

URUGUAY

**NATIONAL STRATEGY FOR CHILDREN AND ADOLESCENTS
(ENIA) SUPPORT PROGRAM**

**PROPOSED CONDITIONAL CREDIT LINE FOR INVESTMENT
PROJECTS (CCLIP)**

(UR-X1005)

LOAN PROPOSAL

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Electronic References	
REQUIRED	
1.	Safeguard and Screening Form for Screening and Classification of Projects (SSF) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=1632598
2.	Monitoring and evaluation http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=1615329
OPTIONAL	
1.	Summary of INFAMILIA execution http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=1615320
2.	Institutional assessment of the MIDES http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=1615276

ABBREVIATIONS

ANEP	Administración Nacional de Educación Pública [National Public Education Administration]
AOP	Annual operating plan
ASSE	Administración de Servicios de Salud del Estado [State Health Services Administration]
CCE	Comité de Coordinación Estratégica de Infancia y Adolescencia [Strategic Coordination Committee for Children and Adolescents]
CCLIP	Conditional Credit Line for Investment Projects
CTC	Comité Técnico de Coordinación [Technical coordination committee]
ENIA	Estrategia Nacional de Infancia y Adolescencia [National Strategy for Children and Adolescents]
INAU	Instituto del Niño y Adolescente del Uruguay [Institute of Children and Adolescents of Uruguay]
INFAMILIA	Programa de Infancia, Adolescencia y Familia en Riesgo [Program for At-risk Children, Adolescents, and Families]
MCZ	Mesa de Coordinación Zonal [District Coordination Authority]
MEC	Ministry of Education and Culture
MIDES	Ministry of Social Development
MSP	Ministry of Public Health
MTD	Ministry of Tourism and Sports
PANES	Plan Nacional de Atención a la Emergencia Social [National Social Emergency Plan]
SOCAT	Servicio de Orientación, Consulta y Articulación Territorial [Territorial Guidance, Consultation, and Linkage Service]

PROJECT SUMMARY
URUGUAY
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PROPOSED CONDITIONAL CREDIT LINE FOR INVESTMENT PROJECTS (CCLIP)
(UR-X1005)

Financial Terms and Conditions			
Borrower: Eastern Republic of Uruguay		Amortization period:	20 years from the effective date of the Conditional Credit Line for Investment Project agreement
Executing agency: Ministry of Social Development			
Source	Amount		
IDB (OC):	US\$200 million	Currency:	U.S. dollars from the Single Currency Facility
Local:	0		
Total:	US\$200 million		
Project at a glance			
Objectives and description:			
The objective of the program is to provide long-term support for the implementation of the ENIA by contributing to its consolidation as government policy to develop the potential capacity of new generations, thereby making more opportunities available for sustainable improvement in the living conditions of the country’s most vulnerable children and adolescents.			
Special contractual conditions: None			
Exceptions to Bank policies: None			
Project qualifies as: SEQ[] PTI [] Sector [] Geographic[] Headcount []			

I. DESCRIPTION AND RESULTS MONITORING

A. Background, problem, and rationale

- 1.1 **Poverty and vulnerable groups:** Uruguay has traditionally been recognized as one of Latin America's most socially homogeneous countries. The 2002 financial crisis, however, had profound repercussions that are reflected in its social indicators. Poverty rose from 18% in 2001 to 31.9% in 2004, and extreme poverty from 1.3% to 3.9% over the same period. Some 25.5% of the population is now considered poor, with some 2% living in extreme poverty. The youngest generations are the most severely impacted.
- 1.2 The incidence of poverty in Uruguay is most closely correlated to the age structure. In 2007, 45% of minors (under age 18) were living in poor households compared to 7.7% of adults over 65, with minors accounting for 28% of the population and senior citizens for 13%. This "impoverishment of children" has gone hand-in-hand with the emergence of new social stratification patterns: children from families in the most impoverished sectors typically live in situations of social disintegration, constitute the first link in the chain of intergenerational poverty replication, and are most likely destined to a future life of poverty.
- 1.3 Although the vast majority of children born in Uruguay survive, a large proportion are born with poverty-related deficiencies, placing them at a disadvantage in dealing with the challenges of the different stages of life. The vulnerability of children and youth living in poverty translates into low income and puts them into a pattern of risk throughout their lives, as described in the paragraphs below.
- 1.4 **Early childhood (ages 0 to 3):** The main risks are maternal nutritional deficiencies prior to and during pregnancy; nutritional deficiencies of young children; and lack of early childhood stimulation. This leads to severe learning deficiencies from the time they begin school (delays in psychomotor, language, and cognitive development as well as other conditions). Also, although the country has an extensive socioeducational care network (public, social, and private), gaps in major coverage persist for children from poor households. Nationwide, over 20,000 pregnant women and 85,000 children under 3 years of age (45% of the total population aged 3) now live in poverty. Of this number, 75,000 reside in urban areas of more than 5,000 inhabitants, with over one half of all poor children living in the metropolitan areas of the departments of Montevideo and Canelones. As of 2007, over one half (59%) of poor children aged 4 had no educational coverage.
- 1.5 **Childhood (aged 4 to 12):** Although primary education is virtually universal, with school enrolment rates above 99%, and average repetition rates have declined in recent decades, problems persist that are associated with: (i) high rates of first-year repetition, more than double the average rate for primary education as a whole; (ii) declining or erratic attendance; and (iii) most especially, the equity gap arising from repetition rates and overage students, which is much more marked in public schools in critical sociocultural areas. In such areas, in 2007, repetition rates were 50% higher than the general public school rate: for elementary school as a whole

(11.9% vs. 7.9%) and for first grade (25% vs. 17%). Nutritional deficiencies also persist at this stage of life, with 22.5% of children in first grade manifesting retarded growth of some kind according to World Health Organization (WHO) standards.

- 1.6 **Adolescence (aged 13 to 18):** The main risks relate to secondary school attrition and repetition rates, especially for the most socioculturally vulnerable population, one of the most critical issues on the medium-term education and social agenda. In secondary school, nearly one in four students repeat, with some 24% of youth aged 13 to 18 not participating in the educational system. There are also major problems of linkage to stable systems of social inclusion. At present, an estimated 13.5% of children and youths under age 18 do not study or work. In terms of equity, in the lowest income quintile, nearly 23% of youth are inactive, whereas in the highest quintile, the figure is only 2%. The recent 2006 Programme for International Student Assessment (PISA) results also reflect the system's inequity. While eight in ten adolescents from a "highly favorable" background achieve passing grades in mathematics and reading, the figure for those from a "highly unfavorable" background is just one in ten. Additionally, teen pregnancy remains high (14.3% in 2004), and is associated with a high proportion of low birth weight children born of mothers under age 18.
- 1.7 **The Uruguayan government's social policy:** The new social risks facing the youngest generations also pose new challenges for the country's traditional social welfare matrix. Higher social investment in children and adolescents is a key component of change. The Uruguayan government has, therefore, decided to increase substantially public spending on social safety nets. According to the estimates, public social spending in real terms is expected to rise between 2005 and 2009 by approximately 15%, with the lion's share going on health and education. Following a contraction during the 2000-2004 budget period, public social spending on children is expected to rise as well, by 37% in the 2005-2009 five-year period.
- 1.8 There must also be commitment to developing a new welfare matrix that restores protection for sectors formerly excluded by the formal labor market-based model, with strong segmentation of basic services such as education and health. With an array of highly fragmented and targeted social policies characterized by substantial duplication of efforts and unequal distribution of services nationwide, the challenge is to restore the role of the State as the main arbiter of social policy. To that end, the Ministry of Social Development (MIDES) was created in 2005. One of its tasks is to coordinate social policy and develop a social information system that provides feedback on the implementation and design of the country's new social safety net system policies.
- 1.9 These factors together will contribute to the ultimate objective of promoting coherent economic and social policies, the formulation of universal policies, and a national social development strategy. The first steps of the strategy bring together responses deployed under the Plan Nacional de Atención a la Emergencia Social

[National Social Emergency Plan] (PANES) to address current problems stemming from the 2002 crisis. The plan made it possible to alleviate the extreme poverty affecting over 80,000 households and 335,000 individuals by means of a conditional income transfer known as “citizen income.” More recently, to address structural challenges, the government has begun implementing the Plan de Equidad [Equity Plan], conceived to be the national social development strategy with an agenda to overcome fragmented public efforts, linking targeted policies (social safety nets) with universal social services (social safety net matrix), and promoting appropriate linkages between policy implementation in the country and decision-making forums, thereby developing the required intersector social policies.

- 1.10 **National Strategy for Children and Adolescents (ENIA):** As part of the new social policy approach defined in the Equity Plan, the Uruguayan authorities have decided to spur the promotion of an ENIA to revive the strategic objectives, deepen public policy guidelines, and continue promoting the coordination of long-term intersector efforts on behalf of children and adolescents, with a view to ensuring the ENIA becomes State policy. To that end, the ENIA would help develop integrated policies for children and adolescents based on an approach where government policies and guidelines set out the rights and responsibilities of this target group that are recognized in international law.
- 1.11 The ENIA has now been launched; three documents have been prepared to support discussion on issues of demographic, social, and democratic sustainability; and an extensive exchange of views is planned with the national and international community, in which the Bank will take part. The Uruguayan authorities’ goal is to present the ENIA to the country and the international community on November 20, 2008, on the anniversary of the United Nations Convention on the Rights of the Child.¹ By then, a financing framework in the form of this Conditional Credit Line for Investment Projects (CCLIP) is expected to have been approved for these guidelines governing medium- and long-term strategic actions targeting the country’s most vulnerable children and adolescents (see also paragraph 3.12).
- 1.12 **Rationale for the Credit Line:** Under the CCLIP modality in effect (document GN-2246-4), the use of this Bank financing instrument is justified by the specific support it provides for a long-term national multisector development strategy (like the ENIA, in the specific case of Uruguay), which enhances the country’s development objectives with financing for multisector projects being coordinated with MIDES. In this sense, it relates directly to the third pillar of the Bank’s strategy with Uruguay aimed at poverty reduction and social inclusion, and has been accorded priority in the Bank’s current program with the country.
- 1.13 From a technical standpoint, it represents an opportunity to invest, using a strategic long-term perspective, for the entire children and adolescent cycle based on a

¹ Please visit <http://www.enia.org.uy/> for the ENIA formulation process and all documentation cited, background information used in the preparation of this document.

comprehensive multisector approach that ensures returns on an extremely profitable social investment: the human capital of future generations. From an operational standpoint, the CCLIP will enable the country to secure on a timely basis resources to lend continuity to investment programs that will be carried out as the ENIA is being implemented, while also enabling the Bank to enter into a long-term relationship with Uruguay's social safety net sector and maintain an ongoing presence in actions on behalf of children and adolescents.

- 1.14 **The IDB's experience:** With the Bank's support and under MIDES leadership, Uruguay is implementing the Program for At-Risk Children, Adolescents and Families (INFAMILIA, UR-0134; 1434/OC-UR), which launched a comprehensive approach to this complex problem based on a life-long prevention and care model. This initiative, which may be considered the background to the CCLIP, is now at an advanced stage (70% of loan resources disbursed and 90% committed), has fulfilled all contractual conditions and complied with all disbursement and procurement conditions. Also, it has presented unqualified audited financial statements, and is ensuring appropriately the continuity of investments made by gradually incorporating initiatives promoted in sector ministry budgets, drawing on the cumulative lessons learned.²
- 1.15 The INFAMILIA program is also a significant experience for generating capacity in planning, innovation, linkages, management, and oversight of social policies on children and adolescents that will serve as the basis for strengthening MIDES. With INFAMILIA as a benchmark, it is evident that MIDES on the basis of its strong background has the structure to implement a project with satisfactory outcomes. It should be noted that the ENIA formulation process is being headed up by a team of experts from the entities designated by the Comité de Coordinación Estratégica de Infancia y Adolescencia [Strategic Coordination Committee on Children and Adolescents] (CCE). The team comprises a technical coordination committee and is headed by the Director of the INFAMILIA program, indicative of the important role the latter program is playing in implementing the strategy to be supported by the proposed CCLIP. It is also an acknowledgement of the technical and operational capacity developed by MIDES, through INFAMILIA, in the area of children and adolescents.
- 1.16 In this same vein, INFAMILIA has had promising results by linking and coordinating public sector interagency efforts with those of civil society organizations working with the country's most vulnerable children and adolescents. Some examples of this success are the Centros de Atención de Infancia y Familia [Centers for Children and the Family], which promote early stimulation and early childhood education, whose coverage in poor areas of the country rose by 89% from 2003 to 2007 (39,000 children under age 4 served); community early childhood teachers, whose coverage doubled between 2005 and 2007 in schools in

² At <http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=1615320>, details are provided of the fulfillment of INFAMILIA's eligibility criteria as the project precedent to the CCLIP line.

- critical areas, raising levels of primary school learning (18,000 children under 13 served, 78% of whom were promoted in 2007); and the recently-created community classrooms, which are increasing adolescent participation in secondary education, in order to reduce attrition and repetition rates (1,600 youths served in 2007 and 2008). Also important are efforts to promote check-ups and health care for teenage mothers, as well as specific actions with street children and adolescents and victims of abuse.
- 1.17 According to the interim evaluation, INFAMILIA has had similar success in promoting changes in levels of educational coverage and in the favorable perception of mothers of the value of early child school enrolment. It also emphasizes and recognizes the importance of the community teacher program in addressing problems of elementary school repetition. Although direct impacts on the interventions for adolescents cannot yet be reported, a slight increase in juvenile fertility has been noted, a phenomenon that must be reversed, since it is in adolescence that exclusion becomes defined and the cycle of intergenerational poverty cycle is perpetuated.
- 1.18 **Institutional capacity of MIDES:**³ MIDES is a recently established Uruguayan government ministry that began functioning on March 21, 2005. It is mandated by law to advise the executive branch on national social policy design and to link, coordinate, and monitor the actions, plans, and programs implemented by government agencies and nongovernmental organizations at the sector and national levels, thus avoiding duplication of actions and improving efficiency in efforts to address poverty and social exclusion.
- 1.19 One of the initial and principal objectives was to launch, implement, and monitor the PANES, conceived as an emergency measure to provide temporary relief as swiftly as possible to the country's pressing problems of poverty and social exclusion. By late 2007, some 50% of poor households were receiving coverage. At the same time, through a specialized office set up to implement it, MIDES also took up the challenge to continue implementing the INFAMILIA program, which it did successfully as noted earlier. This confirms that the earlier operation satisfies the CCLIP eligibility criteria.
- 1.20 The need to act swiftly and the scale of the problems to be resolved with the limited resources available to a new agency meant that the tasks of reflecting on and defining its organizational structure were given minor importance, as were the institutional strengthening requirements now being accorded top priority by MIDES. More importantly, when its success with the PANES and INFAMILIA programs led the executive branch to entrust it with responsibility for coordination,

³ See at <http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=1615276> the "Informe de Diagnóstico Institucional y Propuesta de Programa de Cooperación Técnica para el Fortalecimiento Institucional del MIDES," [Institutional Assessment Report and Proposed Technical Cooperation Program for Strengthening the Institutional Capacity of the MIDES], prepared in the context of consulting assignments in support of the preparation of this operation.

linkage, and monitoring of the Equity Plan. This Plan was conceived as a genuine Uruguayan government social development strategy to make significant headway in overcoming poverty and social marginalization, with the gradual integration of poverty reduction efforts into the universal policies of the country's social safety net matrix.

- 1.21 The scale of this task gives an idea of the priority attached to building MIDES institutional capacity, a priority that the Uruguayan government acknowledges and supports. In fact, the authorities have asked the Bank for help in achieving this objective through a technical-cooperation operation (UR-T1038), whereby the comprehensive long-term process launched will assign priority to the most urgent actions in planning, human resources, financial management, monitoring and evaluation, and subnational management. In addition, a medium- and long-term institutional strengthening plan will be undertaken, possibly with the proceeds of the CCLIP and the budgetary resources of MIDES itself. This would enable the Ministry to consolidate and maintain its role as an agency coordinating intersector social policy efforts in Uruguay, efforts that will be fundamental in the context of the CCLIP. The recognized operational experience of the INFAMILIA office will also be made available.
- 1.22 To further this process, MIDES has completed, with the Bank's support, the assessment and definition of the institution building plan and set December 2009 as the target date for reaching an advanced stage in developing its critical management capacity as a key player in coordinating intersector efforts to implement social policy. In the area of assessment, MIDES has clearly defined its mission and tasks, which range from social policy design and formulation to linkage and coordination of intergovernmental social plans and ultimately to program implementation. This clear mandate also greatly strengthens its capacity to generate an organizational culture highly focused on coordinating and implementing policies and programs. Its founding spirit, characterized by a strong vocation for service and a high capacity to mobilize and deploy resources, has enabled the main objectives of the plans and programs to be implemented effectively.
- 1.23 The following actions are planned as part of the institutional strengthening plan: (i) gradual progress towards implementation. In the first two years, priority will be given to critical macroprocesses related to the management of policies and programs, human and financial resources, and information systems; and (ii) utilization of the INFAMILIA program capacity and cumulative experience as an internal benchmark for best practices in management, to be extended to the rest of its structure.

B. Objective, components, and cost

- 1.24 The objective of the CCLIP is to provide long-term support for implementing the ENIA by helping to consolidate it as State policy to promote the development of potential capacity of the new generations, thus securing additional opportunities for a sustainable improvement in the living conditions of the country's most vulnerable

children and adolescents. Another goal will be to give continuity to the actions being carried out gradually to strengthen MIDES institutional capacity to consolidate and maintain its role as an agency linking and coordinating intersector social policy efforts in Uruguay.

- 1.25 As a guideline for individual loan operations that may be designed under the CCLIP, financing is expected to be provided for multisector projects in social safety nets, health, education, labor, and sports and culture, with components to support early childhood, childhood, and adolescence, with participation by civil society and the beneficiaries themselves. It will also support the strengthening of the institutions involved in their care, particularly MIDES, in order to maintain the stellar performance noted on the fronts to be addressed by the credit line. Based on previous INFAMILIA experience, the components of the individual loan operations are expected to finance a series of priority interventions throughout the child and adolescent life cycles.
- 1.26 In the early childhood component, the priority would be to expand coverage, with a focus on comprehensive care throughout pregnancy and from birth to 24 months of age. The component would cover timely stimulation, psychomotor development, and correction of nutritional deficiencies while also attaching priority to increased coverage and improvement in the quality of early childhood education for children aged 24-48 months. The priorities of the childhood component are intended to help improve learning levels and reduce repetition and truancy rates, with special emphasis on the most vulnerable groups. Promotion of sports and cultural activities is also envisaged, as are prevention and treatment of risk behaviors and better mental health. Lastly, the adolescent component will give priority to maintaining young people in formal education, significantly reducing repetition rates, and improving education quality, with a crosscutting approach of equity in interventions and proposed methodologies. This will help develop the necessary skills for adolescents and youth to become integrated into the public, civic, or political arenas, the job market, the business world, or the knowledge-based society as a whole and to discharge their responsibilities successfully. The promotion of sports and cultural activities is also envisaged, as are the prevention and treatment of risk behavior and improved mental health.
- 1.27 The general guidelines for the design of individual loan operations are as follows: an estimated total amount of US\$200 million for the credit line, with a 20-year utilization period. Based on the prior INFAMILIA experience, it is felt that during this period at least four investment projects in an average amount of US\$50 million each could be financed, assuming a five-year execution period for each individual operation. This, too, is considered reasonable based on INFAMILIA's experience. The first individual CCLIP loan operation would probably be submitted for approval in the last quarter of 2009 (see paragraph 3.13).

C. Results matrix and key indicators

- 1.28 The results matrix shows the following expected outcomes (indicators) upon completion of the ENIA and by the end of the CCLIP program: (i) 50% reduction in the number of poor children and adolescents; (ii) eradication of childhood and adolescent extreme poverty; (iii) improvement in child development; (iv) reduction of infant mortality; and (v) increase in gross secondary school enrolment to 100%. These indicators are based on the country report on the Millennium Development Goals, which sets targets on which broad national consensus exists.⁴ As progress is made in implementing the ENIA and individual CCLIP loan operations, the results matrix is likely to be supplemented with more specific indicators. Examples of such indicators are: (i) reduction in the vulnerability of children and youth; and (ii) increased public-sector capacity to serve children and youth through comprehensive policies.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 **Conditional Credit Line for Investment Projects (CCLIP).** In view of the medium- and long-term timeframe for the ENIA 2010-2030, the CCLIP is an effective instrument to support *government policy* on children and adolescents over a far longer period than a single administration. At the same time, the CCLIP will provide a framework of continuity for actions that are gradually being implemented to build the institutional capacity of MIDES as an agency linking intersector social policy efforts in Uruguay.
- 2.2 As a financing instrument, the CCLIP's operational advantages make it possible to: (i) provide resources in a timely manner that lend continuity to ENIA investment programs; (ii) provide effective support to, and maintain an ongoing presence in, Uruguay's social safety net sector; (iii) emphasize institutional analysis, in this case by strengthening MIDES institutional capacity and maintaining a record of satisfactory performance in the areas addressed by the CCLIP; and (d) lend continuity to executing agency personnel, especially in the INFAMILIA program, which represents the CCLIP's prior experience.

B. Environmental and social safeguards

- 2.3 Given the nature of a CCLIP operation, an ex ante assessment of the potential risks and environmental and social impacts is not possible without an initial joint investment project. Additionally, in view of the program's objective, individual operations are not expected to generate significant risks and/or impacts. However, credit line investment projects will be studied individually, using the environmental safeguard mechanism to make such a determination.

⁴ See details in Annex I (Results Matrix).

C. Fiduciary risk

- 2.4 In accordance with the above-mentioned institutional assessment, MIDES now manifests deficiencies related mainly to the program formulation and evaluation cycle, information systems, and the administrative management model. These may impact program design, evaluation quality, resource management efficiency, and mechanisms for program coordination within the country. Although these deficiencies do not now have a marked impact on program execution capacity, the risk exists that, in the medium term, they may jeopardize the MIDES mission and the programmatic objectives.
- 2.5 To mitigate these risks, the MIDES institutional strengthening plan is expected to achieve significant development in its crucial management capacity for formulation and implementation of policies and programs, human and financial resources, and information systems. The strengthening plan also includes actions to strengthen financial management and procurement capacity in the MIDES Secretariat Office, based on the capacity generated by the INFAMILIA program.

D. Other risks

- 2.6 The table below shows the main implementation risks and the corresponding mitigation measures:

Risk factor	Mitigation measures
<i>Risk related to country ownership of the project and the priority assigned to it:</i> In the current context, the CCLIP is a high government priority, since it will make it possible to finance the 2010-2030 National Strategy for Children and Adolescents (ENIA) and lend continuity to the process of building MIDES institutional capacity. However, national ownership of the project, the priority assigned to it, and the sustainability of the strategy and its financing may be affected unless the State can give its imprimatur to the policy.	MIDES has developed an effective mechanism for intersector policy linkage, participation, and development, whose main challenge is to coordinate the implementation of the Equity Plan. To that end, the government has launched a process to build capacity within MIDES to consolidate its role in social policy linkages. Additionally, it is promoting the formulation of the ENIA as a specific thematic area of the Equity Plan for actions targeted at children and adolescents. The process includes a national debate with the country's main political and social players to discuss the document being prepared by national and international experts in this area. This may contribute to greater ownership of the project, a higher priority attached to it, and its recognition as State policy.
<i>Risk related to lack of continuity of sector policies, in view of the upcoming presidential elections:</i> The ENIA's sustainability may be impacted by a possible change of policy under a new administration. Its proper implementation depends on reform processes launched in the health and education sectors.	The Equity Plan, approved in April 2007, that is now under way, provides a medium-term framework for implementation of the social policies defined therein. One component of the Social Welfare and Social Integration Network, a priority of this Plan, is policy on children and adolescents. MIDES has begun the ENIA formulation process in that context. It is precisely the social policy framework in general and the child and adolescent policy framework in particular that governs the sector reform processes and promotes appropriate linkage of intersector efforts, such as the ENIA.

III. IMPLEMENTATION, AND MONITORING AND EVALUATION PLAN

A. Implementation arrangements

- 3.1 The Ministry of Social Development (MIDES) will be the executing agency for the Conditional Credit Line for Investment Projects (CCLIP) that will be supporting National Strategy for Children and Adolescents (ENIA). The executing agency may in turn coordinate its activities with ministries and sector agencies involved in attaining the CCLIP objective. Such coordination will take place at the strategic, sector, operational, and subnational levels, as described below, depending on the main players and the principal roles they play in formulating and implementing policies on children and youth.

1. Strategic coordination

- 3.2 The Strategic Coordination Committee for Children and Adolescents (CCE), created as part of the INFAMILIA program, will ensure, at the highest hierarchical level, that the strategy is consistent and that interventions are sustainable, comprehensive, and effective. The members of this consultative and advisory body are representatives of the Ministry of Social Development, the Ministry of Public Health (MSP), the Ministry of Education and Culture (MEC), the Ministry of the Interior, the Uruguayan Institute of the Child and the Adolescent (INAU), the National Institute of Youth, the National Public Education Administration (ANEP), and the Primary, Secondary, and Vocational Education Councils. The committee is chaired by the Director of the INFAMILIA program and serves as a forum where representatives of the executive branch work to prepare input for policies on children and youth within the purview of the National Council on Social Policy.

2. Sector coordination

- 3.3 At the sector level, technical coordination of interagency efforts will fall to the Committee on Children and the Committee on Adolescents of the CCE itself, with areas of intervention being identified and multisector agreements entered into through a technical coordination committee (CTC). The Committee on Children is composed of representatives of the Primary Education Council, the Centers for Children and the Family, the MEC's Education Office, the State Health Services Administration (ASSE), the MSP's Child Health Program; the National Sports Office of the Ministry of Tourism and Sports (MTD), and the MIDES INFAMILIA program. For its part, the Committee on Adolescents is composed of representatives of ANEP, MSP, INAU, MTD, the Ministry of the Interior, and MIDES.
- 3.4 The purpose of the CTC is to facilitate overall technical and operational coordination of activities for children and adolescents. Its members are the head of the INFAMILIA program and the technical coordinators of each coexecuting agency. This authority seeks to ensure the intersector and comprehensive nature of interventions carried out across the country. The CTC also pools information on the

extent to which the actions have been institutionalized and the rate of advance of the projects, and together they prepare the annual work plans (AWPs).

3. Operational coordination

- 3.5 From an operational standpoint, the INFAMILIA program office, with support from the Social Policies Office, the Secretariat Office, the Monitoring and Evaluation Office, and the Territorial Coordination Office of MIDES itself, will implement the AWPs agreed with the CTC, and offer such technical, administrative, financial, and operational support as is required for normal and timely completion of the activities envisaged for each component of the individual loan operations.

4. Territorial coordination

- 3.6 The MIDES strategy of service decentralization through **Oficinas Territoriales** [Territorial Offices] includes the operation of Interagency Authorities and the Social Councils in each department, which work to identify problems and seek solutions in large cities and small towns nationwide. The country's 33 Territorial Offices, each with a territorial coordinator and a technical and administrative assistant, promote a model for linking and planning joint efforts in all MIDES central and subnational offices, institutes, and programs. INFAMILIA also has **Responsables Territoriales** [Senior Territorial Staff], whose function is to coordinate and supervise directly the activities carried out in areas of intervention and to promote networking, linking intersector efforts at the local public sector level with those of civil society organizations working on behalf of the most vulnerable children and adolescents.
- 3.7 The **Departmental Interagency Authorities**, one for each of the country's departments, are forums for linking and coordinating subnational social policy. They are convened by MIDES to develop at the departmental level the guidelines established by the Social Cabinet and the National Council on Social Policy. Also operating in the area of children and adolescents are the District Coordination Authorities (MCZs), made up of different players who come together in a territory of reference from both agency (public or private) and private (neighborhood) spheres. The MCZs identify the main problems affecting children and adolescents at the local level based on assessments to monitor the social services in the territory, with which they design and implement projects that propose solutions to the problems identified.
- 3.8 The task of the **Social Councils**, now in 13 departments, is to build the departmental social agenda, and to observe, analyze, and make recommendations on the public social policies developed and implemented at the subnational level. The Councils are composed of departmental social players of varying degrees of organizational complexity and different work areas with the capacity to propose, contribute, and monitor public policies. At this social participatory level, INFAMILIA now has in place the Territorial Guidance, Consultative, and Coordination Service (**SOCAT**), which seeks to integrate program activities in

particular and those of the MIDES in general, as well as those of other players active in the territorial area and to link them together, encouraging community participation and social integration by setting up an advisory and consultative service and strengthening subnational networks and linking them together.

- 3.9 The Bank will require coordinated efforts in the social sector, especially between the Health and Social Protection Division (SCL/SPH) and the Education Division (SCL/EDU), and the Bank's Country Office in Uruguay (CSC/CUR). In particular, every effort will be made to ensure that specific sector proposals are consistent and there is complementarity: for instance between a possible new education loan, also under a CCLIP, with an initial joint individual loan operation (UR-X1004 and UR-L1050), and those intersector initiatives that result from the MIDES CCLIP program. To accomplish this aim, the Bank and the executing agency will set up multidisciplinary teams to ensure effective linkages between the various participating institutional players.
- 3.10 Based on this model for general coordination of the CCLIP, each individual operation will be tailored to the operational, technical, and financial requirements, standards, and procedures specified in the respective loan contracts and Operating Regulations.

B. Monitoring and evaluation arrangements

- 3.11 The monitoring and evaluation arrangements for the different lines of action identified in the ENIA and the CCLIP include: (i) a definition of the outcomes and impact indicators in the results matrix that are associated with general objectives and purposes; (ii) a definition of indicators relating to processes that take account of the interim targets required to reach the outcomes indicators in the results matrix; (iii) identification of the tools for data surveys, and the frequency with which tools or metrics are applied and the impact evaluation methodologies; and (iv) information systems associated with the monitoring of policies on children and adolescents. The MIDES Monitoring and Evaluation Office will monitor the progress of the ENIA and the CCLIP and their performance. For specific operations, this office will assist the MIDES INFAMILIA team, which will be as closely involved as possible in monitoring these operations and their progress.⁵

C. Post CCLIP approval design activities

- 3.12 As mentioned above, the ENIA is now being developed and the Uruguayan government has launched a wide-ranging national debate with all players of the country involved in working with children and adolescents, bringing together political parties, government agencies, civil society organizations, and specialized international organizations. The idea is to have the ENIA presented to the country and the international community as the government's long-term policy on children and adolescents in Uruguay on November 20, 2008, during the ceremony marking

⁵ See <http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=1615329> for details of the monitoring and evaluation arrangements.

the anniversary of the signing of the United Nations Convention on the Rights of the Child. As an important addition to this process, the Uruguayan authorities have approached the Bank for its support so that the policy can be launched under the CCLIP agreement in the general context of investment in the ENIA.

- 3.13 Additionally, mindful of the current stage of the political cycle in Uruguay, the government is of the view that the most sensible approach is to approve the first individual CCLIP loan operation in the last quarter of 2009, so that the specific content can be discussed with the team of the new administration that takes office in March 2010. Accordingly, design elements, such as the mechanism for prioritizing and allocating resources by sector and/or type of beneficiary, the sector composition of resources, and evaluation of the impact of individual loan operations, among other important matters, will be part of the preparatory work on the first CCLIP investment project.
- 3.14 In addition, subsequent to the approval of the project development objective, it will be possible to update ENIA results matrix and the supporting CCLIP and to review the monitoring and evaluation arrangements as the technical work advances and is consolidated, in conjunction with broad debate on the ENIA within the country.

D. Procurement

- 3.15 Goods and works will be procured and the consulting services envisaged for each individual operation will be engaged in accordance with the Bank policies set out in the Policies for the Procurement of Works and Goods Financed by the Inter-American Development Bank (document GN-2349-7), the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-7), and the conditions of each individual loan contract and its corresponding procurement plan. These documents will also specify the modalities to be used for supervision of Bank-financed procurement of goods, works, and consulting services.

URUGUAY
CCLIP IN SUPPORT OF THE NATIONAL STRATEGY FOR CHILDREN AND ADOLESCENTS
(ENIA) (UR-X1005)
RESULTS MATRIX

CCLIP objective	The objective of the program is to provide long-term support for the implementation of the ENIA by contributing to its consolidation as State policy to develop the potential capacity of new generations, thereby making more opportunities available for sustainable improvement in living conditions for the country's most vulnerable children and adolescents.		
Results indicators	Baseline	Final value (5 years from CCLIP end, in 2035)	Observations
Reduce the percentage of poor children and adolescents in the country ¹	45% (2007)	Reduction of 50% from the baseline	These indicators were selected based on the <i>Informe de país sobre los Objetivos de Desarrollo del Milenio (ODM)</i> , presented by the Uruguayan government to the United Nations in March 2005. The report, prepared after wide-ranging dialogue on the Millennium Development Goals in Uruguay, set targets for the country to achieve by 2015. On this basis, when this matrix was prepared, the baseline values of the indicators selected were recalculated and the final values expected as of 2035 were estimated.
Eradicate extreme poverty among children and adolescents ²	4.3% (2007)	0%	
Improve child development by increasing early childhood education coverage ³	0 to 48 months: 28% (2007)	Universalization of early childhood education	
Reduce infant mortality ⁴	11.9 per 1000 (2007)	Reduce infant mortality by two-thirds	
Increase gross mandatory middle school enrolment rates ⁵	94% (2007)	Universalization of mandatory middle school education (100%)	

¹ The number of children and adolescents living in poor households divided by the total number of children and adolescents in the country. Poor and non-poor households are distinguished by comparing per capita income with the value of the INE's total basic shopping basket, which includes food and other necessities. Source: Ongoing Household Survey (2007), INE.

² The number of children and adolescents living in extremely poor households divided by the total number of children and adolescents in the country. Extremely poor and non-poor households are distinguished by comparing per capita income with the value of the INE's total basic shopping basket, which includes food and other necessities. Source: Ongoing Household Survey (2007), INE.

³ The percentage of the all children of preschool age that are in early childhood education. Source: Ongoing Household Survey (2007), INE.

⁴ The number of deaths of children under one year of age divided by the number of live births in a given year, multiplied by 1000. Source: MSP.

⁵ The percentage of the population in the 12-14 age range that is enrolled in mandatory middle school education. Source: Ongoing Household Survey (2007), INE.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/08

Uruguay. Conditional Credit Line for Investment Projects (CCLIP) UR-X1005
Program to Support the National Childhood and Adolescence Strategy (ENIA)

The Board of Executive Directors

RESOLVES:

1. 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 agreement or agreements as may be necessary with the Eastern Republic of Uruguay, to establish a Conditional Credit Line (CCLIP) for a program to support the National Childhood and Adolescence Strategy (ENIA), hereinafter referred to as the "Credit Line", of up to the sum of US\$200,000,000, chargeable to the resources of the Single Currency Facility of the Ordinary Capital of the Bank.
2. That the establishment and utilization of the Credit Line shall be carried out in accordance with: (a) the objectives and regulations of the Conditional Credit Line for Investment Projects established by Resolution DE-58/03 of July 16, 2003 and amended by Resolutions DE-10/07 of January 31, 2007, and DE-164/07 of December 19, 2007; and (b) the specific provisions set forth in documents GN-2246-4 and GN-2246-7.
3. That the approval of individual operations chargeable to the Credit Line shall be subject to, with the exception of the first of such operations, the satisfactory performance of the previous program or programs financed under the Credit Line.
4. That the amounts authorized to finance individual operations chargeable to the Credit Line shall be granted as individual loans subject to the usual financial terms and conditions applicable to financing from the resources of the Single Currency Facility of the Bank's Ordinary Capital, in force at the time that the individual operation is approved, which shall be specified in the project summary of the corresponding loan proposal.
5. That the Bank may only sign an agreement or agreements with the Eastern Republic of Uruguay to grant financing for the first individual operation after the Credit Line agreement or agreements between the Eastern Republic of Uruguay and the Bank enter into force.