

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

## **ARGENTINA**

### **SOCIAL DEVELOPMENT PROGRAM FOR CÓRDOBA PROVINCE**

**(AR-L1027)**

#### **LOAN PROPOSAL**

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## CONTENTS

### PROJECT SUMMARY

I.	FRAME OF REFERENCE .....	1
A.	The province.....	1
1.	Recent socioeconomic trends .....	1
2.	Provincial government measures and multilateral support in 2000-2006 ...	2
3.	Social spending in 2000-2006 .....	2
B.	Program 1287/OC-AR: Outputs and lessons learned.....	3
C.	Current status and challenges .....	7
D.	The Bank's strategy with the country and its experience in this sector.....	14
1.	The Bank's strategy with the country .....	14
2.	Experiences with loans granted at the provincial level and lessons learned .....	14
II.	THE PROGRAM.....	16
A.	Program objectives.....	16
B.	Program description .....	16
1.	Improvement in the education supply .....	16
2.	Improvement in the hospital system.....	17
3.	Housing emergency.....	17
4.	Management by objectives .....	18
C.	Cost and financing .....	18
III.	PROGRAM EXECUTION .....	19
A.	Borrower and guarantor.....	19
B.	Program execution and administration .....	19
1.	Executing agency .....	19
2.	The subexecuting agencies .....	19
3.	Normative Instruments of the program .....	20
4.	Program cycle.....	21
C.	Procurement.....	22
D.	Operation and maintenance .....	23
E.	Execution period and disbursement schedule.....	23
F.	Cost recognition .....	23
G.	Prior procurements.....	24
H.	Financial administration of execution and auditing .....	24
I.	Monitoring and evaluation.....	25
IV.	FEASIBILITY AND RISKS .....	27

A.	Execution plan.....	27
B.	Feasibility of the investment projects.....	27
	1. Education.....	27
	2. The hospital system.....	28
	3. Housing emergency.....	29
	4. Management by objectives .....	29
C.	Fiscal and financial feasibility of the program .....	30
	1. Fiscal performance and compliance with goals.....	30
	2. Fiscal sustainability .....	31
D.	SEQ and PTI classification.....	31
E.	Social and environmental impact .....	31
F.	Benefits and impacts .....	32
G.	Risks .....	32

## ANNEXES

Annex I      Logical framework

Proposed resolution

Electronic Links and References	
Basic socioeconomic data	<a href="http://www.iadb.org/RES/index.cfm?fuseaction=externallinks.countrydata">http://www.iadb.org/RES/index.cfm?fuseaction=externallinks.countrydata</a>
Status of loans in execution and loans approved	<a href="http://ops.iadb.org/approvals/pdfs/CHen.pdf">http://ops.iadb.org/approvals/pdfs/CHen.pdf</a>
Information available in RE1 technical files	<a href="http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=757340">http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=757340</a>
Procurement table	<a href="http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=770491">http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=770491</a>

## ABBREVIATIONS

ACA	Agencia Córdoba Ambiente [Córdoba Environment Agency]
ACIF	Agencia Córdoba de Inversión y Financiamiento [Córdoba Investment and Finance Agency]
APROSS	Administración Provincial de Seguros de Salud [Provincial Health Insurance Administration]
AWP	Annual work plan
CAPS	Centros de Atención Primaria de Salud [Primary Healthcare Centers]
COCS	Centro Operativo de Coordinación Sanitaria [Operations Center for Healthcare Coordination]
IDB	Inter-American Development Bank
IP	Investment Project
IPD	Investment Project Document
MBO	Management-by-objectives system
MECP	Ministry of Education of Córdoba Province
MSP	Ministerio de Salud Provincial [Provincial Ministry of Health]
OR	Operating Regulations
PAMI	Plan de Adultos Mayores Integral [Comprehensive Plan for Older Adults]
PLP	Participatory local programming
PTI	Poverty-targeted investment
SCG	Subsecretaría de Control de Gestión [Office of the Under-Secretary for Management]
SEQ	Social equity enhancing project
SIGOB	Sistema de Programación y Gestión [Programming and Management System]
UCOPRO	Unidad Coordinación y Ejecución del Programa [Program Coordination and Execution Unit]

## PROJECT SUMMARY

### ARGENTINA SOCIAL DEVELOPMENT PROGRAM FOR CÓRDOBA PROVINCE (AR-L1027)

Financial Terms and Conditions <sup>1</sup>				
Borrower: Córdoba Province			Amortization period:	25 years
Guarantor: The Argentine Republic			Grace period:	4 years
Executing agency: [Agencia Córdoba de Inversión y Financiamiento [Córdoba Investment and Finance Agency] (ACIF)]			Disbursement period:	4 years
<b>Source</b>	<b>Amount (US\$ million)</b>	<b>%</b>	Interest rate:	LIBOR Based
IDB (Ordinary Capital)	180	84	Inspection and supervision fee:	0%
Local	35	16	Credit fee:	0.25%
Total	215	100	Currency:	US dollars from the Single Currency Facility
Project at a glance				
<b>Project objective:</b> The program's general objective is to assist Córdoba Province to increase its inhabitants' well-being by improving and expanding education services and hospital care and addressing the housing crisis. Its specific objectives are to improve the Province's educational capacity, its hospital system, and the living conditions of families residing in areas subject to flooding or other critical environmental hazards.				
<b>Special contractual conditions:</b> <i>Conditions precedent to the first disbursement:</i> <ul style="list-style-type: none"> <li>(i) Provincial Government Decree naming ACIF Program Executing Agency (paragraph 3.2)</li> <li>(ii) Restructuring of the Unidad Coordinación y Ejecución del Programa [Program Coordination and Execution Unit] (UCOPRO) and its technical and legal attributions established (paragraph 3.3)</li> <li>(iii) Approval of the Operating Regulations (OR) by the ACIF Board of Directors (paragraph 3.6)</li> </ul>				
<i>During project execution:</i> <ul style="list-style-type: none"> <li>(iv) Submission of the baseline for the purpose indicators listed in the logical framework (paragraph 3.18)</li> <li>(v) Engagement of a specialized, independent firm to conduct the midterm review (paragraph 3.19)</li> <li>(vi) Engagement of a specialized, independent firm to conduct the final evaluation (paragraph 3.20)</li> </ul>				
<b>Exceptions to Bank policies:</b> None.				
Project consistent with country strategy:    Yes [ X ]                      No [ ] Project qualifies as:                                      SEQ [ X ]                      PTI [ X ]                      Sector [ ]                      Geographic [ ]                      Headcount [x ] Verified by CESI on: 30 June 2006 Procurement: See paragraphs 3.8, 3.9, and 3.10				

<sup>1</sup> The interest rate, credit fee, and inspection and supervision fee mentioned in this document are established pursuant to document FN-568-3 Rev. and may be changed by the Board of Executive Directors, taking into account the available background information, as well as the respective Finance Department recommendations. In no case will the credit fee exceed 0.75%, or the inspection and supervision fee exceed 1% of the loan amount.\*

\* With regard to the inspection and supervision fee, in no case will the charge exceed, in a given six-month period, the amount that would result from applying 1% to the loan amount divided by the number of six-month periods included in the original disbursement period.

## I. FRAME OF REFERENCE

### A. The province

- 1.1 Córdoba Province has an area of 165,321 square kilometers and is located in the center of Argentina. It has approximately 3,200,000 inhabitants (around 8.5% of the nation's population). Population growth over the last 20 years has averaged 1.3% per year. In all, 89% of its population resides in urban areas, which is comparable with the urban concentration ratio for Argentina as a whole. About 50% of the province's urban population lives in its capital city, Córdoba.

#### 1. Recent socioeconomic trends

- 1.2 Within Argentina, Córdoba Province is second only to Buenos Aires in terms of the size of its economy. Its gross domestic product (GDP) amounted to around A\$35 billion (in current pesos) in 2005, which is equivalent to approximately 8% of Argentina's gross value added (GVA). It accounts for some 12% of the country's total exports, in part because production activity is oriented more toward primary agribusiness than it is in the rest of Argentina.
- 1.3 The Argentine economic crisis of 1999-2002 had a strong impact on the province's levels of economic activity, unemployment, and poverty. Thanks to the recovery seen during the following three years, however, in 2005 its production of goods and services was on a par with the level it had posted in 1998, which was the provincial economy's best year in all of the 1990s. The economy's strong performance was reflected in improvements in the main social indicators, as shown in Table I-1.

Table I-1  
Greater Córdoba: Social Indicators

	1995 (Oct.)	2000 (Oct.)	2001 (Oct.)	2002 2 <sup>nd</sup> half	2003 2 <sup>nd</sup> half	2004 2 <sup>nd</sup> half	2005 2 <sup>nd</sup> half
Poor population (%)	20.0	27.6	36.2	58.5	48.4	41.8	34.2
Indigent households (%)	3.7	5.0	8.3	19.9	15.8	10.1	9.3
Unemployment (%)	15.9	12.5	15.9	19.4	11.7	11.5	8.7
Infant mortality (per thousand births)	20.3	15.0	16.2	14.8	14.3	12.7	12.7

Source: Secretaría General de Estadísticas y Censos [General Secretariat of Statistics and Censuses] and Dirección de Estadísticas e Información de Salud [Health Information and Statistics Bureau]; L. Pereyra, "Pobreza en el Gran Córdoba", *Actualidad Económica*, vol. XII, No. 52, January-July 2002, INDEC, EPH. The labor statistics shown for 2004 and 2005 correspond to the fourth quarter of the year in question.

- 1.4 It is important for the province to maintain investment levels that are in keeping with its production sector's growth rate. Otherwise, such factors as inflation and constraints in strategic markets (e.g., energy) could threaten the provincial

economy's continued growth and the social improvements that have accompanied it.

## **2. Provincial government measures and multilateral support in 2000-2006**

- 1.5 In 1999, the province's recently elected officials (who were re-elected in 2004) launched a program aimed at creating a modern and effective government capable of making the necessary investments in human capital and engendering an environment conducive to saving, investment, and growth. This program called for tax cuts, the liberalization of financial and commercial markets, privatizations and the award of operating concessions for the province's major public enterprises, the design and implementation of active employment and social investment policies, and rigorous fiscal discipline.
- 1.6 In order to carry out this program, the new Administration signed agreements with the Government of Argentina and, in 2002, secured loans from the IDB (Support for Modernizing the Córdoba Provincial Government (1287/OC-AR)) and from the World Bank (Córdoba Provincial Reform Loan (4585-AR)). The IDB operation focused on investing in the modernization of the government and in social development, and included fiscal and financing targets. Disbursements of the World Bank sector loan were subject to the fulfillment of fiscal, administrative, privatization, and social protection and investment measures and targets. The province also received support during this period under federal programs financed by the IDB and World Bank, such as the IDB Barrio Improvement Program (PROMEBA) (940/OC-AR), Primary Health-Care Reform Program (PROAPS) (1193/OC-AR), and Improvement of the Education System Program (PROMSE) (1035/AR-OC).

## **3. Social spending in 2000-2006**

- 1.7 Program 1287/OC-AR made a significant contribution to social investment in the province in 2002-2005. As indicated in Table I-2, it has covered approximately 75% of social capital outlays in 2002-2006.



**Table I-2**  
**Program 1287/OC-AR's Contribution to Social Spending in Córdoba Province\***  
**(in current US\$)**

	2002	2003	2004	2005	2006**	5-year total
1. Total expenditure (US\$ million)	798.7	1,046.4	1,270.2	1,595.7	1,733.1	6,444.1
2. Social expenditure (US\$ million)	528.7	557.0	601.8	766.1	870.4	3,324.0
2.1 Current expenditure	406.7	486.0	525.7	685.0	769.7	2,873.1
2.2 Capital expenditure	122.0	71.0	76.1	81.1	100.7	450.9
3. Program expenditure	95.4	61.2	56.4	55.9	64.1	333.0
3.1 Program expenditure under heading 2 (%)	18	11.0	9.4	7.3	7.4	10.0
3.2 Program expenditure under heading 2. 2 (%)	78.2	86.0	74.0	69.0	64.0	74.0

- Project team calculations based on data provided by the Ministry of Economy of Córdoba Province and the ACIF.
- \*\*Projected.

## **B. Program 1287/OC-AR: Outputs and lessons learned**

- 1.8 The US\$430 million (90% of which has been disbursed) provided for under Program 1287/OC-AR (50% from the IDB and 50% in local counterpart funds) has financed a large part of the investments that the government has made in modernizing the governmental apparatus, education, and social housing. Once it took steps to strengthen its coordinating unit in 2002, this program became quite effective. Program investments were made quickly and in accordance with the OR and with the applicable procurement procedures<sup>1</sup>. The main activities undertaken in these sectors are discussed below.
- 1.9 **Modernization of the government (US\$60 million):** The following components of this sector were strengthened: **(i) tax administration** through, inter alia, the introduction of an integrated tax system, a system for monitoring major taxpayers (under which 2,635 firms are now monitored on an ongoing basis), a land-use and cadastral information system for the province (12.1 million square meters have been incorporated into the urban cadastre), and a system for cross-checking tax payments with tax statements; **(ii) financial management** through the creation of a consolidated financial management system that has boosted efficiency by integrating the province's budget, public credit, accounting, and treasury units and by introducing program budgeting procedures and on-line monitoring of financial performance; **(iii) general government administration** through, inter alia, the establishment of an e-government network and computer center, the creation of a one-stop portal for citizen services, and the establishment of the Subsecretaría de

<sup>1</sup> 1287/OC-AR –Output Indicators (measured on July 2006)

Control de Gestión [Office of the Under-Secretary for Management] (SCG) to coordinate and head up a management-by-objectives (MBO) system for planning and monitoring government programs; and **(iv) legislative and judicial branches** by, inter alia, restructuring buildings used by the legislature, digitizing the texts of provincial laws, and implementing electronic voting procedures and a congressional oversight system.

- 1.10 The **management-by-objectives (MBO) system** was established in accordance with State Modernization Act No. 8836 and Citizen Charter Act No. 8835, under which management-by-results and accountability on the part of government bodies were instituted as legal requirements. The basic design of this system draws on information gathered by a team of technical specialists from the province who were sent to Colombia to study its Sistema de Programación y Gestión [Programming and Management System] (SIGOB) and on the lessons learned from eight case studies on the implementation of government management control systems that were presented in Córdoba in 2005 at a workshop organized by the World Bank. The MBO's specific design attributes are based on the balanced scorecard model.<sup>2</sup>
- 1.11 The **following lessons** have been learned from the MBO's initial implementation under Program 1287/OC-AR: (i) the system's design should be simple in order to reduce learning costs; (ii) implementation should be sequenced; (iii) user acceptance is facilitated when the system's structure is explained in terms of its usefulness; and (iv) the system calls for a change in the work culture that should be supported by proper training and sensitization.
- 1.12 **Education (US\$218 million):** In this sector, financing was provided for: **(i)** the introduction of more modern and efficient **management tools** for the education system through the computerization of financial and human resource data and the systematization of schools' demographic and educational information; **(ii) technical assistance, training, and the provision of textbooks and other instructional materials** to more than 1,300 institutions serving poor sectors of the population that have high failure rates, based on a decentralized methodology in which numerous teams of teachers and administrators actively participated; **(iii) construction of 195 school buildings** (48 for preschoolers, 51 for elementary schools, 76 for middle and high schools, and 16 for special and higher education) to replace 123 units that were in disrepair and to provide an additional 72 new schools; and **(iv) the refurbishment and expansion** of nearly 1,000 schools in the province.

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<sup>2</sup> Kaplan, R.S. and Norton, D.P. (1996), *The Balanced Scorecard. Translating Strategy into Action*. Boston: Harvard Business School Press.

- 1.13 The **evaluation of the educational component's outputs**<sup>3</sup> indicates that it has had a number of positive impacts. The new management tools have reduced the amount of time required to complete administrative personnel procedures and has enhanced the MECP's educational services planning capacity. The provision of textbooks, instructional materials, and training targeted schools attended by members of low-income households. This activity's effectiveness has been demonstrated by the fact that it has helped to reduce repeater and over-age rates. The investments made in infrastructure: (i) were, except in the case of institutions of higher education, targeted at schools and/or locations in which students come from low-income households; (ii) were well planned, as indicated by the fact that the 18,000 openings created in the new schools and the 31,000 spots in the schools built to replace older structures have been completely filled; (iii) generated a level of demand that was efficiently met by the producers of building materials and other inputs and by construction firms; and (iv) produced a cost-efficient model whose cost per square meter and cost per student are comparable to other IDB-funded programs.
- 1.14 An evaluation was prepared to gauge how changes in beneficiary schools' internal efficiency indicators between 2000 and 2004 measure up against those of schools having similar socio-educational characteristics that were not included in the program. Separate evaluations were prepared for the impacts of: (i) having new facilities (new or replacement schools); (ii) having the benefit of the program's teaching-related activities; and (iii) having both of the above. In all three cases, it was found that the elementary and secondary beneficiary schools' year-to-year dropout rates decreased and their grade promotion rates rose. The assessments also indicated that when schools received both new facilities and teaching-related assistance (textbooks and instructional materials, training, technical assistance), these indicators improved more than they did when they received only one or the other.
- 1.15 Two main education-related **lessons were learned** from Program 1287/OC-AR. First, using a decentralized methodology in which school administrators and teachers played an active role in selecting the textbooks and instructional materials to be provided to the schools in this program was an effective strategy. This approach not only allowed for the selection of materials suited to the particular needs of each school, but also helped to build the schools' management capacities and to strengthen their faculty's effectiveness. It was also assessed very positively by administrators and teachers alike. Second, as demonstrated by the evaluations, the combination of new infrastructure and teaching-related assistance is much more effective than when schools receive only one or the other. Both lessons have been incorporated into the design of this program.

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<sup>3</sup> 1287/OC-AR. Evaluation of the management and coverage of the education system component, by Irene Kit (2006).

- 1.16 **Housing crisis (US\$114 million):** Financing was provided in this sector for: **(i) the construction of 8,500 low-cost housing units**, together with the related utility hookups and fixtures (dwellings with 42 square meters of floor space with two bedrooms, a bathroom, and electricity connections at an average cost of approximately US\$15,000) and the transfer of beneficiary households from flood-prone areas along the banks of the Suquia River in the city of Córdoba to their new homes (5,000 units have been completed so far); **(ii) remediation works in the vacated areas** so that they can be incorporated into the urban network; **(iii) implementation of a social integration plan** before, during, and after relocation. This component was not originally part of the program, but was added in 2002 at the provincial government's request to assist families affected by the flooding of the Suquia River in 2001. Its inclusion was made possible by the Argentine peso's devaluation against the dollar in January 2002, which considerably increased the amount of investment provided for under this program.
- 1.17 The **evaluation of the housing component's outputs**<sup>4</sup> indicates that it: (i) was correctly targeted at needy families living in flood-prone areas; (ii) generated a level of demand that was efficiently met by the producers of building materials and other inputs and by construction firms having sufficient capacity to do so; (iii) provided new social housing which, in keeping with best practices and at the lowest possible cost, provides one bedroom for the parents and another for the children and will allow the beneficiary families to expand their dwelling units in the future if their incomes rise; and (iv) financed cost-efficient solutions, since the market value of these dwellings is very close to the US\$15,000 that it cost to build each unit and therefore increased the beneficiary households' economic assets by approximately the same amount.
- 1.18 This component was implemented in accordance with Bank policy on involuntary resettlement (OP-710), which means that it satisfied a range of requirements, including: (i) preparation of a resettlement plan that incorporated the relevant households into the decision-making process regarding the component's planning and execution, as well as their relocation, their subsequent access to services, and their reincorporation into social and production networks; and (ii) over 90% of beneficiaries report that their housing situation has improved (in terms of both the housing as such and the new location).
- 1.19 In assessing the **lessons learned** from this experience, it should be noted that improvements in Program 1287/OC-AR's design, processes, and institutional aspects were made as its implementation progressed. Nevertheless, the evaluation did pinpoint a number of elements that should be improved or strengthened in preparation for the execution of its second stage. To this end, the following steps should be taken: (i) strengthening coordination among the Ministry of Solidarity (which is in charge of preparing baseline analyses and social integration plans), the

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<sup>4</sup> 1287/OC-AR. Evaluation of the housing component, by Mandatos, Finanzas & Servicios S.A. (2006)

Ministry of Public Works (in charge of planning and executing the works), and the Agencia Córdoba Ambiente [Córdoba Environment Agency] (ACA) (in charge of environmental assessments and surveillance); (ii) systematizing the social baseline assessments conducted in each community to ensure that priority elements are identified for incorporation into the designs of the new housing clusters and into the planning of pre- and post-resettlement social support activities; (iii) systematizing regular updates of surveys covering the relocated households to serve as the main tool for monitoring and managing the benefits to be provided by this component; and (iv) strengthening and prioritizing the processing of deeds for these housing units and incorporating the relevant financing into the program.

- 1.20 In order to undertake the remediation of the vacated areas and to ensure that they remain vacant, the people who benefit most directly (usually the neighbors) should be involved in the care, maintenance, and supervision of these areas. These tracts should also be systematically monitored by the ACA. These lessons have been built into the program.
- 1.21 **Other social actions:** In the health sector, support was provided to the provincial government in the following areas: (i) strengthening 35 user service offices; and (ii) developing a model for tracking the benefits provided to members of the Administración Provincial de Seguros de Salud [Provincial Health Insurance Administration] (APROSS). With support from the Primary Health-Care Reform Program, assistance was provided in setting up a modern, decentralized financial and budget management system, along with other investments that are described in paragraph 1.35. The government also adopted a number of other measures, including: (a) public hospital management was improved by providing training to hospital administrators and introducing social oversight and accreditation mechanisms for hospitals, as well as hospital service invoicing and collection systems; and (b) an integrated primary, secondary, and tertiary service network was implemented. In addition, equipment and facilities were provided for an out-patient psychiatric hospital, and a general hospital in Río Cuarto and an oncology hospital in the city of Córdoba were built.

### C. Current status and sector challenges

- 1.22 **Education.** Córdoba has the country's second-largest education system, after that of Buenos Aires Province. Table I-3 shows the main indicators for the province's pre-, elementary, and secondary school systems. A total of 53,000 teachers and administrators serve in 4,100 educational centers for those three levels of instruction within the province's public school system, which is administered by the MECP.

**Table I-3**  
**Basic Educational Indicators in Córdoba, 2005**

Level	Students			Net coverage*	Internal Efficiency Rates		
	Public	Private	Total		Promotion	Repeating	Dropout
Preschool	71,380	23,995	95,375	42%	-	-	-
Elementary (Grades 1-6)	268,394	82,915	351,309	99%	94.7%	3.9%	1.4%
Basic secondary (Grades 7-9)	103,553	71,960	175,513	98%	78.3%	11.5%	10.2%
Spec. secondary (Grades 10-12)	61,343	42,629	103,972	79%	80.5%	5.2%	14.3%
<b>Total</b>	<b>504,670</b>	<b>221,499</b>	<b>726,169</b>				

Source: MECP.

\* Net coverage is expressed as the percentage of the population in each age group that attends the level of instruction corresponding to that age group (for ages 3-5: preschool; 6-11: elementary; 12-14: basic secondary; and 15-17: specialized secondary). Coverage for children between 4 and 5 years of age is 59%.

- 1.23 The coverage and internal efficiency of Córdoba's educational system are above the national average and among the highest in Latin America. It does, however, exhibit a number of problems in terms of equity: insufficient preschool coverage; shortcomings in retaining young people until they complete their basic secondary education and continue on to the specialized levels of instruction; and facilities that do not meet the educational system's needs, particularly in low-income areas.
- 1.24 Students' year-to-year promotion rates are low for the first grade of elementary school and at the basic secondary and specialized secondary levels. This translates into low graduation rates (only 69% of the students finish basic secondary school and just 60% complete their specialized secondary education). The fact that the first two grades of secondary school have the highest dropout rates indicates that there are qualitative shortfalls at the elementary level of instruction and problems with how the curricula and teaching activities are organized at the basic secondary level. Children and youths belonging to households in the lowest income quintiles are the most seriously affected by this situation. As in other provinces of Argentina and other countries of the region, these statistics point to the existence of problems associated with the socioeconomic status of the students' families, but they are also indicative of problems in relation to the quality of the educational services provided to poor sectors of the population.
- 1.25 The MECP's policy priorities continue to focus on improving the coverage of compulsory education and on providing the neediest sectors of the population with access to a quality education. Program 1287/OC helped to reduce the shortfall in coverage and to raise the internal efficiency indicators of schools serving low-income students, but the educational challenges facing the province are still formidable. The province's education policy continues to emphasize the following areas: **(i) improving educational services** in low-income areas by furnishing educational infrastructure and facilities, textbooks, and other instructional materials and assistance to faculty and administrators; **(ii) increasing the coverage of preschool education**, especially for 4- and 5-year-olds; **(iii) lengthening the**

**school day or providing a full-length school day** at the elementary level, with priority being placed on schools in poor areas; **(iv) increasing student retention rates** at the basic and specialized secondary levels and expanding their coverage; and **(v) upgrading teacher-training institutions**.

- 1.26 In terms of infrastructure, MECP data indicate that 710 of the province's 4,100 school buildings require major repairs or reconditioning; 378 need to be expanded; and close to 100 school buildings have to be replaced, either because they are inadequate, rented structures or because they are in such a bad state of repair that they cannot be refurbished. In addition, in order to meet the province's targets for expanding the system's coverage, an estimated 90 more schools are needed (especially preschools, basic and specialized secondary schools, and art and other special educational establishments). The MECP and other provincial authorities recently agreed upon a strategy for the maintenance of public school buildings that will include a monthly sum for each school for minor repairs, an early warning system for the identification of damage requiring urgent attention, and an annual maintenance program to cover intermediate-range problems. The aggregate sum represented by these three types of maintenance has recently risen to nearly US\$6 million per year, which amounts to over 10% of the sector's expenditures on items other than wages and close to 1.1% of the MECP's budget.
- 1.27 The program's education component will backstop the province's efforts to implement its policies in this sector. More specifically, it will finance the expansion and improvement of facilities and materials in areas requiring such upgrades as a means of supplementing the work being done by the province with its own resources and with the support of national projects such as the Programa de Mejoramiento del Sistema Educativo [Educational System Improvement Program] (PROMSE), the Programa Integral para la Igualdad Educativa [Integrated Program for Educational Equality] (PIIE), the 700 Schools Plan, and the Rural Education Program (cofinanced by the World Bank). It will also help to improve educational attainment levels and reduce scholastic failure rates at the elementary and basic secondary levels. This will be accomplished with the help of strategies for providing schools at these levels with more resources and by supporting implementation of the policy on lengthening the school day at the elementary level and having teacher-training institutions provide technical assistance and teacher training at elementary and basic secondary schools serving children and young people from low-income households.

- 1.28 **Health.** The health status of the population in Córdoba Province compares favorably with the situation in other countries and in other provinces in Argentina (see Table I-3). Córdoba has the profile of a society in advanced transition: (i) the main causes of death are cardiovascular disease (40%), malignant tumors (20%), respiratory ailments (11%), urban violence and traffic accidents (5.5%), and diabetes (4.6%); (ii) a high life expectancy at birth; and (iii) an aging population (one out of every 10 residents is over 65 years of age). There are still problems to be addressed, however, such as the low birth weights associated with 59% of infant deaths and the high burden of disease among people under 50 years of age, as a result of which 28% of all adult deaths are premature. Measures therefore need to be adopted to reduce major health risks by implementing anti-tobacco campaigns and stepping up early detection, timely treatment, and effective control of chronic diseases among adults, and the most common types of malignant tumors, among others.

**Table I-3**  
**Comparative Table of Basic Living Condition Indicators**

Country	Total population (million)	Infant mortality rate (per 1000 live births)	Life expectancy at birth (years)
Córdoba	3.2	13	75
Argentina	38.4	17	75
Brazil	183.9	33	70
Chile	16.2	8	77
Colombia	44.9	18	72
Mexico	105.7	23	74
Panama	3.2	18	76
Uruguay	3.4	12	75

Source: M. Salud, Córdoba Province, WHO, *The World Health Report, 2006*.

- 1.29 The epidemiological transition generates a greater demand for **complex medical services**, both for specialized outpatient visits and hospitalization, and major surgery. **Organ transplants** are one of the types of services for which demand is growing. Thanks to technical progress in ensuring compatibility and controlling rejections, surgical techniques, and laws and systems for promoting and handling organ donations<sup>5</sup> and in the management of

**Table I-4**  
**Transplants in Córdoba**

Organ	Waiting list		Transplants - 2005	
	Total	% on the list > 1 year	Total	% on list
Cornea	834	68%	42	5.0%
Kidney	478	55%	52	10.9%
Liver	25	100%	13	51.0%
Heart	19	44%	4	21.8%
Lung	12	33%	-	-
Heart and lung	2	-	-	-
Sclerss	1	100%	-	-
<b>Total</b>	<b>1,371</b>		<b>111</b>	<b>8.1%</b>

<sup>5</sup> Since 1995, the Instituto Nacional Central Único Coordinador de Ablación e Implante [Consolidated National Central Ablation and Implant Coordinating Institute] (INCUCAI) has been running successfully a nationwide program to promote organ donations, reflected in the steadily increasing number of organ donations in recent years.



waiting lists, organ transplants have become cost-effective and their success rate is on the rise. As a result, people residing in Córdoba who need this type of treatment can now gain access to donated organs, once the capacity for undertaking this type of operations is in place. Approximately 1,900 people currently undergo renal dialysis, and about 25% of them are on the waiting list for a kidney transplant. Waiting times are overly long, however, as is shown in Table I-4.

- 1.30 The province's **healthcare network** includes 1,764 centers in its nine health districts (see Table 1.5), of which 878 are public. Some 579 of these centers can provide in-patient care, with a total of 13,976 beds, or 4.3 beds per thousand inhabitants (25% in the capital city). This rate is high and suggests the need to rationalize the supply of in-patient care. The network run by the provincial government generates over 3.1 million consultations per year (2.1 million in the capital city and 1.1 million elsewhere in the province) and 126,000 hospitalizations per year. This is equivalent to 1.6 visits and 0.1 hospitalizations per inhabitant/year (this does not include coverage provided by social insurance organizations), with an average hospital stay of 10.3 days (2003). In addition, 54,500 surgical operations are carried out. Three out of every four hospitalizations are for adults, while the remainder corresponds to the maternal and child population.

**Table 1-5**  
**Córdoba Provincial Healthcare Network, 2005**

Type of Facility	No.	Beds	%
<b>Public outpatient facilities</b>	<b>1,185</b>	<b>N/A</b>	<b>100.0</b>
Provincial	23		
Municipal	715	N/A	60.3
Private	447	N/A	37.8
<b>Hospitals</b>	<b>579</b>	<b>13,976</b>	<b>100.0</b>
National	4	425	3.0
Provincial	37	5,984	42.8
Municipal	95	1,345	9.6
Social assistance	4	276	2.0
Private	439	5,946	42.6

- 1.31 The existing system for referrals and counter-referrals links up healthcare services of differing levels of complexity (health centers, general hospitals, and highly specialized hospitals) with the support of the Centro Operativo de Coordinación Sanitaria [Operations Center for Healthcare Coordination] (COCS), which uses a call center to coordinate requests for ambulance service, house calls, and office visits. Its computerized information systems (medical history, quality, referrals, appointments) facilitate the integration of different types of care and help to increase staff productivity and skill levels. The hospital network in the province's capital thus functions as an integrated cluster of differentiated referral centers with fairly efficient utilization, with occupation rates above 80% and a hospital-care morbidity profile concentrated in serious diseases.
- 1.32 Reports on the **physical and functional condition of the province's network of public hospitals** underscore areas in which the resolution capability of care is limited due to obsolete facilities and equipment, and problems with user access and flows in seven hospitals in the capital city and nine hospitals elsewhere in the province. The shortage of these services in the province makes it necessary to send

patients to Buenos Aires, which is very costly for the Provincial Ministry of Health (MSP), family members, and the residents concerned. These difficulties give rise to waiting lists and to dissatisfaction with health services identified in a recent user survey (MSP, 2005). In addition, since few of the Centros de Atención Primaria de Salud [Primary Healthcare Centers] (CAPS) have diagnostic facilities (laboratories, x-ray machines), they rely on nearby hospitals to provide such services. Thus, the expansion taking place at the primary care level is not receiving the backstopping it needs from the hospital network in the capital and elsewhere to resolve the low-income population's changing and complex health problems.

- 1.33 The financial sustainability of healthcare services rests on a variety of public and private insurance schemes (see Table I-6). In Córdoba, coverage of healthcare costs is shared by 40 social insurance agencies and 47 private prepaid health plans, the Plan de Adultos Mayores

**Table I-6**

Source of Payment	Population Coverage	
	No.	%
National social insurance agencies	771,253	24.6
Provincial social insurance agencies	140,726	4.5
PAMI	291,476	9.3
APROSS	451,718	14.4
Social insurance agencies: Subtotal	1,655,173	52.8
Public system:	1,478,837	47.2
<b>Total</b>	<b>3,134,010</b>	<b>100.0</b>

Integral [Comprehensive Plan for Older Adults] (PAMI), the Administración Provincial de Seguros de Salud [Provincial Health Insurance Administration] (APROSS), and the MSP, which covers the half of the population that is uninsured, including an even larger proportion of children under 10 years of age.

- 1.34 The **province's health policy** has focused on strengthening and rationalizing primary healthcare services and on improving the quality, level of social equity, and efficiency of public hospitals. The MSP and many of the municipalities have been reinforcing the primary care network with IDB support (PROAPS, 1193/OC-AR) creating, training interdisciplinary teams made up of 1,300 family health professionals, outfitting 400 healthcare centers in outlying regions, keeping healthcare centers open longer, using incentives for preventive care and practices, monitoring service quality, prioritizing and rationalizing the use of out-patient and in-patient treatment capability, introducing participatory local programming (PLP), and organizing campaigns such as "Córdoba Sana" ("a healthy Córdoba") to promote healthy living habits. The Ministry of Health of Argentina is now preparing a new operation, with IDB support, for primary healthcare services in the provinces (AR-L1020), and which will continue to include Córdoba in its efforts to strengthen primary care.
- 1.35 As mentioned in paragraph 1.21, the province has been investing in hospital infrastructure and its management. The Ministry of Health has identified a number of critical areas in this connection where improvements are called for. One such area is the public hospital system's capacity to provide effective treatment to patients requiring highly complex or sophisticated services. In order to address this shortfall, the province recently built and inaugurated an oncology hospital and, as

part of the proposed program, has assigned priority to the renovation and expansion of Córdoba Hospital. The equipment and physical infrastructure of this hospital, which is the province's largest teaching hospital and the point of referral for patients requiring the most complex treatments, is in poor condition and obsolete. Another critical area is general hospital coverage. Efforts to upgrade and expand such coverage need to be continued in order to provide low-income sectors with access to these services. To this end, the government has programmed investments for the renovation of 12 general hospitals over the coming years. Of these 12, the authorities have placed top priority, under the program presented herein, on the Hospital Misericordia (Mercy Hospital) in the southern part of the city of Córdoba based on: (i) its degree of deterioration; and (ii) the size of the low-income population in that area.

**Basic Housing Solutions**

The housing units deeded to beneficiary families have been built at the lowest feasible cost, have 42 square meters of floor space, and are located on plots of up to 300 square meters in area. These parameters are designed to allow each family to have the parents sleep in a separate bedroom from that of the children and to expand the dwelling as increases in household income permit.

- 1.36 **Housing crisis.** In 2001 heavy rains caused flooding along the banks of the Suquia River and the channels running through the city of Córdoba. Families living in unincorporated settlements, known as “villas de emergencia” (shantytowns or squatter settlements), along these watercourses experienced the heaviest flooding. After providing them with temporary shelters, the government declared a disaster area in districts inhabited by around 12,500 households (11,000 in flood-prone areas and 1,500 in other high-risk zones). In order to provide a long-lasting solution for this situation, in 2002 the provincial authorities reached an agreement with the Bank to include a social housing component for these families in Program 1287/OC-AR, which was starting up at that time.
- 1.37 The funds made available under Program 1287/OC-AR financed definitive social housing solutions for 8,500 families in areas located within the urban network. The province's Ministry of Public Works and Ministry of Solidarity have continued to work on the planning and programming of housing arrangements for the 4,000 families who are still living in high-risk zones.
- 1.38 **Management-by-objectives (MBO) system.** The SCG is in the initial stages of MBO implementation. Funds made available under Program 1287/OC have been used to develop a model for planning and monitoring government measures and the corresponding data systems. Three ministries and four agencies have undertaken strategic planning exercises to prioritize activities and objectives for SCG monitoring. The main challenges to be addressed by the SCG at this point are to consolidate the planning and monitoring model being used in agencies where it is already in operation and to introduce it in other ministries and agencies within the province.

## **D. The Bank's strategy with the country and its experience in this sector**

### **1. The Bank's strategy with the country**

- 1.39 The main objective of the Bank's strategy with Argentina for 2004-2008 is to support the country's efforts to achieve sustainable, more equitable growth by means of action in three strategic areas: (i) institution-strengthening for enhanced governance and fiscal sustainability; (ii) measures to create an environment that is more conducive to increased investment and productivity gains that will boost the country's competitiveness; and (iii) poverty reduction, replenishment of human capital, and the promotion of a sustainable, inclusive form of social development. Actions to be taken in these three areas will include loans for subnational (provincial and municipal) governments. The proposed program is geared toward the first and third of these objectives, in particular.

### **2. Experiences with loans granted at the provincial level and lessons learned**

- 1.40 The main lessons learned at the sector level in relation to education, the housing crisis, and MBO are outlined in paragraphs 1.15, 1.19, and 1.11, respectively. The more general lessons learned from lending operations at the provincial level are discussed below.
- 1.41 The main lessons learned from the Bank's experience with the Support for Modernizing the Córdoba Provincial Government Program (1287/OC-AR) and other programs at the provincial level point to the importance of: (i) having strategies in place for maintaining the program's governmental priority in the event that different authorities are assigned to supervise these areas; (ii) maintaining some degree of flexibility during the program's execution for the incorporation of activities to respond to new circumstances or unforeseen needs; (iii) ranking program goals and defining monitoring mechanisms in keeping with the differing degrees of importance of the various goals; (iv) making sure, from the very start, that the coordinating unit has the necessary organizational structure and capacity; (v) in cases where a number of different sectors are involved, working to strike a suitable balance between centralized program management functions and the corresponding ministries' participation in programming and execution; (vi) reaching a prior agreement as to the bidding documents to be used and training the human resources that will be involved in procurement and disbursement operations; and (vii) gauging the program's recurrent costs and debt servicing obligations and, on that basis, determining what is required to maintain its financial sustainability over the medium term.
- 1.42 In 2002, as part of the reform of the provincial government, the Agencia Córdoba de Inversión y Financiamiento [Córdoba Investment and Finance Agency] (ACIF) was created to plan, manage, coordinate, execute, monitor, and evaluate programs and projects receiving national and/or international funding. The ACIF,

through its Unidad Coordinación del Programa [Program Coordination and Execution Unit] (UCOPRO), then became the executing agency for Program 12987/OC-AR. By drawing on its training, the experience it had gained, and the consolidation of its staff and their operational systems, this unit gradually overcame the shortcomings it had exhibited at the outset. Furthermore, the fact that the program's financial management and procurement operations were centralized in UCOPRO, rather than being transferred to subexecuting agencies, has made it possible to exercise greater control over the program's implementation and to instill greater discipline. UCOPRO will be in charge of this new operation and will have the same authorizations and powers as it has had in executing Program 1287/OC-AR.

## II. THE PROGRAM

### A. Program objectives

- 2.1 The general objective of the proposed program is to support the province of Cordoba in improving and expanding education and hospital care, and providing assistance with the housing emergency, in order to increase the well-being of Cordoba families. The specific objectives are to improve the supply of education, the hospital system, and the living conditions of families located in areas prone to flooding or exposed to other critical environmental risks.

### B. Program description

#### 1. Improvement in the education supply (US\$60 million)

- 2.2 **Objective.** To improve the supply in terms of the efficiency, quality, and equity of educational services.
- 2.3 **Description.** The following subcomponents will be financed. (i) **School infrastructure and equipment**, in order to expand the supply of early and middle education and upgrade existing buildings, as part of the provincial plan to upgrade school infrastructure. The program will finance the construction and equipping of about 50 schools (kindergartens, primary, middle, special, and arts schools). Close to two thirds of the works will be to replace existing buildings. (ii) **Support for primary and middle school education in poor areas**, to improve teaching conditions in a group of almost 74 schools with high failure rates. The program will finance: (a) computer laboratories and connectivity, equipment for teaching science, arts, and sports for 60 primary and middle schools and teacher training institutes (TTIs); (b) textbooks and educational materials for 74 primary and middle schools; (c) technical assistance (including training and monitoring) to improve pedagogical and administrative management in 74 primary and middle schools; and (d) 60 projects for linkage between primary and middle schools and TTIs, intended to improve teaching and reduce failure rates.
- 2.4 **Expected outcomes.** The following outcomes are expected in the schools benefiting from the program: (i) a 5% increase in the promotion rate compared to the baseline for grade one, and 10% in the first and second years of middle school; (ii) a 5% increase in students who are proficient in language and mathematics in grade two, and in the first and second years of middle school; (iii) a 4% increase compared to the baseline in preschool coverage for the poorest quintiles.

## **2. Improvement in the hospital system (US\$54 million)**

- 2.5 **Objective.** To improve responsiveness, coverage, and efficiency in the province's public hospitals.
- 2.6 **Description.** The following will be financed. (i) **Renovation and expansion of the Cordoba hospital**, including works, equipment, training, and technical assistance for its expansion, renovation, and modernization as a referral center for medium and high complexity cases. (ii) **Renovation and expansion of the Misericordia hospital**, including works, equipment, training, and technical assistance for its expansion, renovation, and modernization as a general hospital serving the southern part of Cordoba city. (iii) **Strengthening of provincial hospital management**, including financing for consulting services, software development, and equipment for: (a) a diagnostic analysis of the management, organization, and capacity of the provincial system of hospitals and ambulatory centers in the context of current supply and demand for services of different complexity; (b) a proposal for the rationalization, strengthening, and management of the system; and (c) support for implementing the program agreed on by the MSP and the Bank. (iv) **Strengthening of the MSP and the health regions** through: (a) a diagnostic analysis of strengths and weaknesses; (b) a mutually agreed proposal for strengthening (training, technical assistance, and equipment); and (c) technical support for implementing the proposal agreed upon with the Bank.
- 2.7 **Expected outcomes.** Better resolution capability and efficiency in the provincial health services system, thanks to: (i) a renovated and expanded Cordoba hospital, providing highly complex services and improving the resolution of complex diseases—for example a reduction of 30% in hospital deaths from complications of hypertension; (ii) a renovated Misericordia hospital, providing more and better care for the low-income population living in the outskirts; (iii) improved provincial management of hospital services; and (iv) strengthened management by the MSP and the health regions.

## **3. Housing emergency (US\$69.5 million)**

- 2.8 **Objective.** To provide housing solutions for approximately 2,500 families currently living in risk areas in the city of Cordoba.
- 2.9 **Description.** The following will be financed: (a) housing solutions (including the corresponding urbanization works and social equipment) for about 2,500 families; (b) follow-up and social support for the beneficiary families; and (c) actions to protect the cleared areas.
- 2.10 **Expected outcomes:** (i) approximately 2,500 families living in inexpensive housing, with high levels of satisfaction; and (ii) recovery of the urban capability of areas that had previously been occupied by illegal settlements.

#### 4. Management by objectives (US\$1.5 million)

- 2.11 **Objective.** The objective of this component is to consolidate a more efficient management model to improve the quality of the services offered to citizens by provincial government institutions.
- 2.12 **Description.** Implementation of the management by objectives system (MBOS) will continue, following a combined strategy that involves gradual decentralization of strategic planning while simultaneously maintaining centralized monitoring by the Undersecretariat for Management Control (SCG). The following will be financed: (i) consulting services, training, and events to implement the MBOS in provincial government institutions; (ii) development and implementation of a system to verify the quality of data; (iii) design and start up of a MBOS web page; and (iv) computer equipment.
- 2.13 **Expected outcomes.** An improvement in the quality of services offered by provincial government institutions, thanks to more efficient management since: (i) at least 18 of the 20 provincial government institutions will be operating with the MBOS; (ii) they will have strategic planning capacity to improve efficiency in the allocation of resources; (iii) information for government management will be available in real time; and (iv) the gap between what is planned and what is executed will be narrowed.

#### C. Cost and financing

- 2.14 The program will cost an estimated US\$215 million equivalent, as shown in Table II-1.

**Table II-1**  
**Cost and financing**  
**(US\$ millions)**

Category	IDB	Local	Total
<b>I. Administration</b>	<b>2.0</b>	<b>0.5</b>	<b>2.5</b>
<b>II. Direct costs</b>	<b>177.0</b>	<b>8.0</b>	<b>185.0</b>
II.1. Improvement in the education supply	60.0	0.0	60.0
II.2. Improvement in the hospital system	52.0	2.0	54.0
II.3. Housing emergency	63.5	6.0	69.5
II.4. Management by objectives	1.5	0.0	1.5
<b>III. Evaluation and auditing</b>	<b>1.0</b>	<b>0.0</b>	<b>1.0</b>
<b>IV. Financial costs</b>	<b>0.0</b>	<b>26.5</b>	<b>26.5</b>
III.1 Credit fee	0.0	1.6	1.6
III.2 I&S	0.0	0.0	0.0
III.3 Interest	0.0	24.9	24.9
<b>Total</b>	<b>180.0</b>	<b>35.0</b>	<b>215.0</b>
	84%	16%	100%



### III. PROGRAM EXECUTION

#### A. Borrower and guarantor

- 3.1 The borrower will be the province of Cordoba and the guarantor will be the Argentine Republic.

#### B. Program execution and administration

##### 1. Executing agency

- 3.2 The executing agency will be the Agencia Córdoba de Inversión y Financiamiento (ACIF) [Cordoba Investment and Finance Agency]. ACIF is an agency that reports directly to the provincial executive. It is responsible for planning, administration, coordination, execution, monitoring, and evaluation of nationally- and internationally-financed programs and projects. **A provincial decree naming ACIF the program-executing agency will be a condition precedent to the first disbursement of the loan.**

- 3.3 As a part of ACIF, the program coordination unit (UCOPRO) has been responsible for program 1287/OC-AR. It will take charge of the program proposed here. Its functions will include: (i) supervising and technically and administratively coordinating program execution; (ii) planning general execution of the program and the annual work plans (AWPs); (iii) designing and implementing mechanisms for tracking, registering, and filing documentation and for program supervision; (iv) ensuring that the projects and activities to be financed under the program comply with the eligibility conditions agreed on with the Bank; (v) carrying out the program's procurements, based on the procedures established in the loan contract; (vi) monitoring and subsequent evaluation of program activities; and (vii) preparing and presenting progress reports on the program to the executing agency and the Bank. To carry out its new function, UCOPRO will need to make adjustments in its institutional structure, establishing one technical coordination unit for each component, whose functions will be to assist the subexecuting agencies in all processes and activities to give effect to the program's activities and outcomes in the different sectors. **The institutional adjustments of UCOPRO according with the proposed program and the establishment of its legal and technical attributions will be conditions precedent to the first disbursement of the loan.**

##### 2. The subexecuting agencies

- 3.4 The ministries, departments, and sector agencies that participate directly in program execution will be the subexecutors: (i) for improvements in the supply of education, the Department of Education of the Ministry of Education and Culture and the

Provincial Directorate of Architecture of the Ministry of Public Works; (ii) for improvements in the hospital system, the Ministry of Health and the Provincial Directorate of Architecture of the Ministry of Public Works; (iii) for the housing emergency, the Ministry of Solidarity, the Provincial Directorate of Architecture of the Ministry of Public Works, and the Cordoba Environmental Agency; and (iv) for management by objectives, the General Secretariat of Provincial Internal Affairs and Management Control. The responsibilities of each subexecuting agency will include: (i) designating or establishing a technical unit to take charge of the direction and execution of activities with the sector coordinator in UCOPRO;; (ii) preparing the corresponding projects, with appropriate technical documentation on the investments for which they are responsible; (iii) ensuring compliance with the procedures, mechanisms, and rules established in their areas; (iv) monitoring the components for which they are responsible; and (v) requesting procurements from UCOPRO, as established in the procurement plan and in accordance with program procedures. The subexecuting agencies will be responsible for reviewing and sending the basic documents on programming, monitoring, and evaluation, and for following up on the activities in their areas and ensuring internal coordination in operational and programmatic aspects.

- 3.5 ACIF and the subexecuting agencies will establish the terms and conditions for the processes to implement the program's activities.

### 3. Normative instruments of the program

#### a. Operating Regulations

- 3.6 The program will be governed by Operating Regulations<sup>6</sup>, which contain the terms and conditions for executing the components, the eligibility criteria for the planned investments (Table III-1), procurement, financial and technical procedures, the functions and responsibilities of the main personnel and the organizational units involved in execution, , and the initial matrix for institutional strengthening, among other aspects. **The approval of the Operating Regulations and their annexes by the Board of Directors of ACIF will be a condition precedent to the first disbursement of the loan.**

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<sup>6</sup> Operating Regulations of the Program AR-L1027 (Draft).

**Table III-1**  
**Program eligibility criteria**

<b>A. Education</b>	
Construction and/or renovation of schools	
i.	Land in the public domain.
ii.	Site has road access, water, sewerage, and electricity.
iii.	Scale corresponds to a study of supply and demand with at least 90% occupancy in year five of operation.
iv.	School located in a poor socioeconomic zone, census circuit with UBNs, or equivalent.
v.	Cost per m2 not over US\$650.
vi.	Cost per student place not over US\$3,000.
vii.	Design ready and in compliance with municipal standards.
<b>B. Hospital renovation and expansion projects</b>	
i.	Land in the public domain.
ii.	Site has road access, water, sewerage, and electricity.
iii.	Scale corresponds to a study of demand for services and projected production, with bed and operating room occupancy of at least 80% in year five of operation.
iv.	Construction cost per m2 not over US\$1,000.
v.	Environmental feasibility as established in the Operating Regulations.
vi.	Design ready and in compliance with municipal standards.
<b>C. Housing emergency projects</b>	
i.	Barrio to be relocated lies in an area at environmental risk, particularly an area prone to flooding.
ii.	Beneficiary families are low income.
iii.	Land for relocation in the public domain or belong to the beneficiaries themselves.
iv.	Site has road access, water, sewerage, and electricity.
v.	Scale corresponds to a demand study.
vi.	Basic housing solutions measure 45m2 on lots of up to 300m2.
vii.	A comprehensive social support plan (PIAS) exists.
viii.	Design ready and in compliance with municipal standards.

#### 4. Program cycle

- 3.7 The program execution cycle is presented below. (i) **Programming.** In coordination with the subexecuting agencies, UCOPRO will keep the general programming permanently up to date and will use it to prepare an AWP to be submitted to the IDB for its nonobjection. Semiannual reports on execution of the AWP will be sent to the Bank. (ii) **Preinvestment.** The subexecuting agencies, in coordination with UCOPRO, will prepare the terms of reference for the studies and works necessary for each Investment Project (IP), which UCOPRO will review and submit to the Bank, after which UCOPRO will carry out the bidding and contract awarding, in accordance with the agreed procurement procedures and the pertinent AWP; (iii) **Investment.** Once an investment project and corresponding documents receive a no objection from the Bank, the subexecuting agencies, in coordination with UCOPRO, will prepare the technical specifications for the works, equipment, and services needed to execute each Investment Project, after which UCOPRO will carry out the required bidding and contract awarding, in accordance with the agreed

procurement procedures and the pertinent AWP. (iv) **Inspection and supervision.** UCOPRO will be responsible for contracting consultants or specialized firms for inspection and supervision of the works, equipment deliveries, and provision of the services required for the program.

## C. Procurement

- 3.8 The program includes the procurement of works and goods and the contracting of consulting services. Activities will be carried out in accordance with the “Policies for the procurement of works and goods financed by the IDB” (document GN-2349-6) and the “Policies for the selection and contracting of consultants financed by the IDB” (document GN-2350-6). Table III-2 summarizes the procedures applicable to each type of procurement, depending on the amounts involved.

**Table III-2**

Investment category	Limit (in US\$ thousands)	Procurement procedure
Works	5,000 and over	International competitive bidding (ICB)
	350 to 5,000	National competitive bidding (NCB)
	Under 350	Price comparison
Goods	350 and over	ICB
	100 to 350	LCB
	Under 100	Price comparison
Consulting services	300 and over	Short list with a wide regional participation
	Under 300	Short list

- 3.9 **Reviews by the Bank.** The Bank will apply prior reviews of procurements of goods and services and consulting contracts, as stipulated in Appendix I of documents GN-2349-6 and GN-2350-6. However, the Bank may perform post reviews, as established in those appendixes, for procurements and contracts below the limits authorized for each type of procurement, as per Table III-3, once UCOPRO has demonstrated to the Bank’s satisfaction that it has followed the procedures for each case and has adequate management and control systems. Post reviews will be approved for each type of process, as satisfactory results are verified in the prior reviews. It is expected that they will be applied to the program as a whole on the basis of the stipulated limits (Table III-3).

**Table III-3**

	<b>Prior review by UCOPRO and post review by the IDB</b>	<b>Prior review by UCOPRO and the IDB</b>
Works	Under US\$5 million	US\$5 million and over (ICB)
Goods	Under US\$350 thousand	US\$350 thousand and over (ICB)
Consulting firm	Under US\$100 thousand	US\$100 thousand and over
Individual consultant	Under US\$50 thousand	US\$50 thousand and over

- 3.10 **Procurement plan.** With assistance from the Bank, the executing agency has prepared and presented a procurement plan that covers an 18 month period (Annex II) and includes estimates of the cost of contracts, sources of financing, grouping of processes, contracting methods for each process, and the Bank's review procedures. As established in the procurement and contracting policies, the borrower will present to the Bank annually for review and approval, an update of this plan for an 18 month period. All contracting processes will be based on the most recent update of the procurement plan. For procurements of goods and services to be financed with loan proceeds, the Bank's procedures will be followed, which will be included in the loan contract.

#### **D. Operation and maintenance**

- 3.11 The executing agency will undertake to include in the agreements with the beneficiary institutions, a commitment to operate and maintain the works and equipment financed with program resources up to generally-accepted technical standards. If problems are found, the executing agency will promote the measures necessary to correct the shortcomings.

#### **E. Execution period and disbursement schedule**

- 3.12 The program will be executed in four years, with the following distribution of disbursements:

**Table III-4**  
**Execution period**  
**US\$ millions**

<b>Year</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Total</b>
Total	72	86	34	210	215
%	33%	40%	17%	10%	100%

#### **F. Cost recognition**

- 3.13 The Bank may recognize costs of up to US\$500,000 incurred within 18 months prior to approval of the loan, for consulting contracts for prefeasibility studies and

designs and other studies, provided procurement procedures substantially similar to those established in the loan contract have been followed.

**G. Prior procurements**

- 3.14 The Bank may recognize the results of procurement processes that began prior to approval of the loan, for the construction and equipping of 37 schools (US\$35 million) and 1,036 low-cost housing units (US\$22 million). The technical background and bid documents have already been reviewed by the Bank, which found that the information presented will comply from the technical standpoint with the Bank's requirements for recognition and that the bid documents will be acceptable, in accordance with the Bank's new procurement policy.

**H. Financial administration of execution and auditing**

- 3.15 For disbursements, the program will use a revolving fund not to exceed 10% of the total loan. UCOPRO will request disbursements through procedures agreed on with the Bank. To that end, it will open a special account in the program's name to deposit the funds disbursed by the Bank. The local counterpart will be deposited in other independent accounts in local currency, also in the program's name. Accounting systems satisfactory to the Bank will be established. The accounting records will be based on a chart of accounts approved in advance, be kept up to date to reflect the program's financial situation, and follow generally-accepted accounting practices.
- 3.16 The executing agency will keep complete and up-to-date files of all supporting documentation for the program's accounting and financial aspects, and documentation supporting the payments made. ACIF is required, through UCOPRO, to facilitate access to those files for inspection visits and post reviews when so determined by the IDB and the external auditors. Notwithstanding the above, UCOPRO will keep true copies of all documentation related to the program's processes and activities on its files, as support for verification by the auditors or the Bank. UCOPRO will present to the Bank within 120 days after the close of the fiscal year, the program's financial statements audited by independent auditors deemed eligible by the IDB. The external auditors will be contracted by the executing agency.
- 3.17 The auditors' reports on the program's financial statements will include their opinion about the financial and operational information required by the IDB, an evaluation of the internal control system, compliance with the contractual clauses, and the use of program resources as per the contractual terms and conditions, including a review of the documentation supporting disbursements, its pertinence, and proper compliance with procurement procedures. The reports will include recommendations for correcting any shortcomings found. The work of the auditors will be based on the Bank's requirements, as established in the loan contract, the

terms of reference (AF-400 and AF-500), the Bank's policy on auditing projects and entities (AF-100), and the guide for the preparation of financial statements and auditing requirements (AF-300). The executing agency will facilitate access by the auditors to the files and records.

## **I. Monitoring and evaluation**

- 3.18 The program's logical framework (Annex I) defines a series of indicators that will be used for program monitoring and evaluation. UCOPRO, through its management control unit, will be responsible for mounting and administering information systems to track the indicators and provide other information needed to evaluate the program. As part of its work program, the Undersecretariat for Management Control will support and monitor the ministries and ACIF in their compliance with the program's objectives, through the management by objectives system. **Within the first 12 months after the loan contract becomes effective, UCOPRO will present to the Bank's satisfaction, the baseline for the purpose indicators included in the logical framework, using methods agreed on in advance with the Bank.** For education, the baseline for promotion rates in the beneficiary schools will be calculated once the schools have been selected, which is expected to be by December 2006. The baseline for the improvement in academic achievement by students will be presented in April 2007, with data from the provincial quality evaluation to be compiled in the last quarter of 2006. For health care, the information on hospital mortality will be based on hospital and vital statistics to be obtained in 2006 and analyzed in the first quarter of 2007, using program funds.
- 3.19 As part of program monitoring, an independent midterm evaluation will be performed of the process and results, which will include progress in executing the components and in the indicators specified in the logical framework, and will extract lessons learned that can be applied to subsequent operations. **By the end of the 24th month of execution or when 40% of the funds have been disbursed, whichever comes first, the executing agency will contract an independent specialized firm to perform the midterm evaluation of the program, in accordance with terms of reference agreed on with the Bank.** The midterm evaluation will include an evaluation of the process, based on execution observed as of the date of the evaluation. It will also include an evaluation of the probable results, for which purpose it will use a sample of similar investments from program 1287/OC-AR.
- 3.20 It has also been agreed that the borrower will perform a final evaluation to measure progress toward the objectives and to extract lessons learned from program execution. **Within six months prior to the final disbursement or when 90% of the funds have been disbursed, whichever comes first, the borrower will contract an independent specialized firm to perform the final evaluation of the program, in accordance with terms of reference agreed on with the Bank.** The final evaluation will include an evaluation of the process and of the probable results

and impact, based on the results of a sample of program investments and of a sample of similar investments from program 1287/OC-AR to capture the medium term impact.



## IV. FEASIBILITY AND RISKS

### A. Execution plan

- 4.1 The execution plan appropriately proposes to center coordination of investment execution in UCOPRO, an ACIF unit. UCOPRO, which has been responsible for executing 1287/OC-AR, is currently coordinating with the subexecuting agencies through coordination units devoted mainly to the infrastructure aspect. It has been agreed that UCOPRO will be restructured for the program proposed here by creating a unit for each component, with responsibility for coordinating its overall execution. UCOPRO will have the tasks of advising, planning, coordinating, and monitoring compliance with the loan contract and will perform all the program's procurements, tasks that it is already carrying out for 1287/OC-AR. Each subexecuting agency will create a unit to support its own planning, execution, and monitoring for its component. The proposed execution plan, which responds to the institutional and legal analysis performed by the Bank and the lessons learned from executing the earlier program, is feasible from the technical standpoint.
- 4.2 Based on the results of applying the Institutional Capacity Assessment System (ICAS) to the executing agency, an institutional strengthening plan has been designed that will form part of UCOPRO's work plan. The Bank will monitor this plan using its normal monitoring tools.

### B. Feasibility of the investment projects

#### 1. Education

- 4.3 **Technical and economic feasibility.** An examination by the project team of an initial set of 37 schools (16 new and 21 replacements—12 kindergartens, 9 primary schools, 10 middle schools, 4 arts schools, and 2 special education schools), it was found that the investments in school infrastructure: (i) are well planned in function of existing demand and population growth; (ii) the kindergartens, primary, and middle schools target students come from low-income families; (iii) they are cost efficient since the cost per square meter and the cost per student place is comparable to other programs financed by the Bank; and (iv) they comply with the eligibility criteria established in the Operating Regulations (paragraph 3.7).
- 4.4 **Institutional feasibility.** The institutional feasibility of the component has been assured by using the institutional structure of the earlier program, which has been adjusted for better coordination between the areas responsible for infrastructure upgrading and for pedagogical strengthening.
- 4.5 **Sustainability.** Approximately 160 new teachers will be required on account of the new schools and the increase in student places in the schools to be replaced, who

will be incorporated gradually in the first two years of the program (50% each year). The increase in staff of the beneficiary schools offering a longer school day will be about 120 teachers (full time equivalents). The impact on the province's education budget (including additional administrative staff and operating costs) is minimal—0.43% in year one, 0.87% in year two, 0.90% in year three, and 0.91% in year four.

## **2. The hospital system**

- 4.6 **Technical and economic feasibility.** A review of the preinvestment studies for the Cordoba and Misericordia hospitals showed that: (i) the types and levels of services to be offered at each hospital respond to effective demand generated in their respective service areas (for the Cordoba hospital the whole province, and for the Misericordia hospital the southern part of the city of Cordoba); (ii) the proposed designs correspond to modern protocols for hospital care and management; (iii) the general scaling of the different services in both hospitals and their medical and operational programming respond to reasonable projections and assumptions regarding productivity and growth of demand; (iv) the proposed technologies are chiefly handled by professional staff in both hospitals, and training will be provided in new techniques to be introduced with the project; (v) the needs identified for additional human resources are consistent with the proposed services and are available on the market; (vi) the proposals comply with the eligibility criteria established in the Operating Regulations (paragraph 3.7), including the environmental requirements. Although it is not anticipated that these conclusions will be invalidated, **the complete Investment Project for each hospital including feasibility studies and final design proposal will be subject to prior approval by the Bank.**
- 4.7 **Institutional feasibility.** The Ministry of Health has experience and capacity in the planning and execution of hospital projects and in hospital administration. Furthermore, UCOPRO will incorporate a technical unit to coordinate the hospital system component, which will coordinate with the Ministry. The Ministry, in turn, will establish a sector technical execution unit devoted to this component, which ensures the institutional feasibility of its execution.
- 4.8 **Sustainability.** Although the final figures on the increase in recurrent costs as a result of the component's investments will be determined by the feasibility study mentioned above (see paragraph 4.6), preliminary estimates indicate that it will not exceed 50% of today's recurrent costs for each of the hospitals to be renovated. Using this figure as the upper limit, the total additional annual costs would be approximately US\$8.5 million (US\$6 million for Cordoba and US\$2.5 million for Misericordia), out of the Ministry of Health's total budget of US\$150 million, or 5.7%. This figure was used in the financial sustainability analysis performed for the program as a whole (paragraphs 4.17 and 4.18).

### 3. Housing emergency

- 4.9 **Technical and economic feasibility.** A review of three initial projects that together will produce 1,000 low-cost housing units for the relocation of families currently living in zones prone to flooding indicated that the investments: (i) are well targeted to families in zones prone to flooding; (ii) will provide minimum cost housing that is consistent with best social housing practices; (iii) conform to policy OP-710 on involuntary resettlement, since they have comprehensive social support plans (PIAS); and (iv) comply with the eligibility criteria established in the Operating Regulations (paragraph 3.7).
- 4.10 **Institutional feasibility.** The institutional feasibility of the component has been assured by using the institutional structure of the earlier program, which has been adjusted for better coordination between the areas for diagnostic analysis and social support (Ministry of Solidarity), planning and execution of works (Ministry of Public Works and Housing), and environmental assessment and surveillance (ACA).
- 4.11 **Sustainability.** The new regularized ownership status of the beneficiary families means that they will be required to pay for the services they receive, such as potable water, electricity, trash collection, etc. The institutions responsible for delivering those services will charge social rates that include targeted subsidies for housing programs for low-income groups, like the ones in the present program. The total monthly payment for these services, including the property tax, has been estimated as US\$10, which amounts to 6% of the average monthly income of the beneficiary families. In addition, mechanisms exist for temporary support for families that suffer from total loss of income which, coupled with the assistance programs being provided for those families (*Familias, Jefas y Jefes de Hogar, PAICOR*, etc.), indicate that this component will be sustainable.

### 4. Management by objectives

- 4.12 **Technical and economic feasibility.** The design of the management by objectives system (MBOS) was based on the Balanced Scorecard system and on the experiences of other countries. As operational support, it uses the computer program *Strategos*, where the different government institutions input objectives and strategic activities and monitor their programs. The planning and monitoring activities, although initially intensive in person-hours, lead to gains in government efficiency and effectiveness, which is why this component is considered to bring high returns.
- 4.13 **Institutional feasibility.** The SCG, which will lead technical execution of this component, exists at present and consists of a Strategic Planning Assistance Coordination Office, which is in charge of providing training and support for institutions in preparing their strategic plans, and a Monitoring Coordination Office,

which is in charge of monitoring and evaluation of government projects, programs, and public policies. An operational control implementation coordination office will also be added, whose purpose is to analyze the capacity of the provincial government's institutions and supervise compliance with the rules and procedures of management by objectives. The structure of the SCG will make management by objectives feasible from the institutional standpoint.

## C. Fiscal and financial feasibility of the program

### 1. Fiscal performance and compliance with goals

- 4.14 The analysis of the fiscal performance of the province's accounts was carried out for the general administration and on the consolidated level, which includes the agencies and pension funds. In general, the province's fiscal situation performed favorably prior to the crisis. The province's consolidated account posted surpluses in 2004 and 2005 and, according to the budget, will see a surplus in 2006<sup>7</sup>.
- 4.15 Program 1287/OC-AR in addition to financing investments for modernization of the State and in the social sectors, involved the establishment of fiscal and debt goals. The goals for current savings and financial results were not met during the crisis (see Table I-2). With the subsequent economic recovery, in 2004 the values are in line with the agreement. The ratio of provincial debt to current income has performed positively since 2003.

**Table I-2**  
**Fiscal and debt goals**

	2000	2001	2002	2003	2004	2005
<b>Current savings/current income</b>						
Agreed	6.0%	8.0%	9.0%	9.0%	9.0%	9.0%
Achieved	5.9%	-10.8%	-5.7%	1.2%	11.8%	13.6%
<b>Financial results (US\$ millions)</b>						
Agreed	-124	-96	-59	0	0	0
Achieved	-116	-419	-180	14	250	217
<b>Provincial debt<sup>1</sup>/current income</b>						
Agreed	70.0%	70.0%	70.0%	70.0%	70.0%	70%
Achieved	51.7%	112%	254%	214%	173%	152%

<sup>1</sup> Includes ACIF's debt since 2003. "Achieved" is calculated using only the general administration's current income. If the consolidated current income for 2004 and 2005 is taken, which are the only years for which this information is available, the percentages are 131% and 114%, respectively.

- 4.16 In addition, the Fiscal Responsibility Act that the province has adhered to (provincial law 9237) establishes that the provincial governments should take the

<sup>7</sup> Provincial Fiscal Strategy (2006-2020) Cordoba Provincial Ministry of Economy; Fiscal sustainability study, Nadin Aragañaraz, 2006.

steps necessity to ensure that consolidated public-sector debt service does not exceed 15% of net current income from revenue-sharing transfers to municipalities. For 2004 and 2005, the figures for Cordoba were 11.5% and 12.1% and are forecast to be 14% in 2006, which complies with the law.

## **2. Fiscal sustainability**

- 4.17 The analysis of the province's fiscal sustainability, based on the assumptions contained in the base scenario, the simulations, and the different sensitivity analyses, indicates that the province will be in a sustainable situation for the coming years. The incorporation of credits and projects financed by international organizations (IDB, World Bank) will not make any substantial changes in the solvency indicators. The province has sufficient financial capacity to honor the commitments that stem from this IDB loan and to provide the necessary counterpart resources.
- 4.18 The goals established in the Fiscal Responsibility Act will be complied with, both in projections that do not include credit operations with international organizations and in those that include them. When the loan operations are included, the debt index comes close to the limit in the first three years, but then falls to far below the 15% established as the target by the national government in the act. The provincial government's strategy is to generate the current savings needed to shoulder its commitments and comply with the act.

### **D. SEQ and PTI classification**

- 4.19 The program qualifies as a poverty targeted investment (PTI) that promotes social equity (SEQ) since more than half of its direct beneficiaries are poor. It is also consistent with the social equity objectives established in the Eight Replenishment document (AB-1704).

### **E. Social and environmental impact**

- 4.20 The program's social impact will be highly positive, considering its investments in education and health infrastructure and, in particular, the elimination of high risk situations and irregular status in which poor and vulnerable families currently live. The environmental impact will also be positive, owing to the elimination of environmental liabilities in the deteriorated areas of the emergency shanty-towns and the introduction of sanitary sewerage and wastewater treatment in the other program projects.
- 4.21 Some small negative environmental impacts are anticipated during the works and operating stages. The social and environmental strategy was determined through an environmental assessment that citizens commented on when it was opened to the public at the offices of the executing agency from 31 March to 14 April 2006. The environmental assessment includes: (i) standards and rules for the design and

operation of schools and hospitals with respect to safety, potable water, liquid waste removal, and solid waste management; (ii) rules and inspection in the works phase and production of a standard environmental management plan to be included in each of the bid documents for program works; (iii) plans for hospital hygiene and management of special hospital waste; (iv) remediation plans for the cleared areas in the emergency shanty-towns; (v) final comprehensive social support plans (PIAS) that comply with the Bank's resettlement policy (OP-710) for each of the three initial projects; (vi) environmental impact studies for the proposed hospital projects; and (vii) preparation of an environmental procedure and a procedure for the PIAS, which will be included in the program's Operating Regulations.

#### **F. Benefits and impacts**

- 4.22 By the end of the program it is expected that: (i) the coverage and quality of education will have been improved, mainly to the benefit of low-income groups; (ii) the resolution capability, coverage, and efficiency of the provincial hospital system will have increased; (iii) some 2,500 low-cost housing units will have been built for the most vulnerable groups; and (iv) the province's management by objectives system will have been implemented and used to perform monitoring of government ministries and agencies, with regard to the provincial government's strategic objectives, including the objectives of the proposed program.

#### **G. Risks**

- 4.23 The main risks faced by the program are: (i) the change in provincial authorities expected at the end of 2007 could have an impact on the program, although its design includes components with high social impact and public visibility backed by solid technical criteria, which indicates that its priority will be maintained; and (ii) the execution of projects to renovate hospitals is complex, given that services must continue to be provided during the construction period. This implies the need for: (a) high administrative capacity of the process of managing patients, medical staff, equipment, and medications; (b) the continuity of water, electricity, and gas services; and (c) coordination between the builder and the suppliers of medical equipment. To minimize this risk, a detailed coordination plan of the parties involved must be available prior to the start of the works.

**SOCIAL DEVELOPMENT PROGRAM FOR CÓRDOBA PROVINCE  
(AR-L1027)  
LOGICAL FRAMEWORK**

Narrative summary of objectives	Objectively verifiable indicators	Goal					Baseline value (year)	Means of verification	Assumptions
		Year 1	Year 2	Year 3	Year 4	Year 5			
<b>Objective</b> To increase the well-being of the province's citizens.	Provincial human development index					0.81	0.7886 (2004)	Human Development Index, Argentina	Economic growth in the province remains positive.
<b>Purpose</b> <b>a. To improve services for the poor.</b>	<b>Education</b> <b>For zones with UBNs above the mean:</b> Index for early education coverage (4 and 5 years of age). <b>For beneficiary schools:</b> Increase the pass rate in grade 1. Increase in the pass rate in the first year of middle school. Increase in the percentage of students who are proficient in math and language in grade 2. Increase in the percentage of students who are proficient in math and language in the second year of middle school. No. of students served by program infrastructure. No. of students served with program materials and equipment.					56%  5% 10% 5% 5%  18.000 42.000	54%  To be calculated <sup>1</sup>     0(2006) 0(2006)	Provincial statistics on education  Information from the provincial quality evaluation operation, MEP	Other provincial investments in the social area are maintained.
<b>b. To improve the resolution capabilities of hospitals.</b>	<b>Hospital system</b> Cordoba hospital: Waiting list for kidney transplants. Reduction in the number of deaths from complications due to hypertension. Misericordia hospital: Reduction in maternal mortality in the hospital.					300 30%  20%	478 (2006) To be calculated <sup>2</sup>  To be calculated	Statistics from the hospitals, MSP	
<b>c. To solve the housing problem of families living in areas prone to flooding or exposed to other critical environmental factors.</b>	<b>Housing emergency</b> No. of families living in critical environmental risk conditions.	4,000	3,000	2,000	1,500	1,500	4,000	Censuses taken by the Ministry of Solidarity	
<b>d To improve government management</b>	Management by objectives								

<sup>1</sup> The baseline for promotion rates in the beneficiary schools will be calculated once the schools have been selected (December 2006). The baseline for the academic achievement by students will be presented in April 2007, with data from the OPEC to be compiled in the last quarter of 2006 (see paragraph 3.18 of the project Document).

<sup>2</sup> The information on hospital mortality will be based on hospital and vital statistics to be obtained in 2006 and analyzed in the first quarter of 2007 (see paragraph 3.18 of the Project Document).

Narrative summary of objectives	Objectively verifiable indicators	Goal					Baseline value (year)	Means of verification	Assumptions
		Year 1	Year 2	Year 3	Year 4	Year 5			
<b>and services through management by objectives.</b>	No. of provincial institutions that produce and make public management reports with satisfactory data quality.	2	4	7	10	12	0 (2006)	Reports by the MBOS Government web page	
<b>1. Education</b> Improvement in school infrastructure in poor zones.	No. of kindergartens built and in operation. No. of primary schools built and in operation. No. of middle schools built and in operation. No. of special education schools built and in operation. No. of tertiary schools built and in operation.	- - - - -	15 10 9 2 2	19 14 14 2 2	19 14 14 2 2	19 14 14 2 2	0 (2006) 0 (2006) 0 (2006) 0 (2006) 0 (2006)	Progress report	
Support for primary and middle school education.	No. of schools equipped with laboratories (science, computers, arts, or sports). No. of schools with bibliographical materials. No. of schools with longer school days. No. of TTI-school linkage projects.	15 44 30 10	35 74 40 20	60 74 44 40	60 74 44 60	60 74 44 60	0 (2006) 0 (2006) 0 (2006) 0 (2006)		
<b>2. Hospital system</b> Improvement in the provincial hospital system	<b>New Cordoba hospital in operation:</b> No. of kidney transplants No. of major surgical operations No. of hospitalizations			✓	40 6,000 9,000	60 7,000 10,000	30 (2005) 5,100 (2005) 8,100 (2005)	Progress reports Statistics from hospitals, MSP	
	<b>New Misericordia hospital in operation:</b> No. of deliveries No. of surgical operations			✓			To be calculated To be calculated		
	No. of hospitalizations Plan to strength the MSP and the hospital network agreed upon. The MSP and the hospital system are strengthened in accordance with the plan.			✓ ✓			To be calculated		
<b>3. Housing emergency</b> To draw up a PIAS for each project, with community consent regarding the location.  To provide housing solutions for 2,500 families living in zones prone to flooding or exposed to other critical environmental factors by relocating them to suitable residential areas.	No. of families that agree to their relocation project. Percentage of PIAS formulated/all projects to be executed. No. of families previously affected by flooding or other critical environmental factors now living in low-cost housing. Percentage of relocated families whose situation is the same or improved with the housing solution received. No. of families living in low-cost housing with ownership deeds.	1,000 100%    1,000	2,500 100% 1,000 85% 1,800	  2,500 85% 1,800	  2,500 85% 2,500	  2,500 75% 2,500	0 (2006) 0 (2006) 0 (2006) 0 (2006) 0 (2006)	Progress report Records of adherence to the project PIAS Records of adherence Survey Deeds issued Progress reports on the works and maintenance	



Narrative summary of objectives	Objectively verifiable indicators	Goal					Baseline value (year)	Means of verification	Assumptions
		Year 1	Year 2	Year 3	Year 4	Year 5			
	No. of hectares in risk areas reclaimed and maintained.		30	40	57	57	0 (2006)		
	Percentage of green spaces maintained in the new settlements.		100%	100%	100%	100%	0 (2006)		
<b>4. Management by objectives</b> Consolidation and extension to other provincial government institutions of the management by objectives system (MBOS)	No. of institutions with action plans.	12	18	18	20	20	7 (2006)	Progress report MBOS reports Government web page	The ministries and agencies concerned cooperate.
	No. of institutions that use MBOS planning.	-	-	4	13	16	0 (2006)		
	No. of institutions that produce management reports.	10	12	14	16	18	0 (2006)		
	No. of institutions that make their management reports public.	2	4	7	10	12	0 (2006)		

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

RESOLUTION DE-\_\_/06

Argentina. \_\_\_\_/OC-AR to the Province of Cordoba  
Social Development Program for Cordoba Province

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 Province of Cordoba, as Borrower, and the Republic of Argentina, as Guarantor, for the purpose of granting the former a financing aimed at cooperating in the execution of a social development program for Cordoba Province. Such financing will be in the amount of up to US\$180,000,000, from the resources of the Single Currency Facility 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 \_\_\_\_\_ 2006)