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ARGENTINA

PROGRAM FOR THE STRENGTHENING OF AGRICULTURAL HEALTH SERVICES AND THE SUSTAINABLE MANAGEMENT OF MARITIME RESOURCES IN ARGENTINA (PROSAMA)

(AR-L1352)

LOAN PROPOSAL

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ABBREVIATIONS

AGN	Auditoría General de la Nación [Office of the Auditor General]
CREHA	Plan de Control de Residuos e Higiene en Alimentos [Food Waste and Hygiene Control Plan]
DIPROSE	Dirección General de Programas y Proyectos Sectoriales y Especiales [General Directorate of Sector and Special Programs and Projects]
ESMP	Strategic Environmental and Social Management Plan
ESPF	Environmental and Social Policy Framework
ICB	International competitive bidding
IMF	International Monetary Fund
INIDEP	Instituto Nacional de Investigación y Desarrollo Pesquero [National Institute for Fisheries Research and Development]
MAGYP	Ministerio de Agricultura, Ganadería y Pesca [Ministry of Agriculture, Livestock and Fisheries] (currently Secretariat for Agriculture, Livestock and Fisheries – SAGYP)
OIE	World Organisation for Animal Health
PRRS	Porcine Reproductive and Respiratory Syndrome
QCBS	Quality- and cost-based selection
SAGYP	Secretaría de Agricultura, Ganadería y Pesca [Secretariat of Agriculture, Livestock and Fisheries]
SDO	Specific development objectives
SENASA	Servicio Nacional de Sanidad y Calidad Agroalimentaria [National Agrifood Health and Quality Service]
SEPLAN	Secretaría de Planificación del Desarrollo y la Competitividad Federal [Secretariat of Development Planning and Federal Competitiveness]
SOFR	Secured Overnight Financing Rate
SSRFID	Subsecretaría de Relaciones Financieras Internacionales para el Desarrollo [Undersecretariat of International Financial Relations for Development]
UEPEX	Unidades Ejecutoras de Préstamos Externos [External loan execution unit system]

PROGRAM SUMMARY

ARGENTINA

PROGRAM FOR THE STRENGTHENING OF AGRICULTURAL HEALTH SERVICES AND THE SUSTAINABLE MANAGEMENT OF MARITIME RESOURCES IN ARGENTINA (PROSAMA) (AR-L1352)

<table>
<tr><th colspan="5">Financial Terms and Conditions</th></tr>
<tr><td colspan="3">Borrower:</td><td colspan="2">Flexible Financing Facility[a]</td></tr>
<tr><td colspan="3">Argentine Republic</td><td>Amortization period:</td><td>25 years</td></tr>
<tr><td colspan="3">Executing agency:</td><td>Disbursement period:</td><td>5 years</td></tr>
<tr><td colspan="3">Ministry of Economy</td><td>Grace period:</td><td>5.5 years[b]</td></tr>
<tr><td>Source</td><td>Amount (US$)</td><td>%</td><td>Interest rate:</td><td>SOFR-based</td></tr>
<tr><td rowspan="2">IDB (Ordinary Capital):</td><td rowspan="2">125 million</td><td rowspan="2">72</td><td>Credit fee:</td><td>[c]</td></tr>
<tr><td>Inspection and supervision fee:[c]</td><td>[c]</td></tr>
<tr><td>Local counterpart:</td><td>49 million</td><td>28</td><td>Weighted average life:</td><td>15.25 years</td></tr>
<tr><td>Total:</td><td>174 million</td><td>100</td><td>Approval currency:</td><td>United States dollar</td></tr>
<tr><th colspan="5">Program at a Glance</th></tr>
<tr><td colspan="5">Program objective: The general objective of the program is to promote productivity, sustainability, and climate resilience in agrifood and marine systems, with a focus on technological innovation. The specific objectives are to: (i) improve the effectiveness of surveillance, control, and prevention of the introduction of pests and diseases that affect the country's zoosanitary/phytosanitary assets; (ii) increase the diagnostic capabilities of plant and animal health laboratories, and improve quality control of agrifood products; (iii) improve the quality of certification services, payments, and procedures offered by the National Agrifood Health and Quality Service (SENASA); and (iv) improve research capabilities in relation to oceanographic resources, marine ecosystems, and the coastline.</td></tr>
<tr><td colspan="5">Special contractual conditions precedent to the first disbursement of the loan: The borrower, through the executing agency, has submitted, to the Bank's satisfaction, evidence of: (i) the approval and entry into effect of the program Operating Regulations, according to the terms and conditions previously agreed upon with the Bank; (ii) the signing and entry into effect of a sub-execution agreement between the executing agency and either subexecuting agency regarding the resources for which each is responsible, establishing the terms and conditions for the transfer and partial use of the loan proceeds, and the powers of the parties during the execution of the program; and (iii) the designation of an executing unit within each subexecuting agency, with the structure, functions, and effective staffing with the minimum necessary personnel as envisaged in the program Operating Regulations (paragraph 3.9).

In addition, see special contractual conditions in Annex B of the environmental and social review summary.

Special contractual conditions of execution: See special contractual conditions in Annex B of the environmental and social review summary.</td></tr>
<tr><td colspan="5">Exceptions to Bank policies: None.</td></tr>
<tr><th colspan="5">Strategic Alignment</th></tr>
<tr><td>Challenges:[d]</td><td colspan="2">SI ☐</td><td>PI ☒</td><td>EI ☒</td></tr>
<tr><td>Crosscutting themes:[e]</td><td colspan="2">GE ☒ and DI ☐</td><td>CC ☒ and ES ☒</td><td>IC ☒</td></tr>
</table>

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

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

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

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

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

I. DESCRIPTION AND RESULTS MONITORING

A. Background, problems addressed, and rationale

1.1 **Background.** The Argentine Republic has requested a loan from the Bank to enhance the competitiveness of its agrifood and marine sector that it will use to strengthen the capabilities of the National Agrifood Health and Quality Service (SENASA) and the National Institute for Fisheries Research and Development (INIDEP). These two action areas underpin a strategic vision of the development of the country's capabilities as an agrifood supplier, as their aim is to expand capabilities linked to the preservation of the national animal and plant production assets, as well as fishing resources in the Argentine Sea.

1.2 **Macroeconomic context.** Argentina is facing challenges to sustaining growth and reducing the fiscal deficit, inflation, and poverty in a context of global volatility. In March 2022, the country signed a new Stand-By Arrangement with the International Monetary Fund (IMF), which approved the first two reviews of the arrangement in the first and second quarters of 2022. Between 2018 and 2020, economic activity fell by 14% in cumulative terms, exacerbated by the COVID-19 pandemic. Although GDP grew 10.3% in 2021, it remains 5.2% lower than its 2017 level, and growth of 4.1% is forecasted for 2022. Annual inflation accelerated to 50.9% in 2021 against a backdrop of monetary emissions, and has surged again in 2022, which is expected to reach 100.3%. The primary balance deficit stood at 0.4% in 2019, but grew to 6.4% of GDP in 2020, owing to the impact of COVID-19. That deficit narrowed to 3% in 2021 and, pursuant to the arrangement with the IMF, is to be further reduced to 2.5% in 2022. Net international reserves have recently staged a recovery and are projected to exceed US$7.3 billion by the end of the year and reach US$12.1 billion in 2023. The unemployment and poverty rates increased to 11% and 42%, respectively, in the final quarter of 2020, due mainly to the impact of the pandemic, but have since begun to improve, and by the second quarter of 2022, unemployment had fallen to 6.9% and poverty, to 36.5%.

1.3 **Context of the agrifood sector.** The agrifood sector is critical to the Argentine economy, given that it accounts for 15.4% of gross value added (average 2016-2020) [1].[1] In 2020, the sector generated 20% of national tax revenues and employed 18.5% of the country's private workforce [1]. In recent decades, the sector has enjoyed sustained output growth, averaging annual growth of 3% between 1962 and 2019 [2]. In addition to its role in the country's food security, the sector plays a crucial part as a source of foreign exchange earnings. Agrifood exports made up 70% of total exports in 2020, concentrated mainly in three annual crops: soybeans, corn, and wheat.

[1] See complete list of references identified by the number enclosed in square brackets [#].

1.4 **Importance of agricultural health and food safety.** International sanitary and phytosanitary standards,[2] as well as the domestic standards of countries,[3] govern international trade in agricultural products. Their aim is to mitigate the risks of the spread of pests, transmission of foodborne diseases, and the presence of biological and chemical contaminants. Argentina's national agricultural health system has the important responsibility of preventing the introduction and propagation of pests and diseases that affect animals and plants, along with exotic and emerging zoonotic diseases, the presence of which can harm human health, impair access to international markets, cause direct production losses, and generate costs for producers and the public sector in order to combat them.

1.5 **Zoosanitary and phytosanitary risks in Argentina.** The large size of the country, the diversity of ecosystems, the length of its river and land borders (14,493 kilometers) with five countries, and the volume of agricultural trade, give rise to risks of introduction of diseases and pests, as well as significant challenges for maintaining the country's zoosanitary and phytosanitary status. The occurrence of disease outbreaks or the spread to other geographic areas of endemic pests represent potentially significant economic risks. There is an imminent risk of the entry of zoonotic diseases such as Porcine Reproductive and Respiratory Syndrome (PRRS), which could cause economic losses in the pork chain of approximately US$1.2 billion, affecting 6,600 jobs in the primary sector and 7,800 in the industrial sector [7]. As for plant health, the fruit fly *(Ceratitis capitata* and *Anastrepha fraterculus*) causes production losses, is one of the main non-tariff barriers to international agrifood trade, and has limited the country's exports to the European Union and Asian countries. Direct economic losses from the pest are estimated at up to US$19 million annually, or 20% of fruit output [8].

1.6 **Impact of climate change on zoosanitary and phytosanitary risks.** Rising temperatures favor the proliferation of some pests, and without interventions the risk of agricultural losses is expected to intensify with climate change [9, 10, 11]. For the main grains, production losses from increased pests are estimated at approximately 10 to 25% for each degree Celsius increase in temperature [11]. A particularly important example for Argentina is the soybean cyst nematode (*heterodera glycines*), a pathogen whose incidence increases with rising temperatures and can lower soybean output by as much as 40% [11]. Climate change also impacts animal health by influencing the host-pathogen system environment directly and indirectly. Climate variability and extreme weather events are important factors for predicting disease occurrence in animals [12].

1.7 **Advances and current challenges in agricultural health.** Argentina has seen great progress in the area of agricultural health in the last decade, which has brought access to new international markets, especially for meat and fruit. During the period 2016–2019, Argentina recorded 257 market openings or re-openings in 54 countries, covering a total of 2,289 markets-products of animal and plant origin, pharmaco-veterinary goods, agrochemicals, and fertilizers [13]. Since 2007, the

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[2] World Trade Organization, Agreement on Sanitary and Phytosanitary Measures; Food and Agriculture Organization of the United Nations, Codex Alimentarius; World Organization for Animal Health and International Plant Protection Convention (IPPC) standards.

[3] For example, the Food Safety Modernization Act of the United States Food and Drug Administration; European Union Regulation (EC) 178/2002, among others.

World Organisation for Animal Health (OIE) has recognized Argentina as a country free of foot-and-mouth disease with vaccination [14]. In turn, some regions have a specific sanitary status, such as the Patagonian region, which has been internationally recognized as a free of fruit fly and of foot-and-mouth disease without vaccination since 2013.

1.8 However, the current limited capacity of SENASA in terms of control and monitoring of potential threats to animal and plant health, on the one hand, and food safety and quality, on the other, is notable. These weaknesses are visible at international borders and internal sanitary barriers, where demand for control and authorization of products and by-products of animal and plant origin admitted grew by 55% from 2019 to 2021, with a significant increase in seizures from 16,185 to 28,987 at border crossings [7]. In addition, the substantial growth in agrifood trade in recent years has pushed up demand for agricultural health diagnostic services. Between 2015 and 2021, there was a 272% increase in test orders associated with exports of animal products (optional link 2). The demand for diagnostics has also grown due to demands by target markets to include new types of diagnostic tests to monitor and control a greater number of toxins and chemical residues. In 2022, for instance, the European Union requested the incorporation into the Waste and Food Hygiene Control Plan (CREHA) of 15 new tests for monitoring toxins produced in livestock feed (optional link 2). In this context of increasingly stringent requirements, traceability is becoming increasingly important for food exports. According to the system for the centralized exchange of electronic phytosanitary certificates of the International Plant Protection Convention (ePhytoHub), the total number of certificates exchanged rose from 7,992 in December 2019 to 45,351 in August 2020 [15]. However, of the 10 agricultural chains in which product marketing certifications are granted in Argentina, 7 there are processes with little or no digitalization (optional link 2).

1.9 **The importance of the Argentine Sea.** Argentina has a maritime coastline 4,725 kilometers in length, in addition to the 11,325 kilometers of the coastline in the Argentine Antarctic and southern islands. Its maritime areas cover a total of 6,683,000 kilometers^2, of which the Argentine continental shelf occupies 56% [16]. The marine biodiversity comprises around 200,000 species [17]. Law 27,167, creating the Programa Nacional de Investigación e Innovación Productiva en Espacios Marítimos Argentino (PROMAR) [National Program for Research and Productive Innovation in Argentine Maritime Areas], was enacted in 2015. The program adopts a strategic vision of scientific research in the Argentine Sea with a view to the protection and conservation of marine spaces that represent habitats and ecosystems. In addition, the Southwest Atlantic is key to the global climate system, with large amounts of heat, salt, and freshwater distributed by the Antarctic Circumpolar Current, the world's largest in terms of volume and mass transported. Primary productivity in these large Argentine maritime areas plays an important role in the sequestration of atmospheric carbon dioxide, thus reducing ocean acidification due to climate change [18].

1.10 **Effects of climate change on the Argentine Sea.** Climate change is having significant impacts on the marine ecosystem, including ice retreat, disturbances in thermohaline circulation, ocean acidification, increasingly extreme weather events, and changes in biodiversity and species distribution. This results in significant adverse effects on fishery productivity [19]. Those effects include, in particular,

changes in the distribution of shrimp from coastal waters towards the mid-shelf and the northeast and the southward expansion in the distribution of mackerel, making it necessary to expand research into the climatic impact on marine biodiversity in the Antarctic Ocean. In addition, the increase in the frequency and magnitude of adverse weather events will be a determining factor in the fishing trips of small and artisanal vessels, impacting the economy of Argentine coastal communities [20].

1.11 **Fisheries research in Argentina.** The large expanse of the country's oceans and the rich biodiversity of its ecosystem create a pressing need for marine research in order to strengthen and improve the knowledge, use, and conservation of Argentina's hydrobiological resources. In order to carry out scientific research to facilitate a better understanding of the distribution patterns and behavior of species of fishery interest and the effects that climate change is causing, the infrastructure, personnel, and tools necessary for rigorous measurements are required (optional link 4). Collection of data on physicochemical variables of the marine environment makes it possible to analyze population dynamics in relation to changes in environmental and climate conditions, and to make decisions regarding the management of fishery and marine resources based on empirical information. Polar and subpolar regions are also critical to climate stability, which requires equipment to collect data in these areas and develop response capabilities.

1.12 The biological processes that occur on the continental shelf and adjacent sectors of the Argentine slope have been intensively studied, as a result of numerous research campaigns undertaken by INIDEP's fishing and oceanographic research vessels. However, the country has had difficulty exploring beyond the 200-mile shelf, as well as the 55° parallel, which is restricting its ability to provide key scientific data for sectoral decision making [18]. At present, INIDEP carries out infrequent research campaigns in these areas. Specifically, it devotes only 50 days a year to campaigns targeting southern resources (*Ibid.*). To date, it has not been possible to extend the research campaigns eastwards to study the seabed of the Argentine shelf to a distance of 350 miles from the coast or to the south in sub-Antarctic waters and Antarctica, in spite of demand from the scientific sector and the enforcement authority of the Federal Fisheries Law (Law 24,922). As a result, only a low percentage (less than 25%) of the Argentine shelf has been studied [21]. The research constraints have become more restrictive in a context in which fishing sites have shifted south towards Patagonia, both in terms of the maritime area of catches and the ports where landings of the most commercially valuable species (e.g. Fuegian sprat, Patagonian grenadier, Argentine red shrimp, and Fuegian spider crab, among others) take place [22].

1.13 **Role of SENASA in agricultural health.** SENASA is a decentralized agency attached to the Ministry of Economy and is responsible for implementing national policies on animal and plant health and quality and food safety within its sphere of authority, as well as for verifying compliance with current regulations in this area. It is also responsible for the control of federal and provincial traffic and imports and exports of products, by-products and derivatives of animal and vegetable origin, agrifood, pharmaco-veterinary and agrochemical products, fertilizers, and conditioners. It plays a pivotal role in maintaining and expanding the country's export capacity. SENASA has 14 regional centers, with more than 465 offices throughout the country; it has a presence in more than 100 spaces authorized for the international transit of cargo and passengers [7]. SENASA maintains 131

border control posts and 69 port terminals to control commercial freight, passengers, and their luggage, and implements direct control measures at more than 14,000 establishments in the agrifood industry.

1.14 **Institutional challenges identified for SENASA.** Diagnostic assessments have identified the following challenges:

a. **Low surveillance effectiveness.** At present, SENASA does not have the technical and operational capacity to perform a predictive risk analysis of absent pests that incorporates the volume of available data (climatic, geographic, land use, and other anthropogenic factors); it only manages to perform a predictive analysis of one pest per year. It also lacks infrastructure and equipment at international and Patagonian borders that would enable it to have a continuous presence of trained personnel.

b. **Low effectiveness of control and prevention.** Economically important pest and disease control activities were found to have deficiencies. On the one hand, the time required to detect fruit flies in monitored areas is excessively long, since the current laboratory test procedure can take up to 14 days. With respect to animal imports, the current quarantine station for housing animals during the post-entry isolation period is an old building in a deteriorated condition that lacks the capacity to meet the growing demand for animal importation, nor can it guarantee high biosecurity standards (currently below Level 3).

c. **Low diagnostic capacity of plant and animal health laboratories and weaknesses in quality control of agrifood products.** There are diagnostic delays at the agency's laboratories due to the high centralization of the diagnostic capacity (64% of all samples are processed at the central laboratory). Laboratories lack the equipment to meet to the growing demands of export destination countries, such as the new requirement established by the European Union to test for three types of toxins in the quality control of agrifood products.

d. **Low efficiency of certification services, payments, and processing.** There are difficulties meeting the digitalized and integrated traceability requirements of export destination markets. In addition, the agency's internal computer systems are obsolete. This is an obstacle to integration with external systems, including those of sanitary agencies in export destination countries.

1.15 **The role of INIDEP in research on oceanographic resources and marine ecosystems.** INIDEP advises the National Undersecretariat of Fisheries and Aquaculture, the Federal Fisheries Council, and the Argentine Foreign Ministry on the rational use of fishery resources in order to preserve the marine ecosystem. It is a decentralized agency attached to the Ministry of Economy. INIDEP originally concentrated on the study of fisheries in the marine area north of the 45° parallel and, in recent years, in a limited way, between that latitude and the 55° parallel.

1.16 **Institutional needs identified (INIDEP).** To meet expanding research needs, INIDEP needs to have autonomous access to scientific and technical knowledge about all areas of Argentina's territorial waters [18]. The availability of a research

vessel with more sophisticated instruments, together with its ancillary and enabling infrastructure, allowing access to little-explored areas, is necessary to address new lines of research and verify, among other aspects, the impact of climate change on marine biodiversity.

1.17 Specifically, a research vessel needs to be purchased that would enable INIDEP to meet these requirements by expanding its research coverage in the Argentine Sea by an additional 173,000 square nautical miles. This potential expansion of coverage would increase INIDEP's study area and days sailed by 50%, significantly boosting its research capacity. These new research efforts would also require new and expanded infrastructure and operational capacity to support research efforts with laboratories and living facilities in maritime coastal provinces in order to harness the potential that a new vessel would offer.

1.18 **Gender assessment.** INIDEP has a staff of 410, 62% of whom are men, 37.75% women, and 0.25% non-binary personnel. With regard to the hierarchical gender distribution, there is gender parity within the directorates, but not at the other levels. Of the total crew assembled by INIDEP and the Argentine Naval Prefecture of 59 people, only 3 are women, and only 1 of the 47 observers on board[4] is a woman, with the trend decreasing in recent years. The reasons have to do with gender bias, including incidences of discrimination, gender-based violence, and lack of opportunities to work on private vessels because the boats lack the necessary conditions [23]. INIDEP has a recently formed gender committee that is part of the gender mainstreaming unit that reports to SAGYP (optional link 7).

1.19 SENASA has a staff of 5,461 agents, 59.82% of whom are men, 40.17% are women, and 0.01% are non-binary personnel. The hierarchical gender distribution of management functions is skewed toward men (66.6%), with only 33.3% women. In 2021, the agency created a gender mainstreaming unit to promote gender equality within the institution. According to a survey[5] on situations and experiences involving discrimination and/or gender violence, 42.5% of respondents said that they had experienced jokes about gender or sexual orientation, while 37.6% said they had experienced discriminatory verbal and non-verbal language (37.6%). Based on these results, the team of the above unit began to develop work plans located in the different parts of the country, with mainstreaming measures proposed for each area that include short-, medium-, and long-term objectives [24].

1.20 **Empirical evidence.** There is empirical evidence for the effectiveness of the proposed interventions, both for SENASA and INIDEP. Specifically, for SENASA, interventions for improving plant and animal health, food safety, and the efficiency of phytosanitary procedures resulted in improved prices and productivity of agricultural products, fewer export rejections, and time and cost savings in border procedures. For INIDEP, empirical evidence shows that the collection of scientific

[4] The Acquisition of Biological-Fisheries and Environmental Information Program (or AIP) was created during the period 2020–2021 and reports to the National Research Directorate.

[5] The survey—the agency's first general survey on gender and diversity—was conducted in August 2021 and answered by approximately 20% of the total number of agents nationwide.

information in marine areas is essential for managing the sustainable exploitation of the fishery resources biomass.[6]

1.21 **The Bank's experience.** The Bank has been working with the country through operations in both sectors. In terms of previous efforts in the area of animal and plant health, see the SENASA strengthening program executed from 2008 to 2014 with Bank financing (operation 1950/OC-AR). That program financed a modernization of institutional management, including the regional operational decentralization and the construction, remodeling, and/or equipping of four regional laboratories; the consolidation of animal and plant health systems; the strengthening of the agrifood safety system, and supranational regional sanitary integration. Among other things, the program made progress in obtaining the recognition of the OIE's Animal Health System and the implementation of the National Plan for the Control and Eradication of Bovine Tuberculosis, which helped to significantly reduce the prevalence of the disease in the country, as well as to substantially lower the number of complaints from national plant protection agencies in other countries regarding the interception of pests (optional link 2). Lessons learned from other operations are also incorporated, in particular the following: Agrifood Health and Quality Management Program (1950/OC-AR); Program to Strengthen Rural Public Goods (2547/OC-ME); Program to Support Agricultural Public Management (2182/OC-UR); Agrifood Health and Safety Program (2551/OC-DR); Agricultural Health and Agrifood Safety Development Program II (2045/OC-PE); and Project to Improve and Expand Animal Health Services in Paraguay (4526/OC-PR).

1.22 In terms of past experience with marine research strengthening programs, see the Sustainable Fishery Development Program executed from 2014 to 2022 with Bank financing (operation 3255/OC-AR). That program was intended to improve INIDEP's capacity for research, planning, administration, control, and oversight of the ecosystem approach to marine fisheries management. Among other results, the program facilitated the incorporation of the research vessels V. Angelescu and Mar Argentino into INIDEP's fleet. This had a significant impact on the scientific studies produced in research efforts and generated interest from the local supplier industry (shipyards and fishing companies) in incorporating new technologies or designs, in order to improve the availability of fishing gear with an impact on productivity and competitiveness for vessels at the regional level. That and a similar operation in Mexico (2547/OC-ME, 2011–2018) offer lessons learned in the area of research vessel procurement.

1.23 Table 1 shows the main lessons learned from the two subsectors and how they were incorporated into the design of the proposed program.

[6] The empirical evidence for this operation is summarized in sections 3.1 and 3.2 of the PM&E draft impact assessment.

Table 1. Lessons learned

Lesson learned	Measure agreed for the program
Prioritize work in the use of new information and communication technologies (ICTs).	The program prioritized the incorporation of more online services for SENASA users in order to make service delivery more agile and efficient.
Strengthen the food safety areas, which are usually the weakest—compared with the areas of animal and plant health—and the most recently created.	The program would support the improvement of food residue and microbiological contaminant monitoring activities to strengthen SENASA's food safety management.
Generate data showing the evolution of efficiency in SENASA's service delivery at the central and local levels in order to measure the results of institutional management support and service decentralization.	Performance indicators were proposed to measure the evolution of efficiency in service delivery, such as the percentage of procedures processed remotely (annual), and the average processing time for foreign trade procedures.
Allow the necessary lead times for the construction of research vessels given the complexity of the processes for the procurement and contracting of components and the structure of scientific research vessels.	It was established that specialized administrative and fiduciary personnel would be available to minimize time and cost impacts, and that the additional time required for preparation and advice on processes would be considered in program execution planning.
Adequately plan the research agenda on the basis of the research vessel and the scientific personnel assigned to process and analyze of the research, so as not to delay the publication and availability of relevant results and recommendations for the fisheries sector.	An INIDEP research agenda is being drawn up for the initial years of the vessel's operation. Although 56% of INIDEP's employees are in the scientist, technician or professional category,[7] the research agenda will identify where to allocate personnel and other resources for the optimal use of the new vessel.

1.24 **Strategic alignment.** The program is consistent with the second Update to the Institutional Strategy 2020–2023 (document AB-3190-2) and is aligned with the development challenges of: (i) Productivity and Innovation, by strengthening the country's zoosanitary-phytosanitary protection capabilities and broadening the coverage and range of INIDEP's research on oceanographic resources, marine ecosystems, and the coastal shoreline; and (ii) Economic Integration, by maintaining and improving the agrifood sector's access to international markets. It is aligned with the cross-cutting issues of: (i) Climate Change and Environmental Sustainability, including green building measures, solar panel installation, digitalization of procedures, and strengthening of SENASA and INIDEP on climate issues. According to the joint methodology of the multilateral development banks for tracking climate finance, 44.27% of IDB resources are invested in climate finance for the above-mentioned activities, thus contributing to the IDB's climate finance goal (30% of the annual volume of approvals); (ii) institutional capacity and rule of law, by enhancing SENASA's technical and management capacities to improve the provision of its services; and (iii) gender, by developing technical training and capacity building programs with a gender and inclusion perspective for SENASA,

[7] INIDEP 2020 data from the document "Programa de Fortalecimiento de los Servicios de Sanidad Agropecuaria y del Manejo Sustentable de los Recursos Marítimos de la Argentina" [Program to Strengthen Agricultural Health Services and the Sustainable Management of Maritime Resources in Argentina], 2021.

and by developing and implementing a gender action plan for INIDEP. The operation contributes to the Corporate Results Framework (CRF) 2020–2023 (document GN-2727-12) and specifically to the following indicators: (i) *Value of investments in resilient and/or low-carbon infrastructure*; and (ii) *Agencies with strengthened digital technology and managerial capacity*. The program is aligned with the IDB Group Country Strategy with Argentina 2021-2023 (document GN-3051) and, in particular, with the strategic objective of promoting foreign trade insertion with valuable products and services. The program is consistent with the: (i) Agriculture Sector Framework Document (document GN-2709-10), under line of action 1 (Foster investments that assist in boosting the productivity of the agriculture sector in line with the sustainable management of natural resources); (ii) Food Security Sector Framework Document (document GN-2825-8), in dimension of success 2 (Ensure food availability by boosting productivity without putting pressure on natural resources, facilitating trade, and improving rural infrastructure); and (iii) Climate Change Sector Framework Document (document GN-2835-8) for investments that support emissions reduction and adaptation.

1.25 **Climate change** The program includes the following climate actions: (i) the buildings planned for SENASA and INIDEP will include the equivalent minimum measures for obtaining EDGE[8] green building certification and the installation of solar panels; (ii) the digitalization of certificates and procedures financed by this program will lead to 4.5 million fewer kilometers traveled per year by users, bringing an approximate reduction of 956 tons of CO_2 per year; and (iii) institutional strengthening of SENASA through the incorporation of climatological considerations in pest risk management, and of INIDEP in the area of research into the impact of climate change on ecosystems and marine species based on the scientific data that will be collected by the new vessel. Approximately 30% of the vessel's voyages will be devoted to data collection for research on climate impacts on fishing activity and marine biodiversity (optional link 7).

1.26 **Gender inclusion.** In terms of gender measures under the program, both for SENASA and INIDEP, the proposal is to implement a training plan with a gender and diversity perspective, and to develop communication strategies for activities of either agency's gender committee. In turn, INIDEP plans to carry out a gender diagnostic assessment and develop an action plan to design a strategy that will strengthen measures to promote women's employment in the sector.

1.27 **Digital transformation.** The service delivery to SENASA users will be improved and expanded through the simplification and digitalization of procedures, with an emphasis on the most important ones, in order to reduce transaction costs. In addition, the proposal is to adopt technologies that facilitate the traceability and reliability of information processed by SENASA, including the automation of data capture by means of corresponding management systems.

[8] Excellence in Design for Greater Efficiencies (EDGE) is free software that helps determine the most cost-effective options for resource-efficient building design.

B. Objectives, components, and cost

1.28 The general objective of the program is to promote productivity, sustainability, and climate resilience in agrifood and marine systems, with a focus on technological innovation. The specific objectives are to: (i) improve the effectiveness of surveillance, control, and prevention of the introduction of pests and diseases that affect the country's zoosanitary/phytosanitary heritage; (ii) increase the diagnostic capabilities of plant and animal health laboratories, and improve quality control of agrifood products; (iii) improve the quality of certification services, payments, and procedures offered by SENASA; and (iv) improve research capabilities in relation to oceanographic resources, marine ecosystems, and the coastline. To achieve these objectives, the program is structured into two components:

1.29 **Component I. Strengthening SENASA's institutional capacities and infrastructure for the sustainable management of zoosanitary-phytosanitary resources (IDB US$44.6 million; local counterpart US$20.5 million).** This component will finance investments in surveillance capacity and control, prevention of pest and disease introduction, diagnostic capacity, and the provision of certification and other services to the sector by SENASA.

a. **Subcomponent I.1. Strengthening SENASA's operational capacities for the protection of zoosanitary-phytosanitary assets.** To strengthen the capacity for surveillance and control, and for prevention of the introduction of pests and diseases, some of which are related to climate change, the proposal is to finance: (i) the modernization of plant health threat prediction and monitoring systems, including an integrated phytosanitary threat prediction system, as well as an intelligent trap reading system for trapping fruit flies and other pests, by contracting specialized consultants and acquiring the necessary software and licenses; (ii) strengthening border control and sanitary barrier posts by means of infrastructure works, the procurement of equipment, computer hardware, and furniture, in addition to staff training; for example, the incorporation of an optical character recognition (OCR) system, which will automate the clearance of cargo vehicles and the reading of complex documents, thereby reducing the processing times of controls; (iii) the construction of a pre-sampling center in Entre Ríos to inspect fruit from areas with fruit fly infestations intended for marketing in pest-free regions, by financing civil works, purchasing equipment, and hiring consultants; and (iv) the construction of a new quarantine station near Ezeiza International Airport, which will have high biosecurity standards and offer more capacity for housing imported animals.[9]

b. **Subcomponent I.2. SENASA infrastructure and territorial operational capacity.** To strengthen SENASA's operational capacity throughout the country, financing will be required for the following: (i) the construction of territorial offices that allow greater attention to demands in the field, including local offices, regional centers, and mobile laboratories; (ii) the design of a training and staff training center, and the remodeling of a technical training center in agrifood

[9] Local and regional investments have been strategically distributed with a focus on areas with the greatest impact due to their productive characteristics, agroecological complexity, and the services required; the scope of these investments is also specific to each jurisdiction where sites will be located.

health and quality in the Autonomous City of Buenos Aires; (iii) the purchase of computer equipment and the installation of signage in each newly constructed or remodeled building; and (iv) design of a gender and diversity training program and dissemination of thematic material. The construction of new buildings and, to the extent possible, expansions and remodels thereof will be designed to allow universal access for people with disabilities and will be built to, at least, criteria equivalent to that of EDGE green building certification; in addition, solar panels will be installed in several of them.[10]

c. **Subcomponent I.3. Diagnostic capacity of the SENASA laboratory.** To enhance SENASA's diagnostic capabilities, the plan is to provide financing for: (i) strengthening regional laboratories through the construction of new buildings, expansion and remodeling of existing ones, and the incorporation of the necessary equipment; and (ii) strengthening SENASA's Central Laboratory to facilitate the incorporation of new types of assays and diagnostic methodologies through the provision of highly complex equipment, the installation of the Plant Laboratory in a more modern building that meets the necessary safety requirements, and the updating of the infrastructure management system under a single system (building management system) that ensures better biosafety standards.

d. **Subcomponent I.4. Information and technical knowledge management for decision-making and improvement of SENASA services.** In order to improve the quality of certification services and management of other procedures provided by SENASA to its clients, the plan is to finance the hiring of consultants and the procurement of equipment, hardware, software, and computer licenses for: (i) the digitalization of individual procedures, including the provision of digital import and export certifications for production chains with very significant economic importance, the adoption of new technologies to facilitate the traceability and reliability of information (blockchain), and the automation of data capture through appropriate management systems (e.g. voice capture and QR labels for controlled goods); (ii) updating computer systems to accommodate the growing number of users and digital procedures, as well as interaction with external systems; (iii) the implementation of a single information management platform based on phytosanitary intelligence for monitoring, control, and the issuance of early warnings; and (iv) the construction of new platforms for interaction with users; for example, the creation of the *MI SENASA* virtual office, which will centralize the information related to each user and provide access to different procedures.

1.30 **Component II Strengthening INIDEP's institutional capacities and infrastructure for the sustainable management of oceanographic, marine, and fisheries resources (IDB US$78.5 million; local counterpart US$26.5 million).** This component will finance investments in INIDEP's research

[10] Local and regional investments have been strategically distributed with a focus on areas with the greatest impact due to their productive characteristics, agroecological complexity, and the services required; the scope of these investments is also specific to each jurisdiction where sites will be located. In this way, the aim is to improve response capacity and service delivery to users in a homogeneous manner throughout the territory.

capabilities in relation to oceanographic resources, marine ecosystems, climate impact, and the coastal shoreline.

a. **Subcomponent II.1. Strengthening INIDEP's capacity for fisheries, oceanographic, and marine resources research.** The proposal is to provide financing for the design and construction of a modern research vessel with an "Ice Class" notation, which conforms to the concept of a "silent vessel,"[11] or one that produces low noise emissions to the marine environment. The vessel must have a high level of technical capacity for oceanographic research.[12] The vessel's procurement will include the necessary training for INIDEP personnel on issues related to the optimal use and maintenance of the vessel. In addition, the plan is to finance investments to support INIDEP's research vessels, including: (i) expansion and construction of logistical support storerooms; (ii) expansion and construction of offices and laboratories at INIDEP headquarters to meet current legal and safety requirements for fisheries and oceanographic research; and (iii) purchase of equipment and tools for logistical storerooms. An increase is envisaged in research on climate impacts on marine resources, including the development of a research plan that includes this topic.

b. **Subcomponent II.2. INIDEP infrastructure and operational and territorial capacity.** To strengthen INIDEP's original infrastructure, the proposal is to finance the construction of laboratories, offices, and living facilities in the maritime coastal provinces where coordination with fisheries management agencies and other science and technology institutions will be possible. The intention is to finance: (i) the construction of an administrative office to develop the joint activities of the Secretariat of Agriculture, Livestock, and Fisheries of the Province of Buenos Aires and INIDEP in relation to surveys and landing sampling in the province's ports; (ii) the construction of modular structures and laboratories in coastal provinces to carry out scientific, sampling, laboratory, and administrative activities, with a view to enhancing joint activities with provincial administrations and research centers; (iii) the procurement of equipment for all INIDEP workstations and/or suboffice; and (iv) the preparation and implementation of the gender action plan.

1.31 **Management and evaluation (IDB US$1.9 million; local counterpart US$2 million).** The program will finance costs related to administration, monitoring, evaluations (including the strategic evaluation), and external audits of the program.

C. Key results indicators

1.32 **Area of intervention.** Investments in the protection of zoosanitary-phytosanitary status and the provision of diagnostic, control, registration, and certification services will cover the entire Argentine territory; however, some benefits may be

[11] This means that the vessel must comply with International Council for Exploration of the Seas (ICES) Standard 209, which establishes recommended maximum values for the level of noise that a research vessel may radiate into the water, as well as establishing the sound properties to be measured.

[12] The new vessel will enable pelagic and demersal fishing to be carried out at depths of more than 1,000 meters, a large working deck at the stern for fishing and research work and, lastly, several laboratories for the different scientific tasks.

more significant in regions with particular zoosanitary-phytosanitary conditions. With regard to the fishing sector, the program will have investments in provinces with a maritime coastline (Buenos Aires, Río Negro, Chubut, Santa Cruz, and Tierra del Fuego). The expansion of maritime research capabilities will focus on the southern continental shelf and adjacent sea.

1.33 **Beneficiaries.** This program is expected to directly benefit 1,133,515 private actors in the agricultural sector, such as industrial facilities, services, logistics, and transportation firms; and members of different links in the agrifood chains in which SENASA has responsibilities, including 742,135 agricultural producers engaged in primary production. The steps to strengthen fishing research capabilities are expected to directly benefit approximately 5,159 operators in the primary production sector (ship-owning companies),[13] scientists, technicians, researchers, artisanal fishers, and members of cabinets and programs. The indirect beneficiaries of the program's activities in both institutions are all consumers of Argentine agrifood products.

1.34 **Key results indicators.** The results matrix includes indicators for each of the specific development objectives (SDOs), of which the main ones are: Passengers fined (per 10,000) at border posts (SDO1); diagnostics or tests performed by SENASA laboratories (SDO2); types of sanitary certificates issued with blockchain technology (SDO3); campaign days in southern resources attributable to the new Ice Class vessel and marine samples processed and stored at new INIDEP suboffice (SDO4).

1.35 **Economic viability.** A cost-benefit analysis was performed for the investments in the two components separately and overall. For Component I, the main benefits are the prevention of the entry of the main pests and diseases that impair both the capacity to operate in the international trade sphere and productive performance in the sectors concerned, and the reduction in production losses caused by these pests or diseases that harm crops and livestock. For Component II, the main benefits are the increased productivity of the commercial fleet and the possibility of identifying new catch areas in the international waters near the continental shelf and in the Argentine Southern Sea,[14] due to the scientific input from the research vessel, the inclusion of new research sites in coastal provinces, and advances in the management of those areas. Considering the investments made during the five years of execution and with a 20-year horizon, the results show an economic internal rate of return of 23.1% and a net present value of US$185.3 million. Sensitivity analyses of the main variables were performed; the results are consistent and do not change significantly.

1.36 As a complement to the Component II cost-benefit analysis, a financial analysis was conducted to determine whether INIDEP will maintain a financial balance after the incorporation of the Ice Class vessel, which would necessitate an additional annual budget commitment of approximately US$3.7 million (19% of the current

[13] Data provided by INIDEP extracted from the Sistema Integrado Oceanográfico Pesquero [Integrated Oceanographic Fishing System], May 2021.

[14] The term "commercial fleet" refers to the private-sector fishing fleet. Its evolution and composition are described in optional link 1. The INIDEP fleet does not engage in commercial fishing and is for research purposes only.

average budget). Considering that this amount is financed through budgetary allocations from the Argentine government and given the strategic role of the vessel in the process of generating information for decision-making by the Federal Fisheries Council on the sustainability of fishery resources that generate US$2 billion in exports, the financing of the vessel's activities is considered viable.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

2.1 The program will be financed as a specific investment loan with investments defined in accordance with document PR-201, Loans for Specific Projects. The program will have a total cost of US$174,000,000, of which the Bank will finance US$125,000,000 from the Ordinary Capital and US$49,000,000 will come from local counterpart contributions, as shown in Table 2.

Table 2. Estimated program costs (US$ millions)[15]

Components	IDB	Local counterpart	Total	%
Component I. Strengthening SENASA's institutional capacities and infrastructure for the sustainable management of zoosanitary-phytosanitary resources	44.6	20.5	65.1	37.4
Subcomponent I.1. Strengthening SENASA's operational capacities for the protection of zoosanitary-phytosanitary assets	*4.4*	*5.3*	*9.7*	*5.6*
Subcomponent I.2. SENASA infrastructure and territorial operational capacity	*10.1*	*7.6*	*17.7*	*10.2*
Subcomponent I.3. Diagnostic capacity of the SENASA laboratory	*17.0*	*0.7*	*17.7*	*10.2*
Subcomponent I.4. Information and technical knowledge management for decision making and improvement of SENASA services	*13.0*	*6.9*	*19.9*	*11.4*
Component II Strengthening INIDEP's institutional capacities and infrastructure for the sustainable management of oceanographic, marine, and fisheries resources	78.5	26.5	105	60.3
Subcomponent II.1. Strengthening INIDEP's capacity for fisheries, oceanographic and marine resources research	*76.7*	*25.9*	*102.6*	*58.9*
Subcomponent II.2. INIDEP infrastructure and operational and territorial capacity	*1.8*	*0.6*	*2.4*	*1.4*
Management and evaluation	1.9	2.0	3.9	2.3
Total	**125.0**	**49.0**	**174.0**	**100.0**

2.2 The disbursement period will be five years, as shown in Table 3.

[15] The costs listed in each component are indicative.

Table 3. Tentative disbursement schedule (US$ millions)

Component	Year 1	Year 2	Year 3	Year 4	Year 5	Total
IDB	9.3	28.2	24.7	51.1	11.7	125.0
Local counterpart contribution	3.7	22.7	9.2	9.6	3.8	49.0
Total	13.0	50.8	34.0	60.7	15.4	174.0
Percentage per year (IDB)	7.5	22.5	19.8	40.9	9.4	100.0
Cumulative percentage (IDB)	7.5	30.0	49.8	90.6	100.0	

B. Environmental and social risks

2.3 In accordance with the Bank's Environmental and Social Policy Framework (ESPF), and based on the assessments conducted during the due diligence process, the environmental and social impact rating of the operation was determined to be Category "B," as the potential environmental and social impacts are minor, moderate, localized, temporary, and primarily related to the potential for contamination from hazardous waste management, wastewater, and scientific research activities. Impacts can be mitigated with easily applied, appropriate measures.

2.4 The environmental and social risk rating is substantial considering that it has the potential to generate non-significant indirect/cumulative impacts on protected areas, indigenous territories, ecosystem services, or cultural heritage sites. No physical or economic displacement is anticipated, however, there is potential for disruption that will be verified with final designs and confirmation of the location of sites for new construction.

2.5 The executing agency and subexecuting agencies have good experience in executing projects of this type; however, human resources allocation needs to be strengthened, especially with regard to social issues for environmental and social risk management under the new ESPF.

2.6 The operation is national in scope and the structure of the environmental regulatory framework may vary in scope and requirements at the provincial and municipal levels; however, the program will carry out the social and environmental assessments based on the design and context of the projects and will prepare the ESMPs that include the measures adjusted to the final projects and their specific environments considering compliance with the IDB's Environmental and Social Policy Standards (ESPS) applicable to each intervention. Management measures should be determined following the hierarchy of anticipating, avoiding, minimizing, or otherwise compensating for adverse impacts to workers, communities, and the environment, applying this mitigation hierarchy. The Ministry of Economy will implement an environmental and social management system to manage the operation's social and environmental risks, which includes, among other documents, a strategic environmental and social impact assessment and a strategic environmental and social management plan (ESMP), a stakeholder engagement plan with meaningful consultation activities, a grievance mechanism, and ongoing communication plans throughout the operation cycle.

2.7 A total of two meaningful stakeholder consultations were held, one for each subexecuting agency, on August 8 (INIDEP) and August 10 (SENASA), in which 107 people participated (47 women and 58 men), representing 43 organizations at the national and provincial levels, from the public and private sectors, academia, farmers, and indigenous peoples. During the sessions, consultations were made regarding green building technology, the vessel's areas of research and other research routes, fishing gear to be used by the vessel, prioritization of projects and intervention areas, the role of the productive sector, budget execution, and timing of processes during the program's execution. At the end of the sessions, it was announced that the results of the workshop would be published on the website of the Secretariat of Agricultura, Livestock, and Fisheries (SAGYP), which would then be forwarded for publication on the website of the Secretariat of Development Planning and Federal Competitiveness (SEPLAN), and the comments received would be dealt with according to the mechanisms for handling queries, grievances, and claims provided for the program.

2.8 The initial Disaster and Climate Change Risk Classification is "moderate" because: (i) the projects are located in areas with moderate and high hazard categorization for floods, droughts, water scarcity, and sea level rise; and (ii) the projects present moderate criticality and vulnerability associated with the nature of the infrastructure and its interaction with its surroundings. The environmental and social action plan includes measures to address gaps in Environmental and Social Policy Framework (ESPF) requirements that will be prepared in the coming phases of implementation.

C. Fiduciary risks

2.9 The risk workshop identified a medium-high level fiduciary risk (Organizational Structure and Internal Processes) in connection with the complexities in fiduciary management as a result of the execution and sub-execution arrangement, which could cause delays in financial management processes. This risk will be mitigated by: (i) requiring a minimum justification percentage of 70% for the replenishment of advances of funds; (ii) strengthening the financial and planning management of the subexecuting agencies: in the case of SENASA by assigning two officials from the agency who will be dedicated to the program, as well as hiring a financial specialist, and in the case of INIDEP, by hiring two financial specialists; (iii) defining and formalizing the financial management and accountability procedures in the program Operating Regulations; and (iv) carrying out strengthening and training activities for the subexecuting agencies on these procedures in financial management.

2.10 **Program risks.** A participatory workshop identified two risks, one medium-high level and the other high level. Medium-high risk: (i) Legal: if there are obstacles in obtaining the necessary rights to carry out the infrastructure works of the program on properties owned by national and provincial agencies, which could impede the execution and sustainability of those works. High risk: (i) Sustainability: failure to identify and implement steps to generate resources for the operations of the new INIDEP vessel and infrastructure could adversely affect the sustainability of the operation and the new assets financed by the program. To mitigate these risks, the following are proposed, respectively: (i) INIDEP will conclude a series of agreements with the aforementioned national and provincial agencies to

coordinate and collaborate on the execution of infrastructure works in the properties owned by those agencies. The borrower, through the executing agency, will undertake to obtain or, as appropriate, ensure that the subexecuting agencies obtain, prior to the award of the contract for each of the works, the legal possession of the real estate where the respective works will be built, as well as easements or other rights necessary for their construction and use; and (ii) institutional links will continue to be strengthened with the Undersecretariat of Fisheries and Aquaculture of the SAGYP, national research and science and technology councils, other State entities, in addition to private organizations and business associations with a view to reaching technological and technical collaboration agreements within the framework of the most far-reaching sustainable maritime/fisheries research activities to be carried out in the Argentine Sea.

III. Implementation and Management Plan

A. Summary of implementation arrangements

3.1 **Borrower, executing agency, and subexecuting agencies.** The borrower will be the Argentine Republic. The Ministry of Economy, through the Secretariat of Development Planning and Federal Competitiveness (SEPLAN), in turn through the General Directorate of Sector and Special Programs and Projects (DIPROSE), will be the program executing agency. SENASA and INIDEP, which are decentralized agencies attached to the Ministry of the Economy, will be the subexecuting agencies of Components I and II, respectively, and of program administration and evaluation resources, as the case may be. The executing agency will also be responsible for the fiduciary execution of the program's strategic evaluation activities, whereas the Undersecretariat of International Financial Relations for Development (SSRFID) will be responsible for its technical-methodological execution.

3.2 **Execution mechanism.** The executing agency will be in charge of coordinating and supervising program execution and will be responsible for interlocution with the Bank. The executing agency will also transfer to the subexecuting agencies the program resources required for financing eligible activities for which they are responsible. Each of the subexecuting agencies will act through its corresponding execution unit, which will include, at minimum, a general coordinator, the financial and technical coordinators, and at last one environmental and one social specialist.

3.3 The functions of the executing agency, among others to be detailed in the program Operating Regulations, will include: (i) preparing the documents required by the Bank for the program, including operational planning documents (multiyear execution plan, annual work plan, procurement plans, and financial plans, among others), monitoring and evaluation, and consolidate the information received from the subexecuting agencies; (ii) ensuring proper accounting-financial management of the program; (iii) submitting loan disbursement requests to the Bank, and making timely disbursements of the corresponding resources to the subexecuting agencies; (iv) monitoring and evaluation of the activities financed by the program; (v) providing the necessary technical support to the subexecuting agencies in environmental, social, sector, strategic, and management matters; (vi) submitting

the program's financial statements; and (vii) contracting the financial audits and evaluations.

3.4 The functions of the subexecuting agencies with respect to the execution of resources under its responsibility will be described in the program Operating Regulations, and include: (i) execution and monitoring the implementation of the respective investment activities, ensuring efficient and transparent physical and financial execution; (ii) procurement and contracting of goods, services and works contained in the program execution plans in accordance with Bank policies; (iii) making the corresponding payments to suppliers, contractors, consultants, and others; (iv) integrated financial management of the investment components and the corresponding management and evaluation expenses; (v) requesting disbursements of funds to the executing agency and making the respective disbursements and justifications; (vi) ensuring compliance with the institutional objectives under the program and within the strategic framework for sector development; and (vii) providing the executing agency with the information and collaboration required to enable it to meet any Bank requirement.

3.5 **Program Operating Regulations.** The program Operating Regulations will be developed as part of the loan preparation activities. They are the basic instrument for the program's guidelines, norms, and procedures, as well as its execution mechanisms. They will contain, at a minimum: (i) the objectives, components and scope of the program; (ii) the governance framework and the organizational and institutional structure for the execution of the loan; (iii) the activities and responsibilities of the different actors and the Bank; (iv) the mechanisms for technical eligibility and monitoring of investments; (v) the rules and procedures applicable to planning, execution, monitoring, and evaluation, as well as technical and fiduciary management, and external audits; and (vi) the environmental and social requirements, incorporating as annexes the environmental and social management system, the strategic environmental and social evaluation, the strategic environmental and social management plan, and the environmental and social action plan.

3.6 **Financial management.** Loan proceeds may be disbursed in the form of advances, reimbursements, and/or direct payments. For advances of funds, disbursements will be made based on a financial plan to cover the program's liquidity needs. The minimum percentage required to replenish advances of funds will be 70%, due to the decentralized implementation mechanism comprising one executing agency and two subexecuting agencies. To manage the loan proceeds, the executing agency will open two bank accounts, one in United States dollars and the other in Argentine pesos, both for exclusive use by the program. SENASA and INIDEP will each have an account in pesos, also for the exclusive use of the operation. The executing agency and subexecuting agencies will use the external loan executing units (UEPEX) system as their financial management system.

3.7 **Procurement of works and services.** Any procurement of goods and selection of consulting services to be carried out with Bank resources will be conducted in accordance with the Policies for the Procurement of Goods and Works financed by the Inter-American Development Bank (document GN-2349-15) and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-15). Standard consultant

recruitment and selection documents will be used and recorded in the program's procurement plan.

3.8 **External audit.** During implementation, the borrower, through the executing agency, will submit each year the audited financial statements for the program, as required by Bank policies. The financial statements will be submitted within 120 days after the end of the fiscal year of the program. Program closing audit reports will be submitted within 120 days after the original disbursement period or any extensions thereof. The audit for this program may be performed by an independent auditing firm within the terms of reference prepared by the Bank or by the Office of the Auditor General of the Nation (AGN).

3.9 **Special contractual conditions precedent to the first disbursement of the loan will be that the borrower, through the executing agency, has submitted, to the Bank's satisfaction, evidence of: (i) the approval and entry into effect of the program Operating Regulations, according to the terms and conditions previously agreed upon with the Bank; (ii) the signing and entry into effect of a sub-execution agreement between the executing agency and either subexecuting agency regarding the resources for which each is responsible, establishing the terms and conditions for the transfer and partial use of the loan proceeds, and the powers of the parties during the execution of the program; and (iii) the designation of an executing unit within each subexecuting agency, with the structure, functions, and effective staffing with the minimum necessary personnel as envisaged in the program Operating Regulations.** These conditions are considered essential given that (i) the program Operating Regulations will establish the operational aspects of execution and harmonize the procedures to be followed by the executing agency and the subexecuting agencies during program execution; (ii) the sub-execution agreements between the executing agency and the subexecuting agencies will regulate the terms and conditions of the transfer of loan proceeds for the activities under the competence of either subexecuting agency and the powers of the parties within the framework of the program execution mechanism; and (iii) the formation of execution units within the subexecuting agencies will ensure that both subexecuting agencies will have an adequate team in place for the proper execution of the program.

3.10 **Retroactive financing.** The Bank may retroactively finance up to US$12,500,000 (10% of the proposed loan amount) against the loan proceeds, and recognize against the local counterpart up to US$4,900,000 (10% of the estimated local counterpart contribution) for eligible expenditures incurred by the borrower prior to the loan approval date for consulting services, equipment and works, and the program's administration expenses, provided that requirements substantially similar to those stipulated in the loan contract have been met. Such expenditures will have been incurred after May 31, 2022, but will in no case include expenditures incurred more than 18 months prior to the loan approval date.

3.11 **Maintenance.** The borrower, through the executing agency, will submit to the Bank, within the first quarter of each year, during the original disbursement term or any extensions thereof, an annual maintenance plan and a report on the status of works, equipment, and the new research vessel.

B. Summary of arrangements for monitoring results

3.12 **Monitoring.** The program has a monitoring and evaluation plan (required link 2). The borrower, through the executing agency, will send the Bank, within 60 days after the end of each six-month period, a semiannual monitoring report on the progress of program activities. The reports will focus on fulfillment of output indicators and progress in results as specified in the results matrix, and will analyze the problems encountered and suggest corrective measures. The report for the second half of each year will include the proposed annual work plan for the following year, with a forecast of disbursements and an updated procurement plan.

3.13 **Evaluation.** The borrower, through the executing agency, will submit to the Bank a midterm and a final evaluation report. The midterm evaluation should be submitted no later than 90 days from the date on which 50% of the loan proceeds have been disbursed or three years have elapsed from the date of the first disbursement of the loan proceeds, whichever occurs first. The final evaluation will be submitted no later than 90 days after the date on which the Bank has disbursed 90% of the loan proceeds. Given the nature of the intervention, which is national in scope, and therefore, it will not be possible to form control and treatment groups, the monitoring and evaluation plan proposes a reflexive evaluation (before and after), which is complemented with an impact assessment for Component I, using the synthetic control method. This method consists of creating a “synthetic” control unit that most closely mirrors the characteristics of the unit being addressed (Argentina), using a weighted average of data from similar units not benefiting from a program such as the one proposed. For this purpose, an example of the application of synthetic control to agricultural production in Argentina was prepared in order to analyze the feasibility of applying this evaluation method. In addition, the borrower, through the executing agency, will conduct a strategic evaluation of the program to generate information on the loan’s contribution to achieving the strategic management priorities.

C. Design activities following approval

3.14 The Bank has agreed with INIDEP and SENASA on a series of collaboration activities to be carried in preparation for and in tandem with the program. In particular, collaboration is expected to continue on the definition of INIDEP’s research agenda and on the institutional review and SENASA’s mechanisms for management and prioritization of activities. Several of these activities will be financed through technical cooperation for operational support ATN/OC-19546-AR, which was approved on September 23, 2022.

Development Effectiveness Matrix		
Summary	AR-L1352	
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Issues	-Productivity and Innovation -Economic Integration -Gender Equality and Diversity -Climate Change -Institutional Capacity and the Rule of Law	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	-Value of investments in resilient and/or low-carbon infrastructure ($) -Agencies with strengthened digital technology and managerial capacity (#)	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-3051	Promote engagement in foreign trade with products and services of value
Country Program Results Matrix	GN-3087	The intervention is included in the 2022 Operational Program.
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution	8.3	
3.1 Program Diagnosis	2.5	
3.2 Proposed Interventions or Solutions	3.5	
3.3 Results Matrix Quality	2.3	
4. Ex ante Economic Analysis	10.0	
4.1 Program has an ERR/NPV, or key outcomes identified for CEA	1.5	
4.2 Identified and Quantified Benefits and Costs	3.0	
4.3 Reasonable Assumptions	2.5	
4.4 Sensitivity Analysis	2.0	
4.5 Consistency with results matrix	1.0	
5. Monitoring and Evaluation	9.5	
5.1 Monitoring Mechanisms	4.0	
5.2 Evaluation Plan	5.5	
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood	Medium High	
Environmental & social risk classification	B	
IV. IDB´s Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)	Yes	Financial Management: Budget, Accounting and Reporting, External Control. Procurement: Information System.
Non-Fiduciary		
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project	Yes	The TC AR-T1274 will finance technical, economic, social, environmental, and gender-related studies to support the preparation and execution of this operation.

The project's general objective is to promote the productivity, sustainability and climate resilience of agrifood and marine systems, with a focus on technological innovation. The specific objectives are: (i) to improve the effectiveness of surveillance, control, and prevention of the introduction of pests and diseases that affect the country's zoo-phytosanitary heritage; (ii) increase the diagnostic capabilities of plant and animal health laboratories, and improve quality control of agrifood products; (iii) improve the quality of the certification services, payments, and procedures offered by SENASA; and (iv) improve research capabilities on oceanographic resources, marine ecosystems, and the coastline.

In general, the diagnosis is adequate, with a well-identified problem and clear determinants. The Results Matrix has a vertical logic with clear specific objectives and results indicators, mostly SMART, that allow its fulfillment to be demonstrated. However, the vertical logic is affected by the inclusion of a results indicator (for specific objective 4), which is not supported by any of the project's outputs. The economic analysis consisted of estimating the net benefits of the program through a Cost Benefit Analysis (CBA) for Components 1 and 2.

The program has a Monitoring and Evaluation Plan that specifies: (i) the methodology to measure the indicators; (ii) the attribution analysis of project results; (iii) the data requirements; and (iv) the estimated budget and those responsible for the measurements. A quasi-experimental impact assessment is proposed, which seeks to estimate the impact of the project on the total production and exports of key agricultural products for the country, using a synthetic control methodology. This is an appropriate methodology for this type of project, which is expected to have impacts at the national level. Several suggestions were made to adjust this analysis and thus increase the probability that this impact assessment can indeed be carried out. Additionally, the evaluation of the results will be done with a before and after analysis for the indicators of the Results Matrix, where the attribution of the results depends on the link between the specific outputs of each component and the associated results.

RESULTS MATRIX
(EXTENDED RESULTS MATRIX)

PROGRAM OBJECTIVE:	The specific objectives of the program are to: (i) improve the effectiveness of surveillance, control, and prevention of the introduction of pests and diseases that affect the country's zoosanitary-phytosanitary assets; (ii) increase the diagnostic capabilities of plant and animal health laboratories, and improve quality control of agrifood products; (iii) improve the quality of certification services, payments, and procedures offered by the National Agrifood Health and Quality Service (SENASA); and (iv) improve research capabilities in relation to oceanographic resources, marine ecosystems, and the coastal shoreline. Achievement of these objectives will contribute to the general objective of promoting productivity, sustainability, and climate resilience in agrifood and marine systems, with a focus on technological innovation.

GENERAL OBJECTIVE

Indicator	Unit of measure	Baseline	Baseline year	Expected year achieved	Target	Means of verification	Comments[1]
General objective: Promote productivity, sustainability, and climate resilience in agrifood and marine systems, with a focus on technological innovation							
I.1 Animal Health System Maintenance Fee, in accordance with the maintenance of the status of country or disease-free zones recognized by the World Organisation for Animal Health (OMSA) and self-declared	Rate	0.965	2021	2027	0.965	OMSA website reports and the official joint report of the National Office of Animal Health (DNSA) and SENASA	
I.2 Open agricultural product-markets for export	Number	1,603	2021	2027	1,706	Current product-market export protocols	
I.3 Value of national pork exports	US$000	62.12	2020	2027	65.22[2]	FAOSTAT statistical database	

[1] Definitions and formulas can be consulted in the program monitoring and evaluation plan.

[2] The baseline and target will be verified at the launch workshop.

Indicator	Unit of measure	Baseline	Baseline year	Expected year achieved	Target	Means of verification	Comments[3]
I.4 Annual percentage of national fishery regulations for sustainable fishery management generated from INIDEP scientific documents	Percentage	77	2021	2027	80	RIGO report	
I.5 Non-indexed scientific-technical publications by INIDEP on new research carried out with the ICE Class Vessel	Number	0	2021	2031	9	INIDEP reports	

SPECIFIC DEVELOPMENT OBJECTIVES (SDOS)

Indicators	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of program	Means of verification	Comments
SDO 1: Improve the effectiveness of surveillance, control, and prevention of the introduction of pests and diseases that affect the country's zoosanitary-phytosanitary assets											
SURVEILLANCE											
1.1 Passengers fined (per 10,000) at **border posts**	Number	3.5	2018	3.5	3.5	3.8	4.1	4.5	4.5	Migration statistics and SENASA's Integrated Management System of Barriers, Borders, and Federal Traffic (SIG-Barreras, SENASA)	
1.2 Commercial freight fined (per 10,000) at **Patagonian zoosanitary-phytosanitary barrier posts**	Number	12.2	2021	12.2	12.2	12.2	12.2	14.1	14.1	SIG-Barreras, SENASA	

[3] Definitions and formulas can be found in the monitoring and evaluation plan.

Indicators	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of program	Means of verification	Comments
CONTROL											
1.3 Percentage of imported animals in compliance with the post-entry isolation period in official quarantine stations with Biosafety and Welfare Level 3	Percentage	0	2021	30	40	50	60	70	100		
PREVENTION											
1.4 Fruit fly-free areas	Number of fruit fly-free areas	2	2021	2	2	2	2	2	2	Resolutions on change in phytosanitary status	
1.5 Percentage of pests prioritized for surveillance with risk modeling	Percentage	10	2021	10	10	10	40	80	80	Annual list of pests prioritized for phytosanitary surveillance and pest document with risk models developed	
SDO 2: Increase the diagnostic capabilities of plant and animal health laboratories, and improve quality control of agrifood products											
DIAGNOSTICS											
2.1 Diagnostics or tests performed by SENASA laboratories	Number	278,410	2019	28,700	291,000	297,500	307,500	319,600	319,600	Test orders and results reports with the number of tests performed	
2.2 Tests accredited under ISO/IEC 17025 carried out in SENASA laboratories	Number	34	2021	35	37	40	44	48	48		
QUALITY CONTROL OF AGRIFOOD PRODUCTS											
2.3 Percentage of samples with acute risk due to residues and contaminants in food of plant origin	Percentage	1.42	2021	1.42	1.4	1.42	1.28	1.15	1.15	Plan CREHA Vegetal database – Non-conformity management and risk analysis and excess cases at the surveillance phase due to acute risk	

Indicators	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of program	Means of verification	Comments
SDO 3: Improve the quality of certification services, payments, and procedures offered by SENASA											
CERTIFICATION											
3.1 Types of health certificates issued with blockchain technology	Number	1	2021	1	4	4	6	6	21	SENASA report on certificates	
PAYMENTS											
3.2 Production chains (animal, vegetable) with full certification and electronic payment for exports and imports and federal traffic	Percentage	30	2021	30	60	70	80	100	100	SENASA electronic certification progress reports	
PROCEDURES											
3.3 Percentage of procedures processed remotely (annual)	Percentage	77	2021	78	79	81	84	88	88	SENASA systems	
3.4 Average processing times for foreign trade procedures	Number of minutes	30	2021	30	30	30	30	15	15	SENASA systems report	
3.5 Queries made to the gender mainstreaming program about situations of gender-based violence (annual)	Number of queries	30	2021			30	35	40	40	Record of queries made	
SDO 4: Improve research capabilities in relation to oceanographic resources, marine ecosystems, and the coastline											
4.1 Campaign days in southern resources attributable to the new Ice Class vessel (annual)	Number of days	0	2021	0	0	0	0	105	105	Campaign reports	
4.2 Area with effective data-collection coverage	Nautical meters^2	347,000	2021					427,000	427,000	Campaign reports	
4.3 Marine samples processed and stored at the various new INIDEP suboffices	Number of samples	0	2021			40	80	120	120	Research and activity reports	

Indicators	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of program	Means of verification	Comments
4.4 New research topics of the ecosystem approach and biodiversity changes associated with climate change being pursued	Number of topics	0	2021					9[4]	9	Annual verification of activities through the achievement management reports of each program, RIGO report, and internal audit unit	
4.5 Multidisciplinary scientific research plan for the ICE Class vessel, with a crosscutting climate change approach, approved by INIDEP	Number of plans	0	2021			1			1	INIDEP reports	Technical cooperation document AR-T1274, approved in September 2022, will finance the development of INIDEP's institutional research agenda.
4.6 Percentage of PAG measures implemented	Percentage	0	2021	0	0	20	20	20	60	Progress report on INIDEP gender plan	

[4] Target based on INIDEP projections. However, the target may be updated after the completion of a consulting assignment that will develop the research agenda. The target will be updated, as appropriate, in coordination with the Bank's Strategy Development Division (SPD-SDV).

Country: Argentina **Division:** RND **Operation Number:** AR-L1352 **Year:** 2022

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Executing Agency: Ministry of Economy through the General Directorate of Sectoral and Special Programs and Projects (DIPROSE) of the Secretariat of Livestock, Agriculture, Livestock, and Fisheries (SAGyP).

Operation Name: Program for the Strengthening of Agricultural Health Services and the Sustainable Management of Maritime Resources in Argentina (PROSAMA).

I. FIDUCIARY CONTEXT OF THE EXECUTING AGENCY

1. **Use of country system in the operation.**[1]

☒ Budget	☒ Reporting	☒ Information system	☐ National competitive bidding
☐ Treasury	☐ Internal Auditor's Office	☐ Price comparison	☐ Other
☒ Accounting	☒ External control	☐ Individual consultants	☐ Other

2. **Fiduciary execution mechanism**

☒	Special features of fiduciary execution	The borrower will be the Argentine Republic. The Ministry of Economy, through the Secretariat of Development Planning and Federal Competitiveness (SEPLAN), in turn through DIPROSE, will be the program executing agency. The National Agrifood Health and Quality Service (SENASA) and the National Institute for Fisheries Research and Development (INIDEP), which are decentralized agencies attached to the Ministry of the Economy, will be the subexecuting agencies of Components I and II, respectively, and of program administration and evaluation resources, as the case may be. The executing agency will be in charge of coordinating and supervising program execution and will be responsible for interlocution with the Bank. It will also transfer to the subexecuting agencies the program resources required for financing eligible activities for which they are responsible. Each of the subexecuting agencies will act through its corresponding execution unit, which will include, at minimum, a general coordinator, the financial and technical coordinators, and at last one environmental and one social specialist. The subexecuting agencies will be responsible for executing and monitoring the implementation of the different investment activities and for the procurement and contracting of goods, services, and works contained in the program's execution plans, in accordance with Bank policies. See further details on the execution mechanism and responsibilities and functions of the executing agency and subexecuting agencies in paragraphs 3.1, 3.2, and 3.3. of the loan proposal document.

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

3. Fiduciary capacity

Fiduciary capacity of the executing agency	The institutional evaluation of DIPROSE, as executing agency, and SENASA and INIDEP as subexecuting agencies of the program, was performed using the Institutional Capacity Analysis Platform (ICAP). DIPROSE has extensive experience in the execution of programs financed with external resources, both from the IDB and other multilateral financing organizations. DIPROSE has a consolidated administrative, financial, and technical management structure, together with procedures and systems that enable it to execute programs and manage decentralized execution mechanisms, as is the case with this loan. SENASA has extensive experience in the management of externally financed programs under similar execution arrangements and has established an organizational and administrative structure suitable for such programs. INIDEP's implementation of the Sustainable Fishery and Aquaculture Development Program (PRODESPA) has provided INIDEP with solid experience in Bank-financed programs. From a fiduciary point of view, the three agencies are characterized by: (a) adequate compliance with national regulations on financial and administrative management; (b) presence of systems that contribute to the internal management and control environment; (c) ability to comply with the regulations of external financing agencies; and (d) presence of procedures and controls suitable for fiduciary management.

4. Fiduciary risks and risk response

Risk taxonomy	Level	Risk level	Risk response
Organizational structure and internal processes	If there are delays in the submission of expenditures due to the sub-execution mechanism, this could result in delays in program execution.	Medium-high	(a) Require a minimum justification percentage of 70% for the replenishment of advances of funds; (b) Strengthen the financial, planning, and procurement management of the subexecuting agencies: in the case of SENASA by assigning two officials from the agency who will be dedicated to the program, as well as hiring a financial specialist; and in the case of INIDEP, by hiring two financial specialists; (c) Define and formalize the procurement, financial management, and accountability procedures in the program Operating Regulations; and (d) carry out strengthening and training activities for the subexecuting agencies on these procedures.

5. **Policies and guidelines applicable to the operation.** The financial management of the Program will use the Financial Management Guidelines for IDB-financed Projects (document GN-2811) (document OP-273-12). For procurements of nonconsulting works and services and goods procurement, the Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (document GN-2349-15), approved by the Bank on 2 July 2019, will apply. For the selection and contracting of consulting services, the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-15), approved by the Bank on July 2, 2019, will apply.

6. **Exceptions to policies and guidelines:** Not applicable.

II. Considerations for the Special Conditions of the Loan Contract

1. **Special conditions precedent to the first disbursement.** N/A
2. **Exchange rate.** For the purpose of accounting for program resources, as well as for the purposes of Article 4.10 of the General Conditions, the parties agree that the applicable exchange rate will be that indicated in paragraph (b)(i) of the aforementioned article. To determine the equivalence of expenditures incurred in local currency under the local contribution or the reimbursement of expenditures under the loan, the agreed exchange rate will be the one prevailing on the first business day of the month of payment in which the borrower, the executing agency, or any other natural or legal person to whom the authority to make expenditures has been delegated, makes the respective payments to the contractor, supplier, or beneficiary.
3. **Audited annual financial statements.** The executing agency will submit the audited annual financial statements on the use of redirected resources, under the terms of reference agreed upon with the Bank, within 120 days after the close of each fiscal year. The definitive financial statements for the operation will be delivered within 120 days after the date of the last disbursement. The external audit of the program will be conducted by an independent auditing firm eligible to audit Bank-financed operations, selected and contracted in accordance with the terms of reference and model contract previously agreed with the Bank or by the Office of the Auditor General of the Nation.

III. Agreements and Requirements for Procurement Execution

☒	Bidding documents	For procurements of works, goods, and nonconsulting services executed in accordance with the Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (document GN-2349-15) and subject to international competitive bidding (ICB), the Bank's standard bidding documents or those agreed between the executing agency and the Bank for the procurement operation in question will be used. Likewise, the selection and contracting of consulting services will be carried out in accordance with the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-15) and the standard request for proposals issued by the Bank or another agreed upon between the executing agency and the Bank for the selection process concerned will be used. For national bids and price comparisons of nonconsulting goods and services, the Bank's standard templates in Argentina plus their corresponding standard evaluation report templates will be used. The project team leader is responsible for reviewing the technical specifications and terms of reference for procurement items during preparation of the selection processes. This technical review can be ex ante and is independent from the procurement review method.
☒	Advance procurement and retroactive financing	The Bank may retroactively finance up to US$12,500,000 (10% of the proposed loan amount) against the loan proceeds, and recognize against the local counterpart up to US$4,900,000 (10% of the estimated local counterpart contribution) for eligible expenditures incurred by the borrower prior to the loan approval date for consulting services, equipment and works, and the program's administration expenses, provided that requirements substantially similar to those stipulated in the loan contract have been met. Such expenditures will have been incurred after May 31, 2022, but will in no case include expenditures incurred more than 18 months prior to the loan approval date. See document GN-2349-15, document GN-2350-15, and the policy on recognition of expenditures, retroactive financing, and advance contracting (document GN-2259-1).

☒	Procurement supervision	The method of supervision will be ex post, except for the first two processes of each selection method, which will require ex ante supervision. Ex post reviews will be conducted annually in accordance with the project supervision plan, subject to change during execution. Ex post review reports will include at least one visit. The threshold amounts for ex post review are as follows: **Works**: US$25 million; **Goods/Services**: US$1.5 million; **Consulting services**: US$1 million
☒	Records and archives	The executing agency and subexecuting agencies will be responsible for maintaining the original records of procurement, contracting, and financial management under their responsibility in the framework of the program's execution.

Major procurement processes

Procurement description	Selection method	New procedures/tools	Estimated date	Estimated amount (US$)
Nonconsulting goods and services				
SANITARY AND LABORATORY EQUIPMENT: Purchase of technical equipment for SENASA's Central Laboratory in Martínez (as detailed)	ICB	N/A	Quarter 1, Year 3	5,395,700.00
SANITARY AND LABORATORY EQUIPMENT: Purchase of technical equipment for regional laboratories (as detailed)	ICB	N/A	Quarter 2, Year 3	2,798,000.00
TRANSPORTATION AND RESEARCH TECHNICAL TEAM: Design and construction of a ship with ICE CLASS notation	ICB	N/A	Quarter 1, Year 2	96,200,000.00
Consulting firm				
National or international consulting firm Development and implementation of the electronic certification system/platform (technology upgrade)	QCBS	N/A	Quarter 1, Year 1	2,250,000.00
Individual consultants				
National consulting assignments. General coordination, technical coordination, administrative management, procurement, monitoring and evaluation, environmental, and social program staff, to be part of the SENASA Coordination Unit and the USEP at INIDEP	CI - 3 CVs	N/A	Quarter 1, Year 1	1,628,900.00

Access the 18-month procurement plan here.

IV. FINANCIAL MANAGEMENT AGREEMENTS AND REQUIREMENTS

☒	Programming and budget	The executing agency and subexecuting agencies are responsible for formulating and programming the annual budget and will perform all the procedures for consolidating the annual budget for approval. As needs arise to increase or reallocate line items, the execution unit will request the modifications and be in charge of managing their approval. Budget appropriations are executed through accrued quarterly and monthly commitments allocated by the National Budget Office (Ministry of Economy).
☒	Treasury and disbursement management	Bank accounts. The executing agency will maintain a special account in dollars and an account in pesos at Banco Nación, separate and identified for accounting and operational purposes, for the exclusive management of program resources. The subexecuting agencies will maintain an account in pesos exclusively for the management of the program's resources Financial plan. Disbursements will be made on the basis of a detailed financial plan based on the program's actual liquidity needs. Disbursement method: The Bank will disburse funds in the form of advances of funds, reimbursements, and/or direct payments modalities (modalities recognized in the Financial Management Guidelines for IDB-financed Projects [document OP-273-12]). In the case of advances of funds, disbursements subsequent to the first advance of funds may be processed upon justification of 70% of the previous advances due to the sub-execution mechanism comprising one executing agency and two subexecuting agencies. The Online Disbursement electronic platform will be used to manage disbursements.
☒	Accounting, information systems and reporting	The executing agency and subexecuting agencies will use the External Loan Execution Unit System (UEPEX) as their financial management system. The UEPEX system allows them to identify program funds as well as sources of financing. The UEPEX system records program investments by cost table component in accordance with the chart of accounts approved by the Bank. Cash-basis accounting will be used and the International Financial Reporting Standards followed, where applicable, in accordance with national criteria.
☒	External control and financial reporting	External control is performed by the Office of the Auditor General (AGN). The AGN is a lead external oversight agency that reports to and assists the National Congress in the control of the state of public sector accounts. Its creation and operations are governed by Title VII, Chapter I of Law 24,156 on Financial Administration and External Control Systems. The annual financial statements of the program, based on the terms of reference previously agreed with the Bank, will be audited by an independent auditor acceptable to the Bank, which may be either the AGN or an independent auditing firm.
☒	Financial supervision of the operation	The initial financial supervision plan will be based on the risk and fiduciary capacity assessments of the executing agency made via field supervision visits and desk reviews, as well as analysis and monitoring of outcomes and recommendations from audits of the program's annual financial statements.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-__/22

Argentina. Loan ____/OC-AR to the Argentine Republic. Program for the Strengthening of Agricultural Health Services and the Sustainable Management of Maritime Resources in Argentina (PROSAMA)

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Argentine Republic, as borrower, for the purpose of granting it a financing aimed at cooperating in the execution of the Program for the Strengthening of Agricultural Health Services and the Sustainable Management of Maritime Resources in Argentina (PROSAMA). Such financing will be for the amount of up to US$125,000,000, from the resources of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on _____ 2022)

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