.

Indicator	Unit of measure	Baseline	Year 1	Year 2	Year 3	End of program ¹	Means of verification	Disbursement indicator (yes/no)	Comments
SPECIFIC DEVELOPMENT INDICATOR 2: Expand access to healthy food for compulsory education students at State-run schools									
(R2.1) Students who have received School Feeding Service (SAE) lunches in cafeterias of State-run schools	Number de students	750,000	850,000	900,000	950,000	950,000	Independent verification of results report	Yes	Lunch service consists of a meal (main course, dessert, and water) per school day. The baseline is the annual average (March-November 2022) of students who receive school lunches.
(R2.2) School districts whose SAE menus comply with at least 5 of the 8 attributes of the Nutritional Quality Index (NQI)	Percentage of school districts	50%	60%	70%	70%	70%	Program monitoring report	No	The percentage of school districts is calculated as the total SAE beneficiary school districts in the PBA. Compliance with NQI attributes is measured against the menus submitted to the Ministry of Community Development.
SPECIFIC DEVELOPMENT INDICATOR 3: Improve the digital inclusion of secondary education students at State-run schools									
(R3.1) Students in the last three years (<i>ciclo orientado</i>) of State-run secondary schools with access to digital devices for personal use	Number of students	0	55,000	65,000	80,000	200,000	Independent verification of results report	Yes	Access to personal-use digital devices (netbooks) is verified against the registration of the serial numbers of the netbooks which are registered by the student using an online form.
(R3.2) Beneficiary students in the last three years (<i>ciclo orientado</i>) of secondary school who use digital devices for personal use at least once a month at school	Percentage of students	0	60%	75%	75%	75%	Program monitoring report	No	The percentage of students is calculated based on the number who receive digital devices for personal use in schools with technology infrastructure and support platforms (<i>piso tecnológico</i>).
(R3.3) Teachers who complete training modules in digital skills development for the classroom	Number of teachers	3,800	4,800	6,400	8,000	19,200	Program monitoring report	No	The completed training modules are verified against the completion certificates issued by the Office of Educational Technology See monitoring and evaluation plan.

MATRIX OF DISBURSEMENT INDICATORS

	Baseline	Year 1		Year 2		Year 3		End of program	
		Target	Associated amount	Target	Associated amount	Target	Associated amount	Target	Associated amount
Indicator 1.1. Girls, boys, adolescents, and young people ages 4 through 21 enrolled in an SCC.	0	0	0	9,750	10,045,000	16,250	4,040,000	16,250	14,085,000
Indicator 2.1. Students who have received SAE lunches in cafeterias of State-run schools	750,000	850,000	17,000,000	900,000	12,500,000	950,000	15,700,000	950,000	45,200,000
Indicator 3.1. Students in the last three years (<i>ciclo orientado</i>) of State-run secondary schools who have access to digital devices for personal use	0	55,000	24,955,000	65,000	29,495,000	80,000	36,265,000	200,000	90,715,000
Total			41,955,000		52,040,000		56,005,000		150,000,000

PROTOCOL FOR VERIFYING DISBURSEMENT INDICATORS

Disbursement indicator	Definition/estimation methodology	Means of verification	Verifying entity	Verification protocol
(R1.1) Girls, boys, adolescents, and young people ages 4 through 21 enrolled in SCCs.	Active enrollment at each SCC is taken into account. Girls, boys, adolescents, and young people who complete the enrollment process at the SCCs are considered enrolled, and were registered in the SCC monitoring system. And are considered actively enrolled when they attend at least one activity in the corresponding period.	Independent verification of results report	Independent consultant	<p>The verifier will analyze the automated active enrollment list report (by each SCC and age range) issued by the SCC monitoring system at the close of the month prior to verification. In the event that the verification is to be performed outside the school year, the SCC monitoring report list issued at the close of the previous school year will be used.</p> <p>The enrollment verification list must include the date of each student's enrollment and: (i) the list of SCCs that are up and running; and (ii) the list of schools associated with each SCC (those participating on the CECBs).</p> <p>For the purpose of verifying disbursement milestones, beneficiary girls, boys, adolescents, and young people will be considered actively enrolled provided that they are attending SCCs that have been operating for at least one year.</p> <p>Targets refer to the minimum expected values, rather than the maximum expected values. See the program Operating Regulations for more information about the verification protocol.</p>
(R2.1) Students who have received SAE lunches in State-run schools	The number of students who are considered to have received school lunches is that listed in the financial reports of the executing agencies (school or municipal boards).	Independent verification of results report	Independent consultant	<p>The verifier will analyze the manual SAE school lunch coverage report, by school district and by school, issued by the Ministry of Community Development, along with a sample of the rendiciones remitidas submitted by the executing agencies each month (known internally as Annex X). The verifier will cross-reference the SAE school lunch coverage figures against the active enrollment figures at the corresponding schools. In the event that the Institutional Registry of Educational Trajectories (RITE) continues to apply to directors, the figures will also be compared to the RITE declarations of SAE school lunch beneficiaries by school.</p> <p>The baseline of the indicators corresponds to average for the school year (March-November 2022).</p> <p>For the purpose of verifying disbursement milestones, in order to determine the moment that the target is met, the average of the students who benefited from school lunch service for at least six-months will be considered. The beginning of service period corresponds to the beginning of the academic year (March). Consequently, the measurement should consider the average from March-August, March-September, etc., to determine the moment it was met.</p> <p>Targets refer to the minimum expected values, rather than the maximum expected values. See the program Operating Regulations for more information about the verification protocol.</p>

Disbursement indicator	Definition/estimation methodology	Means of verification	Verifying entity	Verification protocol
(R3.1) Students in the last three years (<i>ciclo orientado</i>) of State-run secondary schools who have access to digital devices for personal use.	Students who complete the “ <i>Alta de Mi Máquina</i> ” release form are considered to have access to digital devices for personal use	Independent verification of results report.	Independent consultant	<p>The verifier will cross-reference the following four sources of information: (i) report issued by the Office of Educational Technology (DTE) confirming students’ receipt of a digital device (verified by the signature of the corresponding adult) by school and school district; (ii) DTE report indicating the number of digital devices for which a release form has been completed; (iii) DTE report on awareness raising workshops completed in the sections of students who receive digital devices; and (iv) database of students enrolled in the last three years (<i>ciclo orientado</i>) of State-run secondary schools.</p> <p>For the purpose of verifying the disbursement milestone, students who completed the awareness-raising workshops and had access to a digital device for at least three months were considered.</p> <p>Targets refer to the minimum expected values, rather than the maximum expected values. See the program Operating Regulations for more information about the verification protocol.</p>

Country: Argentina

Division: EDU

Operation: AR-L1367

Year: 2023

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Executing agency: Ministry of Finance of the Province of Buenos Aires

Operation name: Program to Strengthen Educational Trajectories in the Province of Buenos Aires

I. FIDUCIARY CONTEXT OF THE EXECUTING AGENCIES

1. Use of country systems in the operation¹

<input checked="" type="checkbox"/> Budget	<input checked="" type="checkbox"/> Reports	<input checked="" type="checkbox"/> Information system	<input checked="" type="checkbox"/> National competitive bidding (NCB)
<input checked="" type="checkbox"/> Treasury	<input checked="" type="checkbox"/> Internal audit	<input type="checkbox"/> Shopping	<input checked="" type="checkbox"/> Other
<input checked="" type="checkbox"/> Accounting	<input checked="" type="checkbox"/> External control	<input type="checkbox"/> Individual consultants	<input type="checkbox"/> Other

2. Fiduciary execution mechanism

<input checked="" type="checkbox"/>	Co-executing agencies/ subexecuting agencies	The program executing agency will coordinate with the following subexecuting agencies: the Bureau of Culture and Education for Component 1; the Ministry of Community Development for Component 2; and the Cabinet Office and Bureau of Culture and Education for Component 3. The executing agency and subexecuting agencies will be responsible for procurement and technical actions associated with the indicators for which they are responsible.
<input checked="" type="checkbox"/>	Specific features of fiduciary execution	This is an individual operation structured as a loan based on results (LBR). As such, the executing agency's own procurement and contracting systems will be used. The loan proceeds will be disbursed based on the fulfillment of verified results (intermediate results and products) attributable to the program and specified in the results matrix. The program executing agency will be the borrower, acting through the Ministry of Finance of the PBA, which is responsible for ensuring that the program indicators are fulfilled with the Bank, and for the program's financial management, in coordination with the subexecuting agencies.

¹ Any system or subsystem that is subsequently approved may be applicable to the operation, in accordance with the terms of validation by the Bank.

3. Fiduciary capacity

Fiduciary capacity of the executing agency	In compliance with paragraphs 5.11, 5.12, and sections E and F of the Proposal to Establish the Bank's Sovereign Guaranteed Loan Based on Results (document GN-2869-10), the Bank applied the Institutional Capacity Assessment Platform (ICAP) and updated its analysis of the country procurement system based on the Methodology for Assessing Procurement Systems (MAPS) of the Organisation for Economic Co-operation and Development. The findings of the different assessments show that the fiduciary systems of the Ministry of Finance of the Province of Buenos Aires (PBA) and the subexecuting agencies have sufficiently developed fiduciary systems to ensure program execution and to achieve the expected results. The level of fiduciary risk is therefore low. Nevertheless, it is recommended that the executing agency and subexecuting agencies define actions in the program Operating Regulations that will enable them to ensure the proper execution, supervision, and oversight of program results, as well as to continue implementation of strengthening measures, as described in the MAPS report.
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4. Fiduciary risks and risk response

Risk taxonomy	Risk	Risk level	Risk Response
Financial-economic environment	An unexpected increase in the dollar-denominated cost of vehicles, mobile classrooms, food, digital devices, and other materials could affect the scope and/or quality of some program interventions.	Medium-low	The Bank and executing agency will hold monthly monitoring meetings.
Internal processes	Failures of interagency coordination mechanisms at the technical level and in program financial management could delay the verification of results by component and may adversely impact the adequate yield of the investments made and the reimbursement processes.	Medium-low	The governance mechanism applicable to program financial management, specifically, as it relates to expenditures and the fulfillment of indicators, will be formalized in the program Operating Regulations. The mechanisms used to ensure internal control will also be included in the program Operating Regulations.

5. Policies and guidelines applicable to the operation: For program financial management, the Financial Management Guidelines for IDB-financed Projects (documents GN-2811 and OP-273-12) will apply.

As this operation involves an LBR, the executing agency's own procurement and contracting systems will be used.

II. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF THE LOAN CONTRACT

Conditions precedent to the first disbursement: not applicable
Exchange rate: For purposes of Article 4.10 of the General Conditions, the parties agree that the applicable exchange rate will be as indicated in paragraph (b)(ii) of this article. Accordingly, the agreed upon exchange rate will be the one in effect on the day when the borrower, executing agency, or any other individual or legal entity delegated the authority to incur expenses makes the respective payments to a contractor, supplier, or beneficiary.
Type of audit: The program's annual audited financial reports will be presented to the Bank within no more than 120 days following the close of each fiscal year of the executing agency, duly audited by an independent auditing firm acceptable to the Bank or by the Office of the Auditor General. The final audited financial reports will be presented within 120 days following the date of the program's last disbursement.
Retroactive financing of results. The program provides for the financing of previously achieved outcomes at a rate of 15% (US\$22.5 million) of the loan amount. This financing will be applied to the outcomes achieved between the project profile approval date and the loan eligibility date. Disbursements against previous results will be subject to an independent external verification of those results.

III. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

<input checked="" type="checkbox"/>	Use of country systems	As an LBR, the procurement and contracting systems of the executing agency will be used.
<input checked="" type="checkbox"/>	Bidding documents	The procurement of goods, works, and nonconsulting services will be executed in accordance with applicable local and national legislation. The program sector specialist will be responsible for reviewing the technical specifications and terms of reference for procurements during the preparation of selection processes. This technical review may be done on an ex ante basis and is independent of the procurement review method.
<input checked="" type="checkbox"/>	Records and files	The executing agency will be accountable for maintaining the original procurement, contracting, and financial management files for which it is responsible in the framework of program execution.

IV. FINANCIAL MANAGEMENT AGREEMENTS AND REQUIREMENTS

☒	Programming and budget	<p>The executing agency and subexecuting agencies are responsible for formulating and programming the annual budget, and for carrying out all processes conducive to consolidating the annual budget for approval. The budget of the executing agency and those of the subexecuting agencies have programmatic categories and other classifications by type of expenditure, such as personnel, consumer goods, nonpersonnel services, fixed assets, transfers, debt service and reduction of other liabilities, other expenses, and representational expenses. As needs arise to increase or reallocate line items, the execution unit will request the modifications and be in charge of managing their approval. The budget allocation should be made in advance to ensure that the operation is executed within the established time frame.</p>
☒	Treasury and disbursement management	<p>Bank accounts. The executing agency will advise the Bank of the dollar-denominated account in which program disbursements are to be deposited. The Provincial Directorate of Multilateral Agencies and Bilateral Financing (DPOMyFB) will manage and control the bank accounts opened in dollars and in local currency exclusively for the separate management of loan proceeds, as well as the bank reconciliation of those accounts. The payments will be made with local funds through the Office of the Treasury of the PBA and, subsequently, disbursements will be managed based on the fulfillment of results.</p> <p>Financial plan. No financial plan is required for the management of program disbursements. The disbursements will be made as established in the matrix of results indicators for disbursements agreed with the Bank, and the liquidity needs identified at the time of the initial disbursement under the advance of funds modality.</p> <p>Disbursement methods. As an LBR operation, the Bank will issue disbursements in the form of reimbursements, 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.</p>
☒	Accounting, information systems, and reporting	<p>Steps should be taken to ensure that income and expenditure associated with the program can be monitored using the country's accounting systems. The executing agency may utilize the System of Executing Units of External Loans (UEPEX) as the financial administration system, which will help identify the funds corresponding to the program and the sources of financing. The UEPEX assigns program investments by component from the cost table. Accounts will be recorded on a cash basis, following the International Financial Reporting Standards as applicable, in accordance with established national criteria.</p>

☒	Internal control and internal audit	<p>The General Accounting Office of the PBA (CGPBA) is in charge of controlling and properly recording public expenditures. It intervenes before each contract is awarded and compares the budget execution against the authorized budget and the approved modifications.</p> <p>The executing agency has satisfactory internal control mechanisms for financial resource management, which are verified by the CGPBA and the Honorable Audit Office of the PBA (HTCPBA).</p>
☒	External control and financial reports	<p>External audit of the program may be conducted by an independent auditing firm eligible to audit Bank-financed operations, selected and contracted under the terms of reference and contract model previously agreed upon with the Bank or the Audit Office of the PBA. The operation's audited (and final) annual financial reports will show the total cost incurred in achieving the results of the program and the total amount disbursed.</p>
☒	Financial supervision of the operation	<p>The financial supervision plan will be based on the risk evaluations and fiduciary capacity assessments of the executing agency and will include supervision visits comprising physical inspections and desk reviews, as well as monitoring and analysis of the findings and recommendations of the audits of the annual financial reports for the program.</p>