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ARGENTINA

CONDITIONAL CREDIT LINE FOR INVESTMENT PROJECTS (CCLIP)
PROGRAM FOR INTEGRATION OF THE ARGENTINE HEALTH SYSTEM

(AR-O0021)

FIRST INDIVIDUAL OPERATION OF THE PROGRAM FOR INTEGRATION OF THE ARGENTINE HEALTH SYSTEM
(AR-L1358)

LOAN PROPOSAL

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ABBREVIATIONS

CCLIP	Conditional credit line for investment projects
DGPFE	Dirección General de Proyectos con Financiamiento Externo [Directorate General of Projects with External Financing]
DLI	Disbursement-linked indicator
DM2	Diabetes Mellitus type 2
DNFSP	Dirección Nacional de Fortalecimiento de los Sistemas Provinciales [National Directorate to Strengthen Provincial Systems]
HPV	Human papilloma virus
ICAP	Institutional Capacity Assessment Platform
LBR	Loan based on results
LGBTI+	Lesbian, Gay, Bisexual, Trans, Intersex, and others
MSN	National Ministry of Health
PAISS	Plan Argentino Integral de Servicios de Salud [Comprehensive Argentinian Health Services Plan]
PCR	Project completion report
PHCF	Primary health care facility
PYLL	Potential years of life lost
RISS	Redes Integradas de Servicios de Salud [Integrated Health Services Networks]

PROJECT SUMMARY

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PROGRAM FOR INTEGRATION OF THE ARGENTINE HEALTH SYSTEM (AR-O0021)
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<table>
<tr><th colspan="6">Financial terms and conditions</th></tr>
<tr><td colspan="3" rowspan="2">Borrower: Argentine Republic</td><td colspan="3">Flexible Financing Facility[a]</td></tr>
<tr><td colspan="2">Amortization period:</td><td>25 years</td></tr>
<tr><td colspan="3" rowspan="2">Executing agency: The borrower through the National Ministry of Health</td><td colspan="2">Disbursement period:</td><td>3 years</td></tr>
<tr><td colspan="2">Grace period:</td><td>5.5 years[b]</td></tr>
<tr><td>Source</td><td>CCLIP (US$ millions)</td><td>First operation (US$ millions)</td><td>%</td><td colspan="2">Interest rate:</td><td>SOFR-based</td></tr>
<tr><td rowspan="2">IDB Ordinary Capital):</td><td rowspan="2">600</td><td rowspan="2">200</td><td rowspan="2">100</td><td colspan="2">Credit fee:</td><td>[c]</td></tr>
<tr><td colspan="2">Inspection and supervision fee:</td><td>[c]</td></tr>
<tr><td>Total:</td><td>600</td><td>200</td><td>100</td><td colspan="2">Weighted average life:</td><td>15.25 years</td></tr>
<tr><td colspan="4"></td><td colspan="2">Currency of approval:</td><td>U.S. dollar</td></tr>
<tr><th colspan="6">Project at a glance</th></tr>
<tr><td colspan="6">CCLIP objective: The general development objective of the CCLIP is to help reduce premature mortality and close the gaps between Argentine jurisdictions.
Objective of the first individual operation: The general development objective of the first individual operation is to help reduce premature mortality and close the gaps between Argentine jurisdictions in the priority lines of care. The specific development objective is to increase effective access to diagnostic and treatment services by the population that only has public coverage in the prioritized lines of care.</td></tr>
<tr><td colspan="6">Special contractual conditions precedent to the first disbursement of the financing: The borrower, through the executing agency, will submit evidence of: (i) the approval and entry into force of the program Operating Regulations under the terms and conditions agreed upon in advance with the Bank; and (ii) the contracting of an independent auditor to verify program results, in accordance with terms of reference agreed upon in advance with the Bank (paragraph 3.10).</td></tr>
<tr><td colspan="6">Exceptions to Bank policies: None.</td></tr>
<tr><th colspan="6">Strategic alignment</th></tr>
<tr><td colspan="2">Challenges:[d]</td><td colspan="2">SI ☒</td><td colspan="2">PI ☐</td><td>EI ☐</td></tr>
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(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 protection 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 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 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 (Socioenvironmental Sustainability); and IC (Institutional Capacity and Rule of Law).

I. Project Description and Results Monitoring

A. Background, problem addressed, and rationale

1.1 **Development problem.** Argentina invests more than 10% of its GDP in health care, which is one of the highest levels in Latin America and the Caribbean.[1] However, it obtains poorer health results than would be expected for this level of investment and per capital income.[1] According to estimates by the Institute for Health Metrics and Evaluation, in 2019 Argentina attained just 61% of potential health improvements achievable by an effective universal health care system.[2] As well, the Argentine health system is marked by wide disparities in health outcomes in the different jurisdictions. These disparities are apparent, for example, in the impact of chronic diseases, which are the leading cause of death, premature death, and disability in the country.[3] Estimates by the National Ministry of Health (MSN) for 2020 found that in some northern Argentinian provinces, the number of potential years of life lost (PYLL) caused by the most prevalent chronic diseases[3] was double the national average.

1.2 **Factors that determine the effectiveness of health spending.** Although everyone living in Argentina has health insurance under some subsystem (social security, private, or public only),[4] actual access to services, i.e. timely, continuous, comprehensive, reliable, and quality access, is far from universal and, once again, presents wide disparities depending on location and subsystem. Access to screening, detection, and treatment of chronic diseases underlines this challenge. Table 1 presents basic indicators for the prevalence and effective coverage of screening and treatment for the lines of care prioritized in this project on the national level for the population with only public system coverage and for the province (jurisdiction) with the poorest performance according to the 2018 Fourth National Risk Factors Survey. Compared to the population as a whole, the population with only public system coverage has a higher prevalence of hypertension, hyperglycemia (high blood glucose), and high cholesterol, as well as lower levels of screening and effective access to treatment for those conditions. Moreover, public coverage has lower levels of screening for cervical cancer and a higher prevalence of mental disorders, such as anxiety and depression.

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1 According to a study by the Inter-American Development Bank (IDB), [2] with the current level of investment in health, life expectancy from birth in Argentina ought to be 4.6 years higher.

2 The methodological details on the construction of the effective universal coverage index can be consulted at https://doi.org/10.1016/S0140-6736(20)30750-9.

3 Hypertension, diabetes, and cervical cancer.

4 Estimates by the Congressional Budget Office [4] suggest that 36% of the population have public coverage.

Table 1. Prevalence and effective access to screening and treatment in selected lines of care[5]

Disease	Indicators on tracking, prevalence, or treatment	Nationally			Population with only public system coverage			Jurisdiction with the poorest performance or highest prevalence		
		Total	Men	Women	Total	Men	Women	Total	Men	Women
Hypertension	Had blood pressure taken in the last 2 years	85.2	82.7	87.4	74.2	69.2	79.0	75.9	71.6	79.8
	Prevalence of high blood pressure	46.3	55.7	38.6	39.4	52.4	28.9	53.4	-	-
	Treatment in the last two weeks to control high blood pressure	52.6	53.7	51.6	30.0	31.9	28.7	38.2	-	-
Cholesterol	Cholesterol measured at some point	82.9	78.0	89.0	64.1	58.2	75.2	65.9	58.8	75.4
	Prevalence of high cholesterol	38.8	35.7	40.9	39.6	36.9	41.3	52.7	-	-
	Treatment in the last two weeks to control cholesterol	45.5	46.4	44.7	30.9	33.3	29.0	28.3	-	-
Hyperglycemia	Blood glucose measured at some point	82.2	78.0	85.9	68.4	61.7	74.6	61.8	55.4	64.6
	Prevalence of hyperglycemia	11.0	12.2	10.0	10.4	11.8	9.3	18.2	-	-
	Treatment in the last two weeks to control diabetes/blood sugar	52.6	59.3	47.4	41.9	54.2	33.8	32.7	-	-
Mental health	Anxiety and/or depression	18.4	16.0	20.6	20.4	18.1	22.5	25.2	22.9	30.0
Cervical cancer	PAP test in the last 2 years	-	-	62.4	-	-	57.2	-	-	36.9

[5] The methodological details for these estimates can be consulted in the Informe de la 4ª Encuesta Nacional de Factores de Riesgo.

1.3 There are evidence-based recommendations on how to increase effective access to services to prevent or delay the onset of chronic diseases and how to cost-effectively treat people suffering from them.[5] These recommendations suggest organizing a model that focuses on primary care through the Redes Integradas de Servicios de Salud [integrated health services networks] (RISS). The primary care approach requires first level services that are not clinically complex and can be broadly deployed around the country to act as the "gateway" to the health care system. These services should attract the population for preventive or curative care, resolve most consultations on this level, [6] [22] and refer more medically complex cases to higher levels of the system and, later, for counter-referral to the primary level for follow-up, once the complex problems have been resolved. This promotes the rational use of more specialized and expensive medical staff and makes timely, personalized, and ongoing treatment feasible. Operation of the RISS requires alignment of medical procedures at the different points in the treatment process and complete patient information all along the line of care.

1.4 **Reasons for differences in effective access to health services.** Implementation of these recommendations faces at least three difficulties in Argentina. First, its health system is very fragmented. As mentioned earlier, three health insurance subsystems coexist that overlap financially and in the population they serve and, above all, offer differing guarantees of services, even within the public subsystem. This suggests that the timeliness and quality of care received by individuals depends on the subsystem and the jurisdiction where they are registered. At the same time, the management and financing of public health services is basically the responsibility of subnational institutions, which means financing is dependent on the financial capacity of the jurisdictions and results in territorial inequity.[7] Moreover, fragmentation is apparent between health providers and other public services with an impact on individual health, such as mechanisms to respond to consultations related to gender-based violence, an area where health providers lack standard identification, classification, and records mechanisms.

1.5 Second, a curative and specialized approach to the treatment of chronic diseases continues to prevail in the Argentine health system. This has favored disproportionate and inertial channeling of human and financial resources into the more complex levels at the expense of primary care, which reduces its capacity for successful outcomes and, hence, the demand for its services, when it should be the public's main point of contact with the health system.[8]

1.6 Third, a significant percentage of the population—particularly low-income groups that mainly have only public coverage—fail to make medical appointments for preventive purposes (wellness appointments) for timely identification of their risk levels. This is partly because of the perception that the services are low quality, but is also due to the lack of information among the public on the risk factors for chronic diseases and because these diseases are asymptomatic in the early stages, among other factors.[6] [9]

1.7 As a consequence of the COVID-19 pandemic, Argentina's health system is under even more pressure. Coping with the health emergency displaced, limited, and

[6] In addition, the field of behavioral economics points to "time-inconsistent preferences" that affect the prevention of chronic diseases and seeking timely care.[10]

postponed preventive care and treatment for a large number of patients with chronic diseases. This delay has led to long waiting lists and high unmet demand, which needs to be scaled. If the system tried to provide an immediate response to all these patients, its capacity would be overwhelmed.[11] Furthermore, the pandemic has exacerbated explicit and potential demand for attention to mental disorders, making it a health priority in Argentina and around the world.[12]

1. Argentine government policies and programs to promote effective access to health services

1.8 In a federal country where most financing and management of health services is the responsibility of jurisdictions and their municipios, the MSN has spent 20 years implementing programs to spur the 24 subnational jurisdictions to improve their health care based on clinical practice guidelines developed by the ministry and to organize their health services according to the RISS model, based on primary care. To guarantee access to essential inputs for primary care and reduce inequities in access on the provincial level, the MSN procures and distributes medications and other basic supplies—for example PAP tests—to all the country's primary health care facilities (PHCFs).

1.9 **The SUMAR program.** With financing from the World Bank, the MSN launched this program in 2003 under the name Plan Nacer, with the objective of promoting effective access to maternal and child health services by women with only public coverage, through a results-based financing mechanism. The program's financing structure consists of a per capita payment for each person visiting at least one health service per year and a payment based on production and results by the MSN to jurisdictions, which the jurisdictions transfer to their PHCFs and hospitals. Evaluations of Plan Nacer have demonstrated its effectiveness and cost-effectiveness in improving key maternal and child health indicators, such as low birth weight and neonatal mortality. From 2012 to 2015, services for adults were incorporated into the program, now known as SUMAR, including care for chronic diseases.

1.10 **REDES program.** With IDB financing, the REDES program was created in 2009 as a complementary strategy to Plan Nacer, with the aim of consolidating the RISS model in the public subsystem at the jurisdictional level.[7] REDES is a performance-based mechanism for financing provided by the MSN to the jurisdictional health ministries, based on the organization of their health services networks, to promote comprehensive and more efficient care by health service providers. REDES provides financial incentives and technical training to enable the jurisdictions to achieve health targets related to actively seeking out and identifying people with chronic diseases, and actions (milestones) related to consolidation of the RISS model—for example, implementation of mechanisms for care coordination.[8] This

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[7] REDES and REMEDIAR were supported by the Bank through four operations that have been completed: Primary health care reform (1193/OC-AR); Strengthening the primary health care strategy (1903/OC-AR); Multiphase primary health program to manage chronic noncommunicable diseases (2788/OC-AR); and Multiphase primary health program to manage chronic noncommunicable diseases (3772/OC-AR). REDES was established as a MSN platform to manage the COVID-19 pandemic, with IDB financing, through the Immediate Public Health Response Project in the context of the COVID-19 pandemic to contain, control, and mitigate its impact on health service delivery in Argentina (5032/OC-AR), in execution.

[8] Flowcharts of treatment for diabetes or referral and counter-referral for patients between the primary and secondary levels of care.

financing is mainly intended to be invested in strengthening primary care, through jurisdictional investment plans agreed upon by the MSN and the provincial ministries. Today, REDES is implemented in all the country's PHCFs, which are responsible for attending to everyone with public system coverage. Significant progress has been made toward its targets for identifying and monitoring people at cardiovascular risk.

1.11 **REMEDIAR program.** With financing from the IDB, REMEDIAR was launched in 2002 to promote effective access to essential medications in primary care for the population with only public coverage, including drugs to treat a series of chronic diseases. The program, operated by the MSN, makes centralized purchases of medications and other health supplies, which are distributed to the PHCFs, to be dispensed free of charge to their patients, who predominantly have only public coverage. REMEDIAR has proven to be effective in terms of reducing the costs of purchasing medications, promoting equity in access to essential drugs, and health impacts.

2. Argentine government's strategy to reduce fragmentation and increase the effectiveness of its health system

1.12 **Plan Argentino Integral de Servicios de Salud [Comprehensive Argentinian Health Services Plan] (PAISS)**. Around the world, plans to strengthen health services are becoming consolidated as one of the main strategies for responding to the health and health financing crises arising from or exacerbated by the pandemic.[13] In this area, the MSN and the Office of the Superintendent of Health Services are working to develop a new health benefits plan for Argentina, the PAISS, with technical support from the IDB through its Red CRITERIA. The plan is expected to become a key public policy tool for targeting available resources based on public needs and health policy targets, and to anchor the operational organization of services networks and the path toward integrating the health system's subsectors. The plan will be explicit, universal, and comprehensive, and will be evidence-based and targeted to the entire population, regardless of the type of insurance coverage they have. To move toward effective, equitable access, it is crucial to identify a minimum package of services that includes the prioritized lines of care, with sustainable financing mechanisms that take account of fiscal realities, budgetary possibilities, and social security contributions, in addition to clear updating and monitoring mechanisms.

3. Program strategy

1.13 The Argentine government has asked the IDB to approve a conditional credit line for investment projects (CCLIP) to promote jurisdictions' capacity to implement the PAISS. In individual operations under the CCLIP, the MSN proposes to gradually consolidate jurisdictions' delivery capacity, meeting evidence-based clinical guidelines and developing management tools on the national and jurisdictional levels to implement the PAISS effectively and efficiently.

1.14 Under the first individual operation, the MSN will provide technical assistance, performance-based financial incentives, and management tools to enable the jurisdictions to give priority to results related to screening and treatment for three lines of care under the PAISS (hereafter, the prioritized lines), selected based on the: (i) weight of the disease burden, inequity in access to services, severity of the health condition, and magnitude of the benefit the interventions generate in terms of years of life and quality of life: diabetes mellitus type 2 (DM2), hypertension, and

cervical cancer; and (ii) the availability of information systems that public health care providers can use to report health information to the MSN, and mechanisms for internal control of that information at the territorial level by the MSN, to monitor and evaluate attainment of program results through country systems.[9] The first operation under the CCLIP will also support implementation of a community mental health model, which organizes care progressively through the promotion of self-care, care at primary health care centers, care at community mental health services, psychiatric services in general hospitals and, in the last instance, at long-stay and specialized-service facilities. Evidence points to the effectiveness of this model compared to the traditional model of treatment of mental disorders based on specialized care and asylums.[14]

1.15 The financial incentives disbursed by the MSN to the jurisdictions under this first operation will be invested by those jurisdictions in strengthening their delivery capacity with emphasis on primary care, and on the integration of their information systems for clinical care—which are currently highly fragmented in the vast majority of jurisdictions—based on protocols for interoperability and standardization of a national electronic clinical history model to consolidate and unify patient health data. Subsequent operations under the CCLIP could deepen the results in the lines prioritized in the first operation or include new lines of care under the PAISS, together with outcome indicators that more fully reflect compliance with the care protocols.

1.16 **Theory of change**. Figure 1 summarizes the program's theory of change, which is discussed in detail in optional link 1.

1.17 **Beneficiaries.** The program will benefit the population with only public system coverage (20.5 million in 2022) in Argentina's 24 jurisdictions, 51% of whom are women.

1.18 **Gender and diversity gaps.**[10] Gender and diversity inequalities are also present in access to the health system and in the health status of men and women. As Table 1 illustrates, although nationally for the population with only public coverage there is a higher prevalence of hypertension and hyperglycemia among men, women are more prone to high cholesterol. It is striking that although more women receive screening for hypertension, hyperglycemia, and high cholesterol, women found to be suffering from those diseases have less effective access to treatment than men. There are no population-based studies that account for these differences. In addition, women suffer from anxiety and depression to a greater degree than men.

1.19 Different reports for Argentina point to major barriers in access to health services owing to discrimination and to the special health requirements of the LGBTI+ community. It has a higher prevalence of certain chronic diseases as a result of aggravated social determinants of health stemming from discrimination and violence against this group.[16][17][18][19] For this population, mental health problems are particularly acute. A 2013 study found that a group of 482 trans

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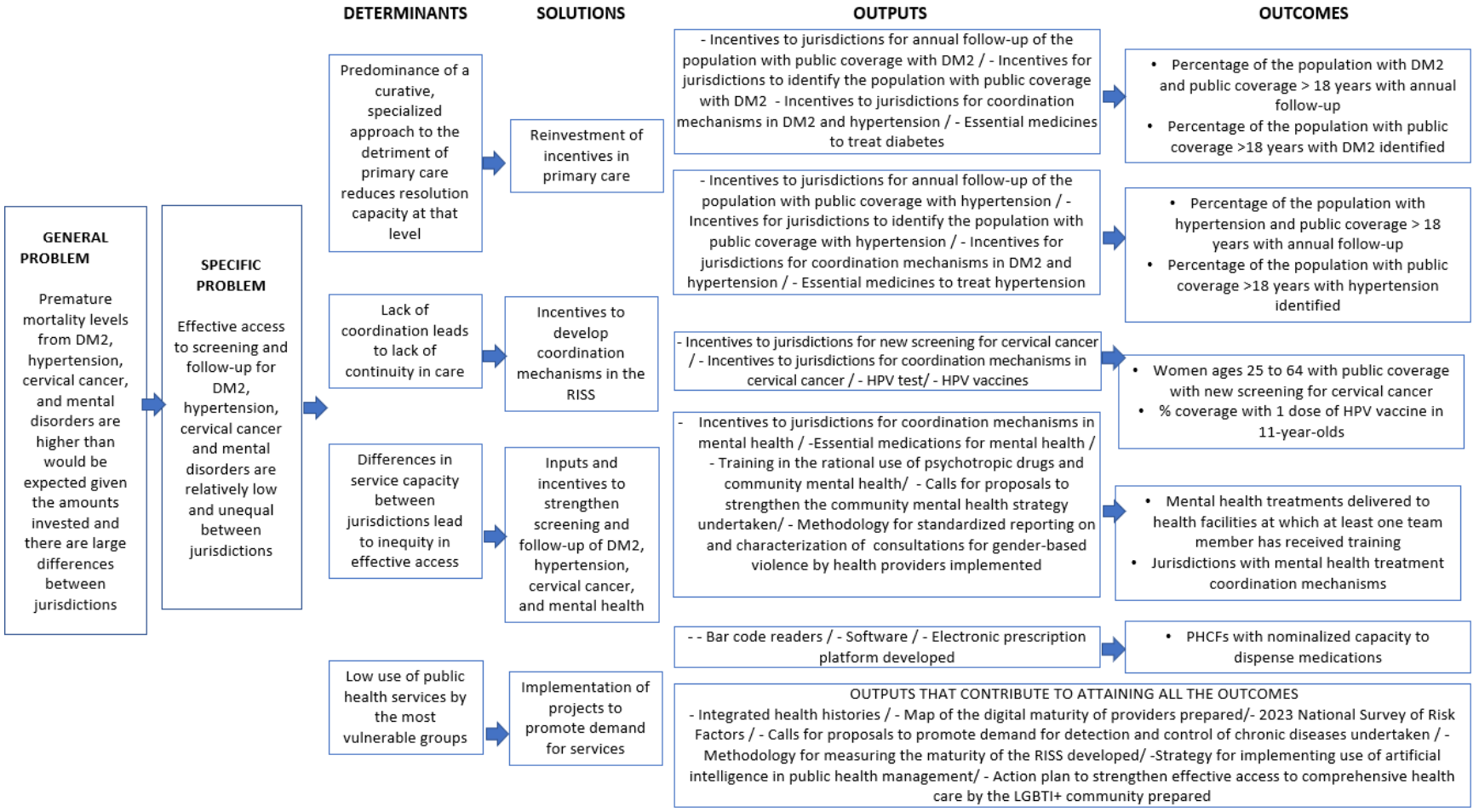
9 Both SUMAR and REDES perform external audits of compliance with the health targets at the jurisdictional level which, in recent years, have indicated a difference of less than 1% between the auditors' reports and the reports by the jurisdictions.

10 For a more detailed discussion of gender and diversity gaps, see optional link 3.

persons in Argentina experienced 10 times more suicide attempts (33%) than the general population.[20]

1.20 **Gender and diversity actions**. Component 2 of this first individual operation includes financing for a set of institutional capacity-building outputs intended to: (i) design a plan of action to strengthen access to health care for the LGBTI+ community, whose implementation could be supported in future individual operations under the CCLIP; (ii) systemize and unify information at the national level on consultations for gender-based violence, which is an important risk factor for the mental health of the victims;[21] and (iii) mechanisms to close information gaps on management by results from the gender and diversity standpoints.

Figure 1. The program's theory of change



1.21 **Lessons learned.** The first individual operation under the CCLIP incorporates the following lessons learned from other operations in the sector financed by the IDB in Argentina: (i) having objectives linked to specific lines of care provides a framework for strategic investment to attain health targets, which is a recommendation made in the project completion report (PCR) on phase two of the "Multiphase primary health care program for the management of noncommunicable chronic diseases" (3772/OC-AR); and (ii) some jurisdictions experience delays in executing their provincial investment plans associated with their budget management mechanisms, slowing the expected impact of investments, which is a finding identified in the PCRs on the operations, "Primary health care reform" (1193/OC-AR), "Strengthening the primary health care strategy" (1903/OC-AR), and the "Multiphase primary care program for disease management, phases one and two" (2788/OC-AR and 3772/OC-AR). The first lesson has been incorporated into the general and specific development objectives of the operation and the design of Component 1, which are explicitly linked to the prioritized lines of care. The second lesson is incorporated by using transfers from the federal government as an incentive for obtaining certain priority health outcomes, which the jurisdiction can then reinvest in accordance with its investment plan under Component 1.

1.22 **Nonfinancial additionality and innovation.** As mentioned earlier, since the start of 2020 the Bank has been providing technical support for the design and development of the PAISS, which is supported under CCLIP operations, through its Red CRITERIA, in the form of the technical-cooperation projects, "Support for the universal health coverage policy" (ATN/OC-17139-AR, completed) and "Support for prioritization of public system coverage" (ATN/OC-18360-AR, in closing); and for its implementation and management of change through the technical-cooperation project, "Support for the federal plan to rebuild and integrate Argentina's health system" (ATN/OC-19528-AR, approved in 2022 and under way). Through different operations that the Bank has been financing with the MSN as executing agency (see footnote 7), support has been provided for digital transformation of the health sector, particularly the development of information systems for managing essential medicines and for screening and treatment of lines of care in oncology and, recently, for the development of a generic, standard, interoperable clinical history for use by providers that need it. This first operation under the CCLIP will provide use cases for these systems, which will help promote the timeliness and quality of the clinical and operating data inputted into them. The incentive structure for developing treatment coordination mechanisms will consolidate the methodology for the design of Master plans for investment in health with a systems approach that the IDB has been promoting on the regional level and which are currently used in the country's 24 jurisdictions. Lastly, a technical-cooperation project will be prepared for mainstreaming the gender perspective in health policies, which will support development of the institutional capacity-building outputs described in paragraph 1.20.

1.23 The innovations to be supported by the first operation under the CCLIP include: (i) support for the community mental health model in jurisdictions nationwide, implementation of which is still low in Argentina and the region; (ii) inclusion of an institutional capacity-building output to lay the ethical and analytical groundwork to enable the MSN to use artificial intelligence tools to manage the PAISS; and

(iii) evaluation of a simulation and training center for emergencies and disasters, including emergency attention for acute cases in the prioritized lines of care.[11]

1.24 **Rationale for the CCLIP.** Effective, fiscally sustainable implementation of the PAISS necessarily requires a medium-term technical, operational, and financial effort, which is why a CCLIP is a pertinent scaffolding for the Bank's support. A credit line will provide a reference framework for financing over a period that reflects the time required to attain the objectives pursued by the MSN in implementing the PAISS. Furthermore, approval of a CCLIP will enable operations approved under it to be designed with a medium-term horizon to support a gradual process to improve management by results by the MSN, which will benefit the jurisdictional health ministries.

1.25 **Rationale for using a loan based on results (LBR).** The first operation under the CCLIP will use a LBR as the investment loan tool. This is justified by the MSN's satisfactory experience using this kind of financing mechanism with the country's 24 jurisdictions. The fact that a series of results indicators is linked to disbursements will generate a contractual framework which, in addition to focusing MSN's management on obtaining health outcomes, will boost the impact of the operation in terms of development objectives. Use of a LBR will help to build the MSN's institutional capacity through the use of country financial, procurement, and health information systems.

1.26 **Institutional capacity assessment**. In compliance with 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) with satisfactory results. The results of the different assessments indicate that the MSN has fiduciary systems that are developed and sufficient to ensure management that supports the execution and attainment of the expected results. The main recommendations arising from applying this methodology to a LBR are: (i) to strengthen the organizational structures of the MSN's areas most closely involved in the program's investment projects; (ii) to revise and/or adapt internal regulations/operating procedures to the new conditions for executing MSN programs; and (iii) to revise existing coordination tools (agreements and commitments) between the MSN and the jurisdictional health ministries to strengthen delivery of the agreed data under quality and timeliness criteria.

1.27 **Strategic alignment**. The operation is consistent with the Second Update to the Institutional Strategy (document AB-3190-2). It is strategically aligned with the development challenge of Social Inclusion and Equality, through the promotion of access to health services. It is aligned with the crosscutting themes of: (i) Gender Equality, since specific actions will be undertaken to help close the gender gaps in access to treatment in the prioritized lines and improve reporting on consultations for gender-based violence; (ii) Diversity, through development of an action plan to strengthen access to comprehensive health care by the LGBTI+ community and the recording of consultations for gender-based violence mentioned above; and (iii) Institutional Capacity and Rule of Law, since it will help to strengthen results-based management by the MSN and the provincial health ministries. The operation was analyzed using the Joint Framework of the MDBs; based on that, it is

[11] Optional link 1 presents evidence on the effectiveness of simulation centers in the development of health team skills and the use of artificial intelligence to improve clinical management, for example in diagnosing cervical cancer.

considered aligned with the mitigation and adaptation objectives in the Paris Agreement. The program will also contribute to the IDB Group's 2020-2023 Corporate Results Framework (document GN-2727-12), through the development indicators "Beneficiaries receiving health services" and "Agencies with strengthened digital technology and managerial capacity." The program is aligned with the objectives of the IDB Group's country strategy with Argentina 2021-2023 (document GN-3051), specifically the strategic objective of strengthening the health system. It is consistent with the Health Sector Framework Document (document GN-2735-12), since it finances strategies to ensure the sufficiency and pertinence of infrastructure, technology, inputs, and human resources required to organize health services networks and strengthen the capacity and management of those networks.

B. Objectives, components, and cost

1.28 **Objectives of the CCLIP**. The general development objective of the CCLIP is to help reduce premature mortality and close the gaps between Argentine jurisdictions.

1.29 **Objective of the first individual operation under the CCLIP.** The general development objective of the first individual operation is to help reduce premature mortality and close the gaps between Argentine jurisdictions in the priority lines of care. The specific development objective is to increase effective access to diagnostic and treatment services by the population with only public coverage in the prioritized lines of care.

1.30 **Component 1. Strengthening treatment and managerial capacity for lines prioritized in the PAISS at the jurisdictional level (US$186.3 million).** This component will contribute to the program's specific development objectives by establishing the following national targets which are described in Annex II (Results Matrix), whose attainment is linked to disbursements in the three years of program execution, through the following disbursement-linked indicators (DLIs): (DLI1) 35% increase in the identification of new public coverage patients over age 18 with hyperglycemia or DM2 compared to the 2022 base level; (DLI2) 29% increase in public coverage patients with hyperglycemia or DM2 being monitored; (DLI3) 28% increase in identification of new public coverage patents with hypertension; (DLI4) 82% increase in the monitoring of public coverage patients with hypertension; (DLI5) 71% annual average increase in the number of screenings for cervical cancer in women with public coverage; and (DLI6) 16% increase in the vaccination rate for human papilloma virus (HPV) for girls and boys 11 years old.[12] The program will also promote implementation of the community mental health model in primary care, including an intermediate outcome DLI (DLI7), which is a 33 times increase in the number of mental health treatments (medications) delivered to facilities where at least one member of the team has been trained in the rational use of psychotropic drugs and in community mental health. The component will also finance the costs of the goods and services financed by the MSN logically associated with attainment of two results indicators not linked to disbursements: (NDLI1) PHCFs that electronically report nominalized dispensing of medications,

[12] Human papilloma virus (HPV) is the leading cause of cervical cancer. In Argentina, vaccination against HPV is compulsory for boys and girls ages 11 (ideal) to 25. In 2019, the HPV vaccination coverage rate was 82.5% but fell to 71.5% in 2022 as a consequence of the COVID-19 pandemic. The end target of the program involves a slight improvement over the 2019 level.

inter-operatively with the MSN information system; and (NDLI2) jurisdictions with treatment coordination mechanisms in mental health.

1.31 The actions and outputs that are logically necessary to attain each of these results are described in optional link 1 (Theory of Change), and their estimated cost can be consulted in optional link 4 (Matrix of estimated costs for activities associated with project results). In the context of the MSN's budget execution, these costs include:[13] (i) incentive payments to the jurisdictional health ministries against the attainment of targets (related to identifying new public coverage patients with hyperglycemia or DM2 and hypertension at the jurisdictional level, their monitoring, as well as screening for cervical cancer) and milestones in care coordination agreed on between the MSN and each jurisdiction under the REDES program; (ii) incentive payments by the MSN to health providers (through their respective provincial health ministries) against the results in tracers under the SUMAR program agreed on with the jurisdictions (related to public system coverage for treatment of hyperglycemia or DM2 and hypertension, as well as screening for cervical cancer); (iii) incentive payments by the MSN to the jurisdictional health ministries for attaining the milestone for establishing mental health assistance coordination mechanisms; (iv) the cost of procuring and distributing medications clinically related to the treatment of hyperglycemia or DM2, hypertension, and mental disorders under the REMEDIAR program; (v) the cost of procuring HPV tests to screen for cervical cancer; (vi) the cost of procuring equipment and services related to dispensing medications electronically under the REMEDIAR program; (vii) the cost of procuring optical readers to read the QR codes of medications and the national identity document for electronically dispensing medications; (viii) the cost of training health personnel from the PHCFs in providing care under the community mental health model; and (ix) up to 35% of the cost of procuring HPV vaccines distributed by the MSN under the program. MSN operating costs linked to human resources to manage and monitor these strategies will also be financed.

1.32 Incentives paid to the jurisdictions under the program will be eligible, provided they have signed or renewed framework agreements with the MSN. The program Operating Regulations will include an annex on the scope of these agreements and the structure of the relevant incentives under the SUMAR and REDES programs.

1.33 **Component 2. Strengthening capacity to monitor and implement the PAISS (US$13.7 million).** Under the framework of medium-term implementation of the PAISS, this component will contribute to the program's specific development objective through financing for institutional capacity-building outputs[14] associated with improvements in management by results, through three strategies: updating or improvement in the quality and capacity to use health information; development or consolidation of digital transformation tools in health; and closing gaps in knowledge related to improvements in health care. Under the first strategy, the following capacity-building outputs will be financed: (i) National Risk Factors Survey 2023-2024 published; (ii) methodology for measuring the maturity of the

[13] Expenses incurred by the jurisdictions or other national government institutions will not be recognized.

[14] Under document GN-2869-10, the disbursement indicators can also include outputs linked to strengthening institutional capacity, country systems, including planning and monitoring procedures and capacity, if they are linked to general attainment of the anticipated outcomes.

RISS developed; and (iii) a methodology for standardized reporting of gender-based violence by health providers implemented. The second strategy includes the following institutional capacity-building outputs: (i) interoperative health history platform integrated with national information systems in operation; (ii) electronic platform to prescribe medications developed; (iii) map of the digital maturity of health care providers prepared;[15] and (iv) strategy to implement artificial intelligence for health management published. The third strategy includes as institutional capacity-building outputs: (i) evaluation of the pilot program on a new model for treating chronic kidney disease published;[16] (ii) evaluation of the simulation and training center for emergencies and disasters published; (iii) action plan to strengthen effective access to comprehensive health care by the LGBTI+ community prepared; (iv) call for proposals to strengthen the community mental health strategy undertaken;[17] and (v) call for proposals to promote demand for services to detect and control chronic diseases undertaken.[18]

1.34 The cost of consulting services for independent verification of results, financial audits, and evaluation of the quality of country results reporting systems will be distributed proportionally among the costs associated with the disbursement-linked indicators.

C. Key outcome indicators

1.35 The program's general impact will be measured through health indicators that illustrate the loss to society stemming from premature deaths in the four prioritized lines of care, such as PYLL from DM2, hypertension, cervical cancer, and mental disorders, and the distribution of those indicators by jurisdiction.

1.36 The program's disbursement-linked indicators for Component 1 are: (i) percentage of the population with DM2 and public coverage age 18 and over that has received annual follow-up; (ii) percentage of the population with public coverage age 18 and over identified as having DM2; (iii) women ages 25 to 64 with public coverage that have received new screening for cervical cancer following the protocol; (iv) percentage vaccination coverage of persons who have received one dose of the HPV vaccine among 11-year-olds; (v) percentage of the population with hypertension and public coverage age 18 and over that has received annual follow-up; (vi) percentage of the population with public coverage age 18 and over identified as having hypertension; and (vii) number of mental health treatments delivered in health care facilities where at least one member of the health team has received training in the rational use of psychotropic drugs and community mental health. For Component 2: (i) call for proposals to strengthen the community mental health strategy undertaken; (ii) action plan to strengthen effective access to comprehensive health care by the LGBTI+ community prepared; (iii) methodology for standardized recording of gender-based violence by service providers implemented; (iv) digital maturity map of health providers prepared;

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15 The digital maturity tool and its country-wide implementation methodology will be developed with funds from the technical-cooperation project, "Support for the prioritization of health services" (AR-T1249; ATN/18360-AR), currently in execution. The project will implement the tool.

16 Some of the key risk factors for chronic kidney disease are DM2 and hypertension.

17 One of the prioritization criteria for the selection of proposals in this call will be the inclusion of indigenous or LGBTI+ communities as a target population.

18 The first call for proposals will focus on projects that promote effective access to treatment for DM2 and hypertension in women.

(v) interoperable platform on health history integrated with the national information systems in operation; (vi) platform for electronic prescription of medications developed; (vii) national risk factors survey published; (viii) call for proposals to promote demand for services to detect and control chronic diseases undertaken; (ix) methodology for measuring the maturity of the RISS developed; (x) strategy to implement the use of artificial intelligence for health management published; (xi) evaluation of the pilot program on a new model of care for chronic kidney disease published; and (xii) evaluation of the simulation and training center published. Annex II specifies the indicators, targets, and associated amounts. These indicators were chosen because they are critical for attaining the program's objectives and because data sources are available to monitor and measure them. Optional link 4 presents a cost breakdown of all the outputs that are logically necessary to attain the targets for the disbursement-linked indicators which were used to scale the disbursements associated with their achievement.

1.37 **Cost-benefit evaluation**. An economic analysis was performed of the operation's components (optional link 2) using a 3% discount rate. The expected benefits of the program stem from the reduction in mortality and morbidity resulting from better access to health services in the prioritized lines, based on protocols whose effectiveness has been proven. These benefits are quantified using disability adjusted life years. The benefit-cost ratio is 1.23, the net present value US$51 million, and the total internal rate of return 15%, considering a five-year horizon from 2023 to 2027 and a conservative scenario that assumes a moderate increase in effective coverage and gradual attainment of the benefits.

II. Financing Structure and Main Risks

A. Financing instruments

2.1 This is structured as a sectoral CCLIP for up to US$600 million from the Bank's Ordinary Capital. It is expected to finance up to three individual loan operations over a 10-year period. The amount of the CCLIP reflects the MSN's estimates of requirements to finance strengthening the service capacity of the provincial health ministries under gradual roll-out of the PAISS. The first individual operation under the CCLIP is structured as an investment loan under the LBR modality. The first individual operation will be for up to US$200 million from the Bank's Ordinary Capital. The borrower will not make a local counterpart contribution.

2.2 **Eligibility criteria for the use of a LBR as a lending tool for the first individual operation**. The first individual operation is presented as a LBR and satisfies the requirements established in the Proposal to Establish the Bank's Sovereign Guaranteed Loan Based on Results (document GN-2869-10), and the Guidelines to Process the Bank's Sovereign Guaranteed Loan Based on Results (document GN-2869-3) inasmuch as: (i) it backs preexisting government programs operated by the executing agency, such as the SUMAR, REDES, and REMEDIAR programs; (ii) improves the performance of those programs by incorporating good practices and focusing on results (see paragraphs 1.16 and 1.26); (iii) promotes the use of the executing agency's fiduciary systems, compatible with the principles and good practices for the use of a LBR; and (iv) the institutional assessment of the executing agency shows that it has management systems that guarantee good technical (monitoring) and fiduciary (procurement and financial) execution of the program.

2.3 **Cost and financing of the first individual operation.** The budget by component and source of financing for the first individual operation is presented in Table 1 and in the Matrix of estimated costs for activities associated with project results (optional link 4). The disbursement period for this operation will be three years, in accordance with the schedule and in the tranches shown in Table 2. This period is proportionate to the nature of the operation's activities, their pace of implementation, and attainment of the disbursement-linked indicators, as well as the executing agency's good institutional capacity and experience in project management.

Table 1. Estimated program costs (US$200 million)[19]

Component	IDB	%
Component 1. Strengthening treatment and managerial capacity for lines prioritized in the PAISS at the jurisdictional level	186,338,546	93.2
DLI1. Percentage of the population with public coverage age 18 and over with DM 2 identified	22,569,018	11.3
DLI2. Percentage of the population with DM 2 and public coverage age 18 receiving annual follow-up	29,249,111	14.6
DLI3. Percentage of the population with public coverage age 18 and over with hypertension identified	22,569,018	11.3
DLI4. Percentage of the population with hypertension and public coverage age 18 and over receiving annual follow-up	31,894,977	16.0
DLI5. Women ages 25 to 64 with public coverage that have received new screening for cervical cancer in accordance with the protocol	35,433,775	17.7
DLI6. Percentage vaccination coverage of persons who have received one dose of the HPV vaccine among 11-year-olds	23,566,050	11.8
DLI7. Number of mental health treatments delivered to health care facilities where at least one member of the team has been trained in the rational use of psychotropic drugs and community mental health	21,056,597	10.5
Component 2. Strengthening the capacity to monitor and implement the PAISS	13,661,454	6.8
Total	**200,000,000**	**100**

Table 2. Disbursement schedule and tranches (US$)

Components	Tranche 1	Tranche 2	Tranche 3	Total
Component 1	53,179,075	66,332,790	66,826,681	186,338,546
Component 2	271,495	2,340,483	11,049,476	13,661,454
Total	**53,450,570**	**68,673,273**	**77,876,157**	**200,000,000**

B. Environmental and social safeguard risks

2.4 The first individual operation has been classified as a category "C" operation under the IDB's Environmental and Social Policy since it is expected to have minimum adverse environmental and social impacts.

2.5 The Environmental and Social Performance Standards activated in the first individual operation are Standard 1 (assessment and management of environmental and social risks and impacts), Standard 2 (labor and working conditions), and Standard 10 (stakeholder engagement). The borrower's environmental and social management system includes the socioenvironmental and health safety procedures necessary to execute activities in line with the requirements of the standards that are applicable in this operation.

[19] The costs are indicative.

C. Fiduciary risks

2.6 When the program was being prepared, a medium-high economic and financial risk was identified: (i) if the budget appropriations are not large enough during the life of the program, the pace of implementation of the activities and outputs necessary to attain the targets of the performance-linked indicators could be delayed, forcing an extension of the execution period. The mitigation measures identified are to implement comprehensive and ongoing planning of program activities to identify resource requirements and arrange for budget allocations in a timely manner with the pertinent institutions.

D. Other risks and key issues

2.7 A medium-high risk was identified linked to the political context. In the event that the framework participation agreements or equivalent agreements are not signed or renewed with the jurisdictions by October 2023, the timetable for disbursing the tranches could be delayed, straining the MSN's budget management. The mitigation measures identified are to prepare the contents of the agreements expediently in coordination with the jurisdictions and underline the relevance of timely signature in the Federal Health Council, which is a body consisting of the health ministers of the provinces and the city of Buenos Aires (the jurisdictions). The multiyear execution plan (required link 1) presents a program of activities to achieve timely signature of those agreements.

2.8 In addition, a medium-high risk was identified linked to the program's organizational structure. If technical coordination among the MSN's organizational units involved in project execution (described in paragraph 3.1) is ineffective, this could affect the pace and quality of program execution or allow opportunities for creating synergies among those units to go to waste, to the detriment of program effectiveness. As a mitigation measure, monthly coordination meetings will be held involving all the MSN areas responsible for attaining the expected results to monitor execution and results, identify deviations and corrective actions, or identify opportunities for cooperation among the units.

III. Implementation and Management Plan

A. Summary of implementation arrangements

3.1 **Borrower and executing agency**. The executing agency will be the National Ministry of Health (MSN) through the: (i) Administrative Management Secretariat, via its Directorate General of Projects with External Financing (DGPFE), which will be responsible for administrative coordination; and (ii) the Health Equity Secretariat, through the National Directorate to Strengthen Provincial Systems (DNFSP), which will conduct technical coordination of the program.

3.2 Administrative coordination of the program will be the responsibility of the DGPFE, which reports to the MSN's Administrative Management Secretariat. The DGPFE's functions will include: (i) coordinating the effective involvement of the MSN's areas involved in program execution and implementation (National Directorate for Comprehensive Management of Noncommunicable Diseases, National Directorate of Health Information Systems, National Directorate of Medications and Health Technology, Directorate General of Budget Programming and Control, and Purchasing and Procurement Directorate); (ii) answering to the Bank for

compliance with the program's contractual provisions; (iii) submitting the audited financial statements as established in the loan contract; (iv) submitting disbursement requests to the Bank; (v) managing the financial resources necessary for program execution; and (vi) monitoring and controlling overall program execution.

3.3 Technical coordination of the program will be the responsibility of the DNFSP, which reports to the MSN's Equity Secretariat. The DNFSP's functions will include: (i) coordinating technical planning, execution, and supervision of program activities; (ii) supporting the DGPFE in the technical aspects of coordination with the MSN's other organizational units; (iii) monitoring fulfillment of implementation of activities and outputs associated with attaining program results; (iv) acting as the focal point for independent verification of the results by the independent auditor, including consolidation and submission of the information required for that audit; and (v) providing technical support for the DGPFE in submitting requests for the loan tranche releases, including independent verification of the results. Program execution will be regulated by the program Operating Regulations, which contain a detailed description of the executing agency's functions and responsibilities.

3.4 In the event of changes to the executing agency's organizational structure, the latter can act through any areas or units with similar authority and competencies that replace existing areas or units, with the prior agreement of the Bank for the purposes of this program.

3.5 **Program execution and administration mechanism**. Program activities will be established in a multiyear execution plan (required link 1) shared by the different areas of the executing agency. Program monitoring will be coordinated among the different stakeholders through monthly follow-up meetings organized by the DGPFE. Through this mechanism, the DGPFE will have the information needed to monitor program progress, generate execution reports, and request disbursement of the loan tranches from the Bank. The documentary circuit for reporting results will be described in detail in the program Operating Regulations.

3.6 Relations between the executing agency and the beneficiary subnational jurisdictions are governed by framework participation agreements or equivalent agreements signed by the executing agency and each jurisdiction involved in the government programs supported by this LBR—individually or jointly. The framework agreements include the conditions and how the jurisdictions receive the incentives transferred by the MSN, the use and conditions for use of those funds, and reporting obligations to the MSN. The framework participation or equivalent agreements must remain in effect at the time the MSN makes the transfer to the corresponding jurisdictions, and this must be corroborated by the independent auditor when performing the external verification of results.

3.7 **External verification of results.** This will be performed by a specialized firm or individual consultant acting as an independent external evaluator (independent auditor) for the borrower and the Bank and will verify attainment of the targets of the disbursement-linked indicators, under the verification protocols included in the monitoring and evaluation plan and the program Operating Regulations. The auditor will be responsible for submitting a report verifying the results prior to each disbursement request. Verification of attainment of the results will focus on two objectives: (i) issuing an opinion on the accuracy, reliability, and consistency of the

information on results; and (ii) determining the value of the results indicators established for each loan tranche, and calculating it in cases where no independent automatic reports exist. The auditor may also make recommendations to promote attainment of the targets, based on the analysis it performs. It must have experience in project evaluation and monitoring, in managing outcome indicators, and in evaluating the reliability of sources of information and the methods used to produce them. The auditor will be contracted under terms of reference agreed upon with the Bank in advance, in accordance with the Policies for the Selection and Contracting of Consultants Financed by the IDB (document GN-2350-15).

3.8 **Disbursement mechanism.** Disbursements will be processed as follows: (i) on the request of the DGPFE, the DNFSP will produce a report on progress in program execution and in the disbursement-linked indicators and remit the report with supporting documents for external verification of results by the independent auditor; (ii) the independent auditor will verify compliance with the disbursement-linked indicators, based on the verification protocols for each indicator included in the monitoring and evaluation plan and the program Operating Regulations, within the deadlines established in the terms of reference; and (iii) once compliance with the indicators has been verified by the independent auditor, the DGPFE will remit the disbursement request, and the Bank, following its regular procedures and timeframes, will disburse the proceeds into the account indicated by the borrower. The Bank will disburse the amount corresponding to each indicator only if the results of the external verification by the independent auditor indicate that the value of the indicator in question is equal to or exceeds the target. In the event that an indicator is partially met, a proportionate amount will be disbursed and the unused balances may be reprogrammed in subsequent disbursements once the rest of the target has been attained and the results are reverified.

3.9 **Program Operating Regulations.** Execution of the first individual operation will be governed by the provisions of the loan contract and the program Operating Regulations, which will include as a minimum: (i) the matrix of results and outputs; (ii) the matrix of disbursement-linked indicators; (iii) the terms of reference for contracting the independent auditor and the financial audits; (iv) the program's organizational chart and the plan for coordinating the stakeholders; (v) a description of the responsibilities of each stakeholder; (vi) the technical and operating arrangements for program execution; (vii) the arrangements for programming, monitoring, and evaluating results; (viii) the mechanism for reporting to the Bank on the timeliness, completeness, and quality of the information reported by the health providers through the MSN's information systems used for external verification of the results; and (ix) the verification protocols for the disbursement-linked indicators.

3.10 **Special contractual conditions precedent to the first disbursement of the first individual operation. The borrower, through the executing agency, will submit evidence of: (i) the approval and entry into force of the program Operating Regulations in the terms and conditions agreed upon in advance with the Bank; and (ii) the contracting of an independent auditor to verify program results, in accordance with terms of reference agreed upon in advance with the Bank**. Condition (i) is necessary to ensure that the executing agency has detailed regulations for program execution that set out the necessary guidelines and responsibilities of each of the program's stakeholders.

Condition (ii) is necessary for verifying the results as established in the Proposal to Establish the Bank's Sovereign Guaranteed Loan Based on Results (document GN-2869-10).

3.11 **Retroactive financing of expenditures for previously achieved results and initial disbursement.** It is anticipated that the first individual operation under the CCLIP will finance expenditures to obtain results incurred prior to loan eligibility (retroactive financing from the loan proceeds), for up to 10% of the loan amount, which will be subject to evaluation by the independent external auditor. The retroactive financing will apply to results obtained between the date of approval of the project profile (12 January 2023) and the date the loan is declared eligible. An initial disbursement of up to 20% of the loan is anticipated to cover financing requirements to attain the most immediate development results once the loan is declared eligible for disbursement. This initial disbursement will be deducted from the final disbursement.

3.12 The retroactive financing and initial disbursement combined may not exceed 30% of the total loan in accordance with paragraph 5.25 of the policy on LBRs (document GN-2869-10). The amount to be disbursed for retroactive financing is associated primarily with DLI6, *inter alia*. The amount of the initial disbursement is associated primarily, *inter alia*, with indicators DLI1, DLI2, DLI3, DLI4, DLI6, and DLI7, and with institutional capacity-building outputs that will mainly finance the following: (i) incentive payments by the MSN to the jurisdictions against attainment of the targets for identifying new public coverage patients with hyperglycemia or DM2 and hypertension and monitoring of public coverage patients with DM2 and hypertension; (ii) procurement and distribution of medications associated with those pathologies and with mental health; and (iii) procurement of HPV tests. For more details see optional link 4.

3.13 **Fiduciary agreements and requirements.** Annex III sets out the financial management and procurement execution guidelines to be applied to the program. Based on the corresponding assessment, the program will use the executing agency's own procurement and contracting systems, under the requirements for LBRs established in document GN-2869-10. Procurements will be made directly by the MSN and be guided by the executing agency's policies and systems, which have been validated by the Bank. The procurement system was evaluated by the Bank and is compatible with internationally accepted principles, practices, and standards for all procurement methods. Bidders from all countries are permitted to participate. The same procedure will be used for the procurement of goods, consulting services (firms and individuals), and nonconsulting services.

3.14 **Financial audits.** During execution, the executing agency will submit the program's audited financial statements annually, under the terms required by the Bank and its policies. The audited financial statements will be submitted within 120 days after the end of the fiscal year. The audited final statements will be submitted within 120 days after the last disbursement. The audits, based on terms of reference agreed on with the Bank, may be performed by an independent auditing firm acceptable to the Bank or by the National Auditor General. Annually and at the end of the disbursement period, the executing agency will report to the Bank on differences between total expenses incurred to attain the program results and the sum of all disbursements made by the Bank, as part of the financial reports.

B. Summary of arrangements for monitoring results

3.15 **Monitoring arrangements**. The program will adopt the Bank's supervision mechanisms. The monitoring plan will include: (i) a definition of the protocols for external verification of compliance with the disbursement-linked indicators; (ii) monthly meetings for technical and operational review of progress in the program, problem solving, and risk mitigation (including updates to the risk analysis), in which relevant institutional players and the Bank will participate, with adequate dissemination of the management agreements reached; (iii) semiannual reports on progress and problems encountered in each of the components and program performance in accordance with the agreed Results Matrix (Annex II), which the executing agency will submit to the Bank within 60 days after the end of each six-month period during the disbursement period and any extensions thereof; and (iv) use of the management tools mentioned in the monitoring and evaluation plan agreed upon at the workshop to launch the project, with a view to having tools to plan the activities and processes required to attain program results.

3.16 **Results evaluation arrangements**. The program evaluation plan provides for an program impact evaluation using a quasi-experimental methodology to assign the results associated with screening and monitoring for DM2, hypertension, and cervical cancer, and tapping the microdata from the Fourth National Risk Factors Survey to be conducted between 2023 and 2024 under the program. The pilot project on treatment of advanced chronic kidney disease will also be evaluated as part of the institutional strengthening outputs in Component 2.

IV. Eligibility Criteria

4.1 **Eligibility criteria for the CCLIP.** The proposed CCLIP complies with paragraph 3.2 in Annex III of document GN-2246-13 and paragraph 3.6 of the CCLIP Operational Guidelines (document GN-2246-15) inasmuch as its objective is among the priorities defined in the IDB Group's country strategy with Argentina 2021-2023 (document GN-3051), specifically the strategic objective of strengthening its health system.

4.2 **Eligibility criteria for the first individual operation under the CCLIP.** The first individual operation satisfies the eligibility requirements specified in paragraph 3.5(i) through (iv) of Annex III to document GN-2246-13 and in paragraph 3.9 of the CCLIP Operational Guidelines (document GN-2246-15), given that: (i) an institutional capacity assessment was performed of the executing agency using the ICAP, through the complete evaluation mechanism; (ii) the objective of the first individual operation contributes to the sector objective of the CCLIP since it helps to reduce premature mortality and to close the gaps between the Argentine jurisdictions in the prioritized lines of care; (iii) this first operation will be in the health sector, as envisaged in the CCLIP; and (iv) the program execution mechanisms were designed to include specific actions to boost the capacity of the executing agency in line with the ICAP recommendations, including: (i) adaptation of the rules of procedure and operational procedures of the MSN's organizational units to the execution conditions of a LBR; and (ii) strengthening of the mechanisms for coordination between the MSN and the jurisdictional ministries to enable the latter to upload, in a timely and comprehensive manner, the information necessary to monitor and evaluate program results.

Development Effectiveness Matrix		
Summary	AR-L1358	
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Issues	-Social Inclusion and Equality -Gender Equality and Diversity -Institutional Capacity and the Rule of Law	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	-Beneficiaries receiving health services (#) -Agencies with strengthened digital technology and managerial capacity (#)	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-3051	Strengthening of the Health System
Country Program Results Matrix	-	The Intervention is included in the Operational Program 2023
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	9.4	
3.1 Program Diagnosis	2.5	
3.2 Proposed Interventions or Solutions	3.5	
3.3 Results Matrix Quality	3.4	
4. Ex ante Economic Analysis	10.0	
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	2.5	
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	Monitoring and Evaluation National System, Statistics National System.
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project	Yes	ATN/OC-18360-AR and ATN/OC-19528-AR

The document presents both a Conditional Credit Line for Investment Projects and the first individual operation of this CCLIP, both defined with the objective of contributing to the reduction of premature mortality and the closing of gaps between Argentine jurisdictions, with the first operation focusing on certain prioritized lines. The first operation, with a total investment of US$200 million of IDB ordinary capital, is designed as a Loan Based on Results, with a disbursement structure based on the achievement of targets related to screening and follow-up of three prioritized conditions (diabetes, arterial hypertension and cervical cancer), coverage of mental health treatment under a community-based scheme, and the delivery of a series of institutional strengthening products aimed at strengthening the institutional capacity of the MSN, through the use of national financial, procurement and health information systems.

The specific development objective of the first individual operation is to increase effective access to diagnostic and care services by the Exclusive Public Coverage Population in the prioritized lines of care. The diagnosis is adequate and well documented by international evidence, highlighting the specific problems of Argentina's health system. The main problems are related to the high burden of noncommunicable diseases - for the level of health investment and per capita income - and to the large disparities in health outcomes at the jurisdictional level.

The results matrix is consistent with the vertical logic of the operation and presents reasonable, well-specified and appropriate impact and outcome indicators to measure the achievement of the specific objectives. The evaluation includes a quasi-experimental impact evaluation for the attribution of results related to the screening and follow-up of the prioritized diseases and an evaluation of the pilot project for advanced chronic kidney disease care. The cost-benefit analysis yields an IRR of 14.9% in the intermediate scenario.

The project has received a medium-low overall risk rating, highlighting the potential risks of a budgetary nature, the signing of Framework Agreements with the jurisdictions and the effectiveness of technical coordination between the project's organizational units. Appropriate and monitorable mitigation or escalation measures have been proposed throughout the project.

RESULTS MATRIX

Project objective:	The general development objective of the first individual operation is to help reduce premature mortality and close the gaps between Argentine jurisdictions in the priority lines of care. The specific objective for this first individual operation is to increase effective access to diagnostic and treatment services by the population with only public coverage in the prioritized lines of care. The general development objective of the CCLIP is to help reduce premature mortality and close the gaps between Argentine jurisdictions

General development objective

Indicator	Unit of measure	Baseline (2020)	Expected year achieved	Target	Means of verification	Comments
General development objective: To help reduce premature mortality and close the gaps between Argentine jurisdictions in the prioritized lines of care.						
Potential years of life lost (PYLL) from diabetes mellitus	Years per 100,000 population	98.4	2025	92.5	Interactive report on health statistics, DEIS	See the Monitoring and Evaluation Plan for more details on calculation of the CV.
PYLL from cervical cancer		89.4		84.0		
PYLL from hypertension		30.6		28.8		
PYLL from mental and behavioral disorders		15.4		14.5		
Coefficient of variation (CV) in the provincial distribution of PYLL due to diabetes mellitus	No unit	0.6		0.5		
CV in the provincial distribution of PYLL due to cervical cancer		0.4		0.3		
CV in the provincial distribution of PYLL due to hypertension		0.5		0.4		
CV in the provincial distribution of PYLL due to mental disorders		1.8		1.6		

Specific development objectives

Indicator	Unit of measure	Baseline	Year 1	Year 2	Year 3	End of project	Means of verification	Disbursement indicator	Comments
Specific development objective: To increase effective access to diagnostic and treatment services by the population with only public coverage in the prioritized lines of care.									
Percentage of the population with only public coverage age 18 and over with DM 2 identified	%	17	19	21	23	23	SISA	Yes	
Milestone: Percentage of women with only public coverage age 18 and over with DM 2 identified	%	20	-	-	-	-		-	
Milestone: Percentage of men with only public coverage age 18 and over with DM 2 identified	%	14	-	-	-	-		-	
Percentage of the population with DM 2 and only public coverage age 18 and over receiving annual follow-up	%	9.3	10	11	12	12	SIRGE and SISA	Yes	.
Percentage of the population with only public coverage age 18 and over with hypertension identified	%	14	15	17	18	18	SISA	Yes	
Milestone: Percentage of women with only public coverage age 18 and over with hypertension identified	%	17	-	-	-	-		-	
Milestone: Percentage of men with only public coverage age 18 and over with hypertension identified	%	11	-	-	-	-		-	
Percentage of the population with hypertension and only public coverage age 18 and over receiving annual follow-up	%	2.2	3	3,5	4	4	SIRGE and SISA	Yes	
Women ages 25 to 64 with only public coverage who have received new screening for cervical cancer using the protocol, in a three-year period	Number of women	0	95,518	181,950	274,269	274,269	SITAM	Yes	
Percentage vaccination coverage of persons who have received one dose of the HPV vaccine among 11-year-olds	%	71.5	75	79	83	83	NOMIVAC	Yes	
Milestone: Percentage coverage of 11-year-old girls receiving one dose of HPV vaccine	%	75.9	-	-	-	-		-	
Milestone: Percentage coverage of 11-year-old boys receiving one dose of HPV vaccine	%	67.1	-	-	-	-	NOMIVAC	-	
Number of mental health treatments delivered to facilities where at least one member of the health team has been trained in the rational use	Number of treatments	2,960	20,000	33,795	45,856	99,651	REMEDIAR and Mental Health	Yes	

Indicator	Unit of measure	Baseline	Year 1	Year 2	Year 3	End of project	Means of verification	Disbursement indicator	Comments
Specific development objective: To increase effective access to diagnostic and treatment services by the population with only public coverage in the prioritized lines of care.									
of psychotropic drugs and community mental health							Directorate databases		
Number of PHCFs that automatically record standardized dispensing of medications interoperating with the MSN information system	Number of PHCFs	0	200	500	900	900	REMEDIAR databases	No	
Number of jurisdictions with treatment coordination mechanisms in the mental health area	Number of jurisdictions	0	0	22	22	22	REDES report (GEDE)	No	

Matrix of disbursement indicators[1]

Disbursement-linked indicator	Baseline	Year 1		Year 2		Year 3		End of program	
		Target	Associated amount	Target	Associated amount	Target	Associated amount	Target	Associated amount
Percentage of the population with only public coverage age 18 and over with DM 2 identified	17	19	4,701,297	21	9,147,016	23	8,720,705	23	22,569,017
Percentage of the population with DM 2 and only public coverage age 18 and over receiving annual follow-up	9.3	10	6,656,669	11	10,695,718	12	11,896,724	12	29,249,111
Percentage of the population with only public coverage age 18 and over with hypertension identified	14	15	4,701,297	17	9,147,016	18	8,720,705	18	22,569,017
Percentage of the population with hypertension and only public coverage age 18 and over receiving annual follow-up	2.2	3	7,109,930	3.5	11,262,346	4	12,376,063	4	30,748,340
Women ages 25 to 64 with only public coverage who have received new screening for cervical cancer using the protocol	0	95,518	5,693,015	181,950	14,828,800	274,269	13,671,540	274.269	34,193,355

[1] The protocol for verifying the disbursement-linked indicators can be consulted in the Annex on Program Monitoring and Evaluation (required link 2).

Disbursement-linked indicator	Baseline	Year 1		Year 2		Year 3		End of project	
		Target	Associated amount	Target	Associated amount	Target	Associated amount	Target	Associated amount
Percentage vaccination coverage of persons who have received one dose of the HPV vaccine among 11-year-olds	71.5	75	17,817,964	79	4,189,681	83	4,080,036	83	26,087,680
Number of mental health treatments delivered to facilities where at least one member of the health team has been trained in the rational use of psychotropic drugs and community mental health	2,960	20,000	6,498,902	33,795	7,062,214	45,856	7,360,909	99,651	20,922,025
2023 National Risk Factors Survey published	0	0	0	1	1,600,000	0	0	1	1,600,000
Calls for proposals to strengthen the community health strategy undertaken	0	1	271,495	1	290,483	1	297,254	3	859,232
Action plan to strengthen effective access to comprehensive health care by the LGBTI+ community prepared	0	0	0	0	0	1	400,000	1	400,000
Methodology for standardized recording/characterization of gender-based violence by health providers implemented	0	0	0	0	0	1	400,000	1	400,000
Map of the digital maturity of health care providers prepared	0	0	0	0	0	1	500,000	1	500,000
Interoperable health history platform integrated with country information systems in operation	0	0	0	0	0	1	2,368,251	1	2,368,251
Electronic platform to prescribe medications developed	0	0	0	0	0	1	2,368,251	1	2,368,251
Calls for proposals to promote demand for services to detect and control chronic diseases undertaken	0	0	0	1	150,000	1	150,000	2	300,000
Methodology for measuring the maturity of the RISS developed	0	0	0	1	250,000	0	0	1	250,000
Strategy to implement artificial intelligence for health management published	0	0	0	1	50,000	0	0	1	50,000
Evaluation of the pilot program on a new model for treating chronic kidney disease published	0	0	0	0	0	1	4,501,352	1	4,501,352
Evaluation of the simulation and training center for emergencies and disasters published	0	0	0	0	0	1	64,368	1	64,368

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Country: Argentina **Division**: SPH **Project no.:** AR-L1358 **Year**: 2023

Executing agency: The borrower, through the National Ministry of Health

Project name: Conditional Credit Line for Investment Projects (CCLIP) Program for Integration of the Argentine Health System (AR-O0021). First Individual Operation of the Program for Integration of the Argentine Health System (AR-L1358)

I. Fiduciary context of the executing agency

1. Use of country systems in the operation[1]

☒ Budget	☒ Reports	☒ Information system	☒ National competitive bidding (NCB)
☒ Treasury	☐ Internal audit	☒ Shopping	☒ Other
☒ Accounting	☒ External control	☒ Individual consultants	☒ Other

2. Fiduciary execution mechanism

☒	Special features of fiduciary execution	First individual operation under the CCLIP: This is an individual operation structured as a loan based on results (LBR). The executing agency's own procurement and contracting systems will be used. The loan proceeds will be disbursed upon attainment of the verified results (final and intermediate results) attributable to the program and specified in the Results Matrix. For procurement, the use of country systems and executing agency systems is envisaged in operations of this kind (document GN-2869-10). The borrower will be the Argentine Republic. The executing agency will be the borrower, through the National Ministry of Health (MSN). Administrative coordination of the program will be the responsibility of the Directorate General of Projects with External Financing (DGPFE) which reports to the MSN's Administrative Management Secretariat. The DGPFE's functions will include: (i) coordinating the effective involvement of the MSN's other organizational units involved in program execution and implementation (National Directorate for Comprehensive Management of Noncommunicable Diseases, National Directorate of Health Information Systems, National Directorate of Medications and Health Technology, Directorate General of Budget Programming and Control, and Purchasing

[1] Any system or subsystem approved subsequently may be applicable to the operation depending on the Bank's terms of validation.

		and Procurement Directorate); (ii) answering to the Bank for compliance with the program's contractual provisions; (iii) submitting the audited financial reports as established in the loan contract; (iv) submitting disbursement requests to the Bank; (v) managing the financial resources necessary for program execution; and (vi) monitoring and controlling general program execution. Technical coordination of the program will be the responsibility of the National Directorate for Stronger Provincial Systems (DNFSP), which reports to the MSN's Equity Secretariat. The DNFSP's functions will include: (i) coordinating technical planning, execution, and supervision of the program's activities; (ii) supporting the DGPFE in the technical aspects of coordination with the MSN's other units; (iii) monitoring implementation of activities and outputs associated with attaining the program's results; (iv) acting as the focal point for independent verification of the results by the independent auditor, including consolidation and submission of the information required for that verification; and (v) providing technical support for the DGPFE in the submission of requests for disbursement of the loan tranches, including independent verification of the results. Program execution will be regulated in the program Operating Regulations, which contain a detailed description of the executing agency's functions and responsibilities.

3. Fiduciary capacity

Fiduciary capacity of the executing agency	In accordance with the loan based on results (LBR) policy instrument (document GN-2869-10), the Bank applied the Institutional Capacity Assessment Platform (ICAP) with satisfactory results. The results of the different assessments indicate that the MSN has fiduciary systems that are developed and sufficient to ensure management that supports the execution and attainment of the expected results. The main recommendations arising from applying this methodology to a LBR are described in the Proposal for Operations Development (POD).

4. Fiduciary risks and risk response

Type of risk	Risk	Level	Response
Economic and financial	If the budget appropriations are not large enough during the life of the program, the pace of implementation of the activities and outputs necessary to attain the targets of the performance-linked indicators could be delayed, forcing an extension of the execution period.	Medium-High	Implement comprehensive and ongoing planning of program activities to identify resource requirements and arrange for budget allocations in a timely manner with the pertinent institutions.

5. Policies and guidelines applicable to the operation: Document GN-2869-10.

6. Exceptions to Bank policies and guidelines: None.

II. Considerations for the special provisions of the loan contract

Special conditions precedent to the first disbursement: N/A
Exchange rate: For the purposes of Article 4.10 of the General Conditions, the parties agree that the applicable exchange rate will be the rate stipulated in Article 4.10(b)(ii) for expenditures incurred in local currency. To that end, the exchange rate will be the rate in effect on the first working day of the month in which the borrower, the executing agency, or any other person or corporation with delegated authority to incur expenditures makes the respective payment to the contractor, vendor, or beneficiary.
Audited financial reports: The program's audited annual financial reports will be submitted to the Bank within 120 days after the close of each of the executing agency's financial years, duly audited by an independent firm of auditors acceptable to the Bank or by the National Office of the Auditor General (AGN). The audited final reports will be submitted within 120 days after the last disbursement under the program.

III. Agreements and requirements for procurement execution

☒	Use of country systems	For procurement, the use of country systems and executing agency systems is envisaged in operations of this kind (document GN-2869-10).
☒	Retroactive financing of previously obtained results	This operation will retroactively finance results obtained previously corresponding to 10% (US$20 million) of the loan. This financing will be applicable to results obtained between the date of approval of the project profile (12 January 2023) and the date the loan is declared eligible. Disbursements against previously achieved results will be subject to independent external verification of the results.
☒	Special procurement provisions applicable to the operation	For procurement, the use of country systems and executing agency systems is envisaged in operations of this kind (document GN-2869-10).

IV. Agreements and requirements for financial management

☒	Programming and budget	The executing agency is responsible for drafting and programming the annual budget and for all procedures aimed at consolidating the annual budget for approval. The executing agency's budget contains programmatic categories and other cost categories such as personnel, consumables, nonpersonal services, fixed assets, transfers, debt service and reduction of other liabilities, other expenses, and figurative expenses. As need arises for increases or reallocation of budget items, the executing unit will request such changes and arrange to have them approved. Budget programming should assure that the operation can be executed within the established timeline.
☒	Treasury and disbursement management	Bank accounts. The executing agency will open an account in U.S. dollars to receive program resources. Payments will be made in local currency through the Directorate General of Projects with External Financing (DGPFE), and disbursements will be made in function of the results attained. The executing agency may also open an account in U.S. dollars exclusively for the program in the event that the initial disbursement envisaged in the policies (document GN-2869-10) is requested. Financial plan. No financial plan is required for management of program disbursements (the disbursements will be made as established in the matrix of results indicators for disbursements agreed on with the Bank) unless an initial disbursement is requested. In that case, a financial plan

		covering real financing requirements to attain the most immediate results must be submitted. Disbursement methods. Since this is a LBR, the Bank will disburse funds as repayments of expenditures, provided an independent firm, organization, or individual specialist has conducted an independent verification of the results. However, advances of funds may be used to process the initial disbursement established in the loan contract. The executing agency will use the Online Disbursement platform to process disbursements from the Bank.
☒	Accounting information systems and reporting	It should be ensured that country accounting systems allow for monitoring of program income and expenditures. The executing agency may use the System for Executing Units of Projects with External Financing (UEPEX) as the financial administration system, which identifies program funds and sources of financing. The UEPEX uses a chart of accounts approved by the Bank to report program investments by component in the cost table. Accounting will be on a cash basis and follow the International Financial Reporting Standards, where applicable, in accordance with national criteria.
☒	External control and financial reports	External control is performed by the National Office of the Auditor General (AGN). The AGN is the lead external control body and reports to and assists Congress in controlling public sector accounts. Its establishment and operation are regulated in Title VII, Chapter I of Law 24156 on Financial Administration and External Control Systems. Based on terms of reference agreed on in advance with the Bank, the program's annual financial reports will be audited by an independent external auditor acceptable to the Bank, which may be the AGN or an independent firm of auditors. Annually and at the end of the disbursement period, the executing agency will report to the Bank any differences between total expenditures incurred to attain the project results and the sum of Bank disbursements, as part of the financial reports.
☒	Financial supervision of the operation	The financial supervision plan will be based on the risk evaluations and fiduciary capacity assessments of the executing agency and will include: in situ and desk supervision and analysis and monitoring of the results and the auditor's recommendations on the program's annual financial reports.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/23

Argentina. Conditional Credit Line for Investment Projects (CCLIP) Program
for Integration of the Argentine Health System (AR-O0021)

The Board of Executive Directors

RESOLVES:

1. To authorize the President of the Bank, or such representative as he shall designate, to enter into such agreement or agreements as may be necessary with the Argentine Republic, to establish the Conditional Credit Line for Investment Projects (CCLIP) Program for Integration of the Argentine Health System (AR-O0021) (the "Line") for an amount of up to US$600,000,000, chargeable to the resources of the Ordinary Capital of the Bank.

2. To establish that the resources allocated to the Line shall be used to finance individual operations under the Line, in accordance with: (a) the objectives and regulations of the Conditional Credit Line for Investment Projects approved by Resolution DE-58/03, as amended by Resolutions DE-10/07, DE-164/07, DE-86/16 and DE-98/19; (b) the provisions set forth in documents GN-2564-3 and GN-2246-13; and (c) the terms and conditions included in the proposal for the corresponding individual operation.

(Adopted on __ _____ 2023)

LEG/SGO/CSC/EZSHARE-1044359933-20666
AR-O0021

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-__/23

Argentina. Loan ____/OC-AR to the Argentine Republic. First Individual Operation of the Program for Integration of the Argentine Health System. First Individual Operation Under the Conditional Credit Line for Investment Projects (CCLIP) for the Program for Integration of the Argentine Health System (AR-O0021)

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Argentine Republic, as borrower, for the purpose of granting it a financing aimed at cooperating in the execution of the First Individual Operation of the Program for Integration of the Argentine Health System, which constitutes the first individual operation under the Conditional Credit Line for Investment Projects (CCLIP) for the Program for Integration of the Argentine Health System (AR-O0021), approved by Resolution DE-___/23 on __ _____ 2023. Such financing will be for the amount of up to US$200,000,000, from the resources of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on _____ 2023)

LEG/SGO/CSC/EZSHARE-1044359933-20665
AR-L1358